

# **Kimball International, Inc.**

## **Audit Committee of the Board of Directors Charter**

(As amended and restated on April 26, 2021; approved by the Board of Directors on April 27, 2021)

### **Purpose**

The purpose of the Audit Committee is to assist the Board of Directors (the “Board”) of Kimball International, Inc. in oversight of the:

1. Integrity of the financial statements, the accounting and financial reporting processes, and financial statement audits;
2. Independent registered public accounting firm’s qualifications and independence;
3. Performance of Kimball International’s internal audit function and independent registered public accounting firm;
4. Compliance by Kimball International with legal and regulatory requirements;
5. Kimball International’s cybersecurity policies, procedures and practices; and
6. Kimball International’s systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the company.

The Audit Committee is responsible for preparing disclosures required by the Securities and Exchange Commission (the “SEC”) regulation S-K Item 407(d)(3)(i) relating to the Audit Committee report to be included in the annual proxy statement.

To carry out its duties, the Audit Committee has the authority to engage independent advisors to advise the committee as it determines necessary and seek any information required from employees, officers, and directors. The Audit Committee has the authority to conduct investigations into any matters within its scope of responsibility. Kimball International is responsible for providing the funding that the Audit Committee determines appropriate to carry out its duties and responsibilities.

The Audit Committee should encourage continuous improvement of, and should foster adherence to, the company’s policies, procedures, and practices. The Audit Committee should also provide an open avenue of communication among Kimball International’s independent registered public accounting firm, financial and senior management, the internal audit group, and the Board. Each Audit Committee member will maintain an understanding of the requirements of membership which are necessary to meet and fulfill Audit Committee responsibilities.

### **Committee Membership**

The Audit Committee shall consist of at least three directors as determined by the Board, each of whom shall meet the independence and experience requirements of the New York Stock Exchange, Rule 10A-3(b)(1) of the Securities Exchange Act (the “Exchange Act”) and the rules and regulations of the Securities and Exchange Commission (the “SEC”).

All Audit Committee members shall be able to read and understand fundamental financial statements, in accordance with the requirements of the Nasdaq Rules. At least one member of the Audit Committee shall be an “Audit Committee financial expert” as defined by the SEC.

To help meet these requirements, the Audit Committee will provide its members with annual continuing education opportunities in financial reporting and other areas relevant to the Audit Committee.

If a director simultaneously serves on multiple public company audit committees, the Board must determine such service will not impair the ability of such member to effectively serve on the Audit Committee.

The members of the Audit Committee shall be appointed by the Board at the annual organizational meeting of the Board or at such other time as the Board deems appropriate. The Board shall designate one member of the Audit Committee as the Chair of the Committee.

## **Meetings**

The Audit Committee shall hold at least three meetings each year and additional quarterly meetings, as needed, to discuss the results of Kimball International's independent registered public accounting firm's review of the quarterly financial statement and to review, prior to issuance or filing, the earnings press release and the periodic report to be filed with the SEC for the applicable period. The Audit Committee Chair will approve the agenda for the Committee's meetings and any member may suggest items for consideration. Briefing materials will be provided to the Audit Committee as far in advance of meetings as practicable. Attendance by the Audit Committee Chair, or his designee, shall constitute a quorum for the transaction of business.

As part of its responsibility to foster open communication, the Audit Committee shall meet periodically in separate executive sessions with management, the internal auditors and the independent registered public accounting firm and have such other direct and independent interaction with such persons from time to time as the members of the Audit Committee deem appropriate.

Audit Committee decisions can be approved by unanimous written consent from all the members.

## **Audit Committee Processes**

The following functions shall be the common recurring activities of the Audit Committee in performing its oversight function.

### Review of Charter

Review and reassess the adequacy of the Audit Committee Charter at least annually or as conditions dictate and recommend any changes to the Board for approval.

Complete a bi-annual Audit Committee assessment as part of the overall Board evaluation process.

Perform any other activities consistent with this Charter, the Company's Bylaws, and governing laws that the Board or Audit Committee determines are necessary or appropriate.

### Staffing/Independence of Auditors

Review and advise on the selection and removal of the internal audit director.

Annually, review and recommend changes(if any) to the internal audit charter.

Review activities, organizational structure, and qualifications of the internal audit group. The Audit Committee also ensures that the internal audit function remains independent when performing audit engagements.

Select, retain, evaluate, compensate, and, where appropriate, terminate the independent registered public accounting firm. The Audit Committee shall be directly responsible for the appointment and oversight of the work of the independent registered public accounting firm, including resolution of disagreements between management and the independent registered public accounting firm regarding financial reporting, as required by Rule 10A-3 of the Exchange Act. The independent registered public accounting firm shall report directly to the Audit Committee.

On an annual basis, obtain and review a report by the independent registered public accounting firm describing the firm's internal quality control procedures, any material issues raised by the most recent internal quality-control review, peer review, or review by the Public Company Accounting Oversight Board of the independent registered public accounting firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, representing one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and any other required reports from the independent registered public accounting firm.

On an annual basis, ensure the receipt of a written statement from the independent registered public accounting firm delineating all relationships between the firm and Kimball International, and a letter confirming that in the firm's judgment, it is independent of Kimball International. The Audit Committee will actively engage in a dialogue with the independent registered public accounting 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 registered public accounting firm, the Audit Committee shall present its conclusions to the Board and, if necessary, shall take, or shall recommend that the full Board take, appropriate action to oversee the independence of the independent registered public accounting firm.

Set policies, consistent with governing laws and regulations, for hiring personnel of the independent auditor.

Approve all services and fees and other compensation to be paid to the independent registered public accounting firm. Any audit or permissible non-audit services by the independent registered public accounting firm, subject to the de minimis exception for non-audit services described in Section 10A(i)1(B) of the Securities and Exchange Act of 1934 are to be approved by the Audit Committee in advance of the services being performed. Under the pre-approval process established by the Audit Committee and disclosed in Kimball International's public filings, the Chairperson of the Audit Committee may be delegated the authority to pre-approve audit and permissible non-audit services for any potential services that arise between Audit Committee meetings, provided that such pre-approvals are reported to the Audit Committee at its next regularly scheduled meeting, or sooner as appropriate.

#### Planning of the Audit

Provide an open avenue of communication with the independent registered public accounting firm, including discussion of items required to be communicated by auditing standards.

Review, at least annually, the independent registered public accounting firm's and internal audit group's business and financial risk assessments and resulting audit plans, including the adequacy of staffing and budget.

#### Audit Process

Review the effectiveness of the internal audit activity, including conformance with the Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing.

Review significant changes, if any, in the execution of the independent registered public accounting firm and internal audit's previously reviewed audit plans.

Review significant changes to Kimball International's accounting principles and practices as suggested by financial management, the independent registered public accounting firm, or the internal audit group.

Consider the independent registered public accounting firm's judgments about the preferability and level of appropriateness of Kimball International's accounting principles as applied in its financial reporting.

As a part of the regularly scheduled meetings, the Audit Committee members will meet at least two times annually in separate executive sessions.

Provide oversight of, and review at least annually, Kimball International's risk management policies surrounding cybersecurity, reporting and compliance.

Receive, review and retain concerns regarding questionable accounting, internal accounting controls, or auditing matters received by Kimball International or that were submitted confidentially and anonymously by Kimball International employees.

Discuss with management and the independent registered public accounting firm any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding Kimball International's consolidated financial statements or accounting policies.

Discuss with management and, if applicable, Kimball International's legal counsel, any legal matters that may have a material impact on Kimball International's financial statements or compliance policies.

Following completion of the annual audit, review separately with each of financial management, the independent registered public accounting firm and internal audit group the results of the audit and any significant difficulties encountered during the audit, including any restrictions on the scope of work or access to required information.

#### Reporting of Audit Results

Review the reports prepared by the independent registered public accounting firm and/or the internal audit group summarizing significant deficiencies and material weaknesses, including management's response to those weaknesses.

Review internal control reports (or summaries thereof), other relevant reports or financial statements submitted by the Company to any governmental body or the public.

Review and discuss with management, the internal audit group and the independent registered public accounting firm the design, implementation, maintenance and quality of Kimball International's accounting, financial and other internal controls and procedures, including their assessment of the adequacy of such controls.

Receive and review any disclosure from the company's CEO and CFO made in connection with the certification of the company's quarterly and annual reports filed with the SEC of: a) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the company's ability to record, process, summarize, and report financial data; and b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls.

Review and discuss with management and the independent registered public accounting firm, Kimball International's quarterly earnings releases, financial information, and earnings guidance prior to public dissemination.

Review and discuss with management and the independent registered public accounting firm Kimball International's quarterly consolidated financial statements, including disclosures made in management's discussion and analysis, and the independent registered public accounting firm's review of Kimball International's quarterly consolidated financial statements, all prior to the filing of Kimball International's Form 10-Q for such period.

Review and discuss the audited financial statements with management and the independent registered public accounting firm, including disclosures made in management's discussion and analysis, all prior to the filing of Kimball International's Form 10-K for such period.

Discuss with the independent registered public accounting firm matters required to be discussed by the Public Company Accounting Oversight Board auditing standards including any difficulties encountered in the conduct of the audit, any restrictions on the scope of activities or access to requested information, significant adjustments, significant unusual transactions, management judgments and critical accounting estimates, critical and/or significant accounting policies and practices, disagreements with management, as well as the auditor evaluation of the quality of Kimball International's financial reporting. As a part of this discussion, review with both Kimball International management and the independent registered public accounting firm (i) the selection, application and disclosure of critical accounting policies; and (ii) all alternative treatments within GAAP for policies and practices related to material items that have been discussed with management, including the ramifications of the use of such alternative treatments and disclosures and the treatment preferred by the independent registered public accounting firm.

Obtain from and review with the independent registered public accounting firm the following: schedule of corrected misstatements, schedule of unadjusted differences, management representation letters, reports on observations and recommendations on internal control, and engagement letter.

Review and discuss other matters as required by auditing standards.

Report activities including, any issues encountered and related recommendations to the full Board of Directors on a regular basis, and whether the Audit Committee recommends that the audited financial statements be included in the Annual Report on Form 10-K.

#### Other Responsibilities

Review, with management, the Company's finance function, including its budget, organization, and quality of personnel.

### **Limitation of Audit Committee's Role**

While the Audit Committee has the responsibilities and powers set forth in this charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that Kimball International's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent registered public accounting firm.