

## **DONALDSON COMPANY, INC. AUDIT COMMITTEE CHARTER**

### **Purpose**

The Audit Committee will assist the Board of Directors in fulfilling its oversight of:

1. the integrity of the Company's financial statements,
2. the Company's compliance with legal and regulatory requirements,
3. the independent auditor's qualifications and independence, and
4. the performance of the Company's internal audit function and independent auditors; and will prepare the report that Securities and Exchange Commission ("SEC") rules require be included in the Company's annual proxy statement.

The Committee also will carry out its duties and responsibilities to retain and terminate the Company's independent auditors and to conduct an annual performance evaluation of the Audit Committee.

While the Audit Committee has the oversight responsibilities and powers set forth in this charter, the Committee does not itself prepare financial statements or perform audits, and its members are not auditors or certifiers of the Company's financial statements. This is the responsibility of management and the Company's independent auditor.

### **Organization**

The Committee will be organized consistent with the following significant parameters:

Size of the Committee: The Committee will have no less than three members.

Qualifications: Committee members must be non-employee Directors who meet the independence and experience requirements of the SEC, the New York Stock Exchange (the "NYSE"), and any other applicable requirements that the Board deems appropriate. No Director may serve as a member of the Committee if such Director serves on the Audit Committee of more than two other public companies, unless the Board determines that such simultaneous service would not impair the ability of such Director to effectively serve on the Committee.

Appointment of Members and Chairperson: Each Committee member and the Committee Chairperson will be recommended by the Corporate Governance Committee and shall be elected by vote of the Board of Directors to serve a term of one year. Committee members and the Committee Chairperson may serve successive one-year terms without limitation. At least one member of the Committee will be designated by the Board to be the "Audit Committee financial expert," as defined by applicable SEC rules.

## **Meetings**

The Committee shall meet not less than four times annually. Additional meetings may be held, or actions may be taken by unanimous written consent, as deemed necessary or appropriate by the Committee Chairperson or any other member of the Committee.

A majority of the members of the Committee present in person or by means of a conference telephone call or other permitted communications equipment shall constitute a quorum.

## **Oversight**

The Committee or its assigned member(s) shall:

### Internal Controls and Disclosure Controls:

1. Review the appointment, performance, and replacement of the Internal Audit Director.
2. Review and approve the internal audit plan and periodically review progress against the plan, significant audit issues and the status of management's corrective actions.
3. Review and discuss with management, the independent auditor and internal audit the adequacy and effectiveness of the Company's internal controls, including any significant deficiencies and material weaknesses, and significant changes in internal controls.
4. Review the Company's disclosure controls and procedures for its filings with the SEC.

### Financial Reporting:

1. Review major issues regarding accounting principles and financial statement presentations, including any significant change in the Company's selection or application of accounting principles.
2. Review analyses prepared by management and/or the independent auditor setting forth the Company's Critical Accounting Policies and estimates, and 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. Review all other material written communications between the independent auditor and management, such as any management letter or any schedule of unadjusted differences.
3. Review the effect on the financial statements of regulatory and accounting initiatives and off-balance sheet structures.
4. Review the annual financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with management and the independent auditors prior to the filing or release of such financial statements, including confirmation that the Committee:

- (i) discussed with the independent auditors the matters requiring discussion under the applicable Auditing Standards for communications with the Audit Committee, and
- (ii) received the written report from the independent auditors required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent auditor's communications with the Committee concerning independence.

Based on these reviews and discussions, recommend to the Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K filed with the SEC.

5. Review and approve the process for reviewing and discussing with management and the independent auditors the quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," either through the Committee as a whole or through the Committee Chairperson.
6. Discuss with management the Company's earnings press releases and financial information and earnings guidance provided through public disclosures under the NYSE requirements and applicable law.
7. Present its conclusions with respect to the above matters, as well as its review of the lead partner of the independent auditors, and its views on whether there should be a regular rotation of the independent auditors, to the Board.
8. Prepare the Committee's report for inclusion in the Company's annual proxy statement.

#### Risk Management:

1. Review the Company's strategies, processes, and controls with respect to risk assessment and risk management, including data privacy and security, and assist the Board in its oversight of risk management.

#### Compliance with Laws, Regulations, and Company Policies:

1. Review the Company's compliance system (including, but not limited to, a code of ethics for senior financial Officers).
2. Review procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters, and the confidential, anonymous submissions by employees of concerns regarding questionable accounting or auditing matters.
3. Review the Committee's charter annually and recommend any changes to the Board of Directors for approval.

4. Determine that the Committee members are independent as required by the “Qualifications” section of this charter.

Relationship with Independent Auditor:

1. Select and evaluate the independent auditor, approve all audit engagement terms and fees to be paid to such firm, and terminate such firm if circumstances warrant; the independent auditor shall be accountable to and report to the Committee.
2. Evaluate the independent auditor’s qualifications, performance (including the performance of the lead partner), and independence on an ongoing basis, but no less frequently than once per year.
3. Review and approve the scope of the external audit to be performed each fiscal year.
4. Set policies and procedures for, and, as appropriate, approve the engagement of, the independent auditor for any non-audit service (to the extent such service is not prohibited) and the fee for such service, and consider whether the independent auditor’s performance of any non-audit services is compatible with its independence.
5. Review with the independent auditor any audit problems or difficulties the independent auditor may have encountered in the course of the audit work and any management letter provided by the independent auditor, and management’s response (including any restrictions on the scope of the independent auditor’s activities or on access to requested information and any significant disagreements with management).
6. Resolve all disagreements between the independent auditors and management regarding financial reporting.
7. At least annually, obtain and review a report by the independent auditor describing:
  - the independent auditor’s internal quality-control procedures;
  - any material issues raised by the most recent internal quality-control review, or peer review, of the independent auditor’s 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 such issues; and
  - (to assess the auditor’s independence) all relationships between the independent auditor and the Company.
8. Set clear hiring policies for employees or former employees of the independent auditor.

### Other Responsibilities

1. Meet separately, periodically, with management, with the internal auditors, and with the independent auditor in executive sessions.
2. Conduct an annual performance evaluation of the Committee.
3. As appropriate, obtain advice and assistance from outside legal, accounting or other advisors. In this regard, the Committee will have authority to:
  - conduct or authorize investigations into any matters within its scope of responsibilities;
  - engage outside auditors for special audits, reviews, and other procedures;
  - retain special counsel and other experts and consultants to advise the Committee and meet with any representative of the Company; and
  - approve the fees and other retention terms for such parties.
4. Report regularly to the full Board of Directors regarding the significant items of discussion at each Committee meeting.