



PHINIA Inc.
Board of Directors
Audit Committee Charter

Purpose

The Audit Committee (the “**Committee**”) of **PHINIA** Inc. (the “**Company**”) is appointed by the Board of Directors (the “**Board**”) to assist the Board with its responsibilities relating to: (i) overseeing (A) the integrity of the Company’s financial statements, (B) the internal control over financial reporting of the Company, (C) the qualifications, independence, and performance of the Company’s independent registered public accounting firm (the “**Independent Auditor**”), (D) the performance of the Company’s internal audit function (“**Internal Audit**”) and internal auditors (the “**Internal Auditors**”), (E) compliance by the Company with legal and regulatory requirements, and (F) the Company’s risk management and ethics and compliance programs, and (ii) preparing the Audit Committee Report required by the rules of the Securities and Exchange Commission (the “**SEC**”) to be included in the Company’s annual proxy statement.

The Company’s management is responsible for preparing the Company’s financial statements and the Independent Auditor is 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 Auditor.

Membership

The Committee will consist of at least three directors who are free of any relationship that, in the opinion of the Board, would interfere with their individual exercise of independent judgment as a Committee member and who meet the independence requirements of the New York Stock Exchange, other applicable independence requirements, as determined by the Board, and applicable regulations of the SEC.

Each member of the Committee must be “financially literate,” as such qualification is interpreted by the Board in its business judgment, or must become financially literate within a reasonable period of time after their appointment to the Committee. At least one member of the Committee must be “an audit committee financial expert,” (as defined by the SEC and determined by the Board in its business judgment. No member of the Committee may simultaneously serve on the audit committees of more than three public companies, including the Company.

The Chair and members of the Committee will be appointed and replaced by a majority vote of the Board, based on the recommendation of the Corporate Governance Committee. The Chair of the Committee will, in consultation with the other members of the Committee and the appropriate officers of the Company, be responsible for calling and conducting meetings of the Committee and establishing the agenda for the meetings.



Responsibilities and Duties

The Committee will:

1. Be directly responsible for the appointment, compensation, retention, 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 performing other audit, review, or attest services for the Company. The Independent Auditor will 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 the Independent Auditor, in accordance with the Pre-Approval Policy adopted by the Committee.
3. Discuss and consider the independence of the Independent Auditor, including the Independent Auditor's 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 Auditor 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 Auditor.
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.
7. Review with the Independent Auditor, Internal Audit, 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, including major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies; 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. Assure the regular rotation of the lead audit partner having primary



responsibility for the Company's audit, the audit partner responsible for reviewing the audit, and any other audit partners or other professionals, as required by law, and consider whether, in order to assure continuing Independent Auditor independence, there should be regular rotation of the Independent Auditor itself.

9. Obtain and review a report from the Independent Auditor at least annually regarding (i) the Independent Auditor'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 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 Independent Auditor and the Company for purposes of assessing the Independent Auditor's independence. Evaluate the qualifications, performance, and independence of the Independent Auditor, including a review and evaluation of the lead audit partner, taking into account the opinions of management and the Internal Auditors and 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. The Committee will present its conclusions with respect to the Independent Auditor to the Board.
10. Review and discuss the Company's annual audited financial statements and quarterly financial statements (including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations) 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) Analyses prepared by management and/or the Independent 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 on the financial statements 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) The effect of new legal, regulatory, and accounting initiatives on the Company's financial statements.
 - d) 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 SEC, 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. Review and 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 the investing public, analysts, and rating agencies. Such review and 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 Chief Executive Officer and Chief Financial Officer during their certification process for the Company's Annual Report on Form 10-K and Quarterly Reports on 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 the Internal Auditors.
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 engage independent legal counsel or other experts or advisors for this or any other purpose if, in its judgment, such retention is appropriate and necessary to carry out its duties.
17. 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 Company employees of concerns regarding questionable accounting or auditing matters. Review a summary of complaints, significant complaints, and all complaints regarding accounting matters.
18. 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.
19. Discuss with management the Company's policies with respect to risk assessment and risk management, including as it relates to the Company's major strategic, operational, commercial, financial, legal, health and safety, and ethics and compliance risk exposures and the steps management has taken to monitor and control such exposures.
20. Review and discuss with management the Company's cybersecurity risks, including the strategies and processes used to assess, identify, manage, and mitigate risks from cybersecurity threats and emerging developments and trends.
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 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 for a director or Chief Executive Officer, Chief Financial Officer, Treasurer or Controller and report its findings and recommendations to the full Board.
23. Report regularly to the Board (including reviewing 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 independence of the Independent Auditor, or the



performance of Internal Audit), and perform other such duties and responsibilities that are consistent with the purpose of the Committee and as the Board or the Committee shall deem appropriate.

24. Review and evaluate the adequacy of this Charter at least annually and recommend any proposed changes to the Board for approval.
25. Annually evaluate the Committee's own performance.

Committee Meetings

The Committee will meet as often as it determines necessary, but not less frequently than quarterly. Attendance by one third of the members of the Committee, but not less than two members, will constitute a quorum, and all matters will be determined by a majority vote of the Committee members present at a meeting.

The Committee will meet periodically with management, the Internal Auditors, and the Independent Auditor in separate executive sessions. These meetings will include the Independent Auditor's evaluation of the Company's financial, accounting, and auditing personnel and an assessment of the cooperation the Independent Auditor received during the review. The Committee may request any officer or employee of the Company or the Company's independent legal counsel, other third parties, 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 will be kept in accordance with the Company's Amended and Restated By-Laws.

Committee Authority

The Committee will establish and maintain free and open communication between the directors, the Independent Auditor, 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 will 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 (i) reasonable compensation to any independent legal counsel or any other advisers retained by the Committee, (ii) reasonable compensation to the Independent Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for the Company, and (iii) ordinary administrative expenses that are necessary or appropriate to the Committee in carrying out its duties.



Committee Procedures

The Chair of the Committee will 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 will 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) or Company officers, when appropriate, consistent with applicable laws, regulations, and listing standards, including the authority to grant pre-approvals of audit and permitted non-audit services. Any decisions of any such subcommittee to grant pre-approvals will be presented to the full Committee at its next scheduled meeting.

Last Updated: August 1, 2024