

**CHARTER OF THE AUDIT COMMITTEE  
OF THE BOARD OF DIRECTORS  
OF KIMBALL ELECTRONICS, INC.**

**I. PURPOSE**

The Audit Committee (“Committee”) assists the Board of Directors in providing independent and objective oversight of:

- (i) the quality and integrity of Kimball Electronics, Inc’s (the “Company”) financial statements and disclosures;
- (ii) the Company’s financial reporting process, including management’s internal accounting, financial and disclosure controls;
- (iii) the Company’s compliance with legal and regulatory requirements related to the Company’s accounting and financial reporting and the audit of the Company’s financial statements;
- (iv) the qualifications, performance, and independence of the Company’s independent registered auditors (the “independent auditors”);
- (v) the design and performance of the Company’s internal audit function; and
- (vi) the identification and management of enterprise risk facing the Company, including cybersecurity, data privacy, and financial reporting.

The Committee, in carrying out its role, relies on senior management, including senior financial management, for the preparation and accuracy of the Company’s financial statements; both management and the internal audit function for establishing effective internal controls and procedures to ensure the Company’s compliance with applicable standards, procedures, laws, and regulations; the independent auditors for an unbiased, diligent audit of the Company’s financial statements and the effectiveness of the Company’s internal controls, and other parties as the Audit Committee deems appropriate. The Committee members are not Company employees and are not responsible for conducting audits or performing other accounting procedures.

**II. DUTIES AND RESPONSIBILITIES**

The Committee will perform activities consistent with this Charter, the Corporation’s Bylaws, governing laws and regulations, the listing standards of any applicable national securities exchange, and other requirements applicable to the Corporation as the Committee or the Board deem necessary. The Committee will conduct a self-assessment of its performance annually. The Committee may also carry out any additional duties delegated to it by the Board.

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined by and consistent with this Charter. 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 appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall discharge its responsibilities, and shall assess the information provided to it by the Company's management and others, in accordance with its business judgment.

#### Oversight of Financial Reporting Process and Financial Statements

- Review and discuss with management, the internal audit function, and the independent auditors prior to filing with the SEC the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, including the financial statements and disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained therein, earnings press releases and earnings, including, without limitation, the use of pro forma, adjusted, or other non-GAAP financial measures.
- Review and discuss with the Company's independent auditors, the internal audit function, and management the Company's annual audited financial statements (including the related notes) and the form of audit opinion to be issued by the auditors on the financial statements before the Form 10-K is filed.
- Review and report regularly to the Board any significant issues regarding accounting principles and financial statement presentation as presented by management, the internal audit function, and/or the independent auditors. This includes any changes in the selection or application of accounting principles and the effects of regulatory or accounting standard initiatives on the financial statements, including the effects of any alternative GAAP methods.
- Review on a quarterly basis (i) the adequacy of the Company's system of internal control over financial reporting, including meeting periodically with the Company's management, the head of the Company's internal audit function and independent auditors to review the adequacy and effectiveness of such controls (including any significant deficiencies or material weaknesses); (ii) any material changes to accounting or financial management processes, controls and procedures; (iii) the adequacy and effectiveness of the Company's disclosure controls and procedures; (iv) any special audit steps adopted in light of any material control deficiencies; and (v) any fraud involving management or other employees with a significant role in such internal controls OR processes, controls and procedures.

- Provide a report for the annual proxy statement that includes the Committee’s review and recommendation to the Board whether the annual audited financial statements of the Company should be included in the Company’s Annual Report on Form 10-K.
- Oversee the policies and procedures governing transactions with affiliates and related parties, including the Company’s processes to identify transactions; review, approve, and oversee all “related person transactions” (as defined in Item 404 of Regulation S-K) and any other potential conflict of interest situations on an ongoing basis in accordance with Company policies and procedures; provide oversight of potential conflict of interest situations on an ongoing basis; keep the Company’s independent auditors informed of the Committee’s understanding of such significant relationships and transactions; and review and discuss with the Company’s independent auditors the auditors’ evaluation of the Company’s identification of, accounting for, and disclosure of such relationships and transactions.

#### Appointment, Retention and Oversight of Independent Auditors

- Appoint, retain, oversee the work done by, and, if necessary, replace the independent auditors or any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attestation services for the Company. The independent auditors shall report directly to the Audit Committee.
- Perform an annual review of the proposed scope, risk assessment and general extent of the independent auditors’ plan, including the engagement letter. The Committee Chair shall be authorized to sign the engagement letter on behalf of the Committee.
- Provide an open avenue of communication between the independent auditors, financial management, the internal audit group and the Board of Directors.
- Review and discuss with the Company's independent auditors (1) all critical accounting policies and practices; (2) all alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, the ramifications of the use of such alternative treatments and the treatment preferred by the auditors; and (3) other material written communications between the auditors and management.
- Review and discuss with the Company's independent auditors and management (1) any audit problems or difficulties, including difficulties encountered by the Company's independent auditors during their audit work (such as restrictions on the scope of their

activities or their access to information), (2) any significant disagreements with management and (3) management's response to these problems, difficulties or disagreements; and to resolve any disagreements between the Company's auditors and management.

- Review and discuss with the Company's independent auditors any other matters required to be discussed by PCAOB Auditing Standards No. 1301, "Communications with Audit Committees" (or any successor statements or standards), as amended or supplemented, and other applicable requirements of the PCAOB and the SEC.
- On an annual basis, ensure the receipt of a written statement from the independent audit firm delineating all relationships between the firm and the Company, and a letter confirming that in the firm's judgment, it is independent of the Company. The Audit Committee will actively engage in a dialogue with the independent audit firm with respect to any disclosed relationships or services which may impact the objectivity and independence of the firm. Based upon the information received from and discussions conducted with the independent audit firm, the Audit Committee will make a resolution that the firm is independent or, if necessary, take appropriate action to ensure the independence of the firm.
- Annually review the independent audit firm's internal quality control procedures and related material issues resulting from the most recent internal quality control review, peer review or Public Company Accounting Oversight Board review or inspection of the firm or by any other inquiry or investigation by governmental or professional authorities in the past five years regarding one or more audits carried out by the firm and any steps taken to deal with any such issues.
- At least annually, to evaluate the qualifications, performance, and independence of the Company's independent auditors, including an evaluation of the lead audit partner; and to assure the regular rotation of the lead audit partner at the Company's independent auditors and consider regular rotation of the accounting firm serving as the Company's independent auditors.
- Review the Company's hiring practice for employees and former employees of the independent auditors to ensure adherence to independence requirements.
- Review and approve all fees and other compensation to be paid to the independent audit firm for all audit and permitted non-audit and tax services. The Audit Committee may delegate to one or more designated members of the Committee the authority to pre-approve

audit and permissible non-audit services, provided such pre-approval decision is presented to the full Audit Committee at its scheduled meetings.

#### Oversight of the Internal Audit Function

- Oversee the internal audit function, including reviewing with management and the head of the internal audit function (i) the internal audit risk assessment, (ii) the scope of the resulting internal audit plan, (iii) progress against the plan throughout the year and (iv) any significant changes required in the scope of the plan.
- Review and discuss significant audit findings during the year, including the status of previous internal audit recommendations and management's responses.
- Review the performance, responsibilities, budget and staffing of the internal audit department. The Committee shall also review and approve the appointment, reassignment or dismissal of the director of the Company's internal audit function.

#### Compliance with Laws, Regulations and Ethical Standards

- Review, in conjunction with counsel, any legal, regulatory, or compliance investigations or matters that could have a significant effect on the Company's financial statements.
- Establish procedures for, and monitor, the receipt, retention, investigation and resolution of complaints received through the whistleblower reporting program regarding accounting, internal accounting controls, or auditing matters. Ensure that concerns raised by employees or others regarding accounting or auditing matters are treated confidentially and anonymously. The Committee shall ensure that the appropriate measures are taken to correct such matters and shall inform the Board and have the complainant informed, if feasible, of such corrective actions.
- Review and discuss with management and internal audit the Company's procedures and policies designed to ensure that the Company's books, records, accounts and internal accounting controls are established and maintained in compliance with the Foreign Corrupt Practices Act of 1977.

#### Risk Management

- Review and discuss with management and internal audit the Company's material financial and operational risk exposures at the enterprise level and the steps management has taken to assess, monitor, and control such exposures.

- Review and discuss the effectiveness of the Company’s governance and management of information technology risks, including those relating to business continuity and cybersecurity.

#### Additional Responsibilities

- Review and reassess the adequacy of the Audit Committee Charter at least annually or as conditions dictate and recommend any proposed changes to the Board for approval.
- The Committee shall perform any other activities required by applicable law, rules or regulations and perform other activities that are consistent with this charter, the Company’s Corporate Governance Principles, as the Committee or the Board deems necessary or appropriate.

### **III. DELEGATION OF AUTHORITY**

The Committee may create a subcommittee consisting of one or more directors on the Committee and may delegate any of its duties and responsibilities to such subcommittee, unless otherwise prohibited by applicable laws or listing rules.

The Committee may delegate any of its duties and responsibilities to one or more directors on the Committee, another director, or other persons to include the Company’s executive officers (within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended), unless otherwise prohibited by applicable laws or listing rules.

Any subcommittee, director or other person will provide a written or oral report to the Committee regarding any activities undertaken pursuant to such delegation.

The Committee may terminate any such subcommittee and revoke any such delegation at any time.

### **IV. OUTSIDE ADVISORS**

The Committee shall have the authority, in its sole discretion, to select, retain, or obtain the advice of any consultant, independent legal counsel, executive/director search firm, or other advisor (“Advisor”) to assist the Committee in the performance of its duties. The Committee is directly responsible for the appointment, compensation, and oversight of the work of any such Advisor that the Committee retains. The Committee shall work with the Company to provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to such Advisors.

The Committee shall not be required to implement or act consistently with the advice or recommendations of its Advisors, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.

The Committee shall assess the independence of and determine if any conflicts of interest exist with any Advisors retained by, or providing advice to, the Committee (other than the Company's in-house counsel) prior to selecting or receiving advice from them. The Committee shall consider the factors specified in governing laws and regulations, and the listing standards of any applicable national securities exchange. The Committee shall periodically review whether an Advisor has relationships with the Company or individual directors that would present a conflict of interest, and whether each such Advisor has controls and procedures in place to prevent conflicts of interest. The Committee is not required to assess the independence of any Advisor that provides information that is not customized for a particular company or that is customized based on parameters that are not developed by the Advisor, and about which the Advisor does not provide advice.

## V. STRUCTURE AND OPERATIONS

The Committee will normally meet quarterly, or more frequently as circumstances dictate. The Committee shall report regularly to the Board regarding its activities and make recommendations to the Board as appropriate. The Committee shall be governed by the same rules regarding meetings (including meetings in person or by video conference, telephone or other similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as are applicable to the Board. Minutes shall be kept of each meeting of the Committee. The Company's Corporate Secretary, or a designee, shall take the minutes of these meetings. The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.

## VI. COMPOSITION

The Committee shall be comprised of at least three directors appointed by the Board, each of whom shall serve at the pleasure of the Board. The Board will designate a member of the Committee as chairperson. Each member of the Committee shall be an Independent Director. "***Independent Director***" means the Committee member is a "Non-Employee Director" as defined in Rule 16b-3 under the Securities Exchange Act of 1934, as amended, and otherwise meets all independence requirements imposed by federal and state securities or tax laws, or any rules, regulations, or listing standard of any applicable national securities exchange or the SEC. No member of the Committee can have participated in the preparation of the Company's or any of its subsidiaries' financial statements at any time during the past three years.

Each member of the Committee must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement. At least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting or other comparable experience or background that leads to financial sophistication. At least one member of the Committee must be an "audit committee financial expert" as defined in Item 407(d)(5)(ii) of Regulation S-K. A person who satisfies this definition of audit committee financial expert will also be presumed to have accounting or related financial management expertise.

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