

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

**Mission Statement**

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 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 Securities and Exchange Commission, the New York Stock Exchange and applicable law.

**Frequency of Meetings:** The Committee will have no less than four regularly scheduled meetings each fiscal year. In addition, the Committee will meet at other times if deemed necessary to discharge completely its duties and responsibilities as outlined in this charter.

**Appointment of Members and Chairperson:** Each Committee member and the 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 Chairperson may serve successive one-year terms without limitation.

**Oversight**

***Internal Controls and Disclosure Controls:***

1. Review the appointment, performance and replacement of the senior internal audit executive.
2. Review the internal auditor's reports and findings on internal audit activities and the major issues as to the adequacy of the Company's internal controls.
3. Review the Company's disclosure controls and procedures for its filings with the Securities and Exchange Commission.

***Financial Reporting:***

1. Review the Company's policies with respect to risk assessment and risk management.

2. Review major issues regarding accounting principles and financial statement presentations, including any significant change in the Company's selection or application of accounting principles.
3. 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.
4. Review the effect on the financial statements of regulatory and accounting initiatives and off-balance sheet structures.
5. 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 external auditors the matters requiring discussion by Statement on Auditing Standards No. 61, and (ii) received the written report from the external auditors required by Independence Standards Board Statement No. 1. 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.
6. 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 Chairperson.

***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 the Committee's charter on an annual basis and recommend any proposed changes to the Board of Directors for approval.
3. Affirmatively determine that the Committee members are independent as required by the "Qualifications" section of this charter.

***Relationship with Independent Auditor:***

1. The Committee has the ultimate authority and responsibility to select and evaluate the independent auditor, approve all audit engagement terms and fees to be paid to such firm, and terminate such firm when circumstances warrant, and the independent auditor shall be accountable to and report to the Committee.
2. Evaluate the independent auditor's qualifications, performance 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. 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.

***Other Responsibilities:***

1. Set clear hiring policies for employees or former employees of the independent auditor.
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. Meet separately, periodically, with management, with internal auditors and with the independent auditor in executive sessions.
4. Discuss generally with management earnings press releases and financial information and earnings guidance provided through public disclosures under the New York Stock Exchange requirements and applicable law.
5. Prepare the Committee report for inclusion in the Company's annual proxy statement.
6. Conduct an annual performance evaluation of the Committee.
7. 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.
8. Report regularly to the full Board of Directors regarding the significant items of discussion at each Committee meeting.