

**VALVOLINE INC.**  
**AUDIT COMMITTEE CHARTER**

Effective September 22, 2016

**I. Purpose**

The Audit Committee (“Committee”) will assist the Valvoline Inc. (“Company”) Board of Directors (“Board”) in fulfilling its oversight responsibilities relating primarily to (a) the integrity of the Company’s financial statements and financial reporting process; (b) the integrity and effectiveness of the Company’s internal control over financial reporting; (c) the performance of the Company’s internal audit function and independent auditors; (d) the independent auditors’ qualifications and independence, and the audit of the Company’s financial statements and effectiveness of internal control over financial reporting; (e) the Company’s risk management policies and processes; (f) the Company’s financial affairs; and (g) legal and regulatory compliance requirements.

The Committee shall review and approve the report required by the rules of the Securities and Exchange Commission (“SEC”) to be included in the Company’s annual proxy statement. The Committee will maintain effective working relationships with and open communication between the Board, management and internal and independent auditors.

**II. Organization**

**A. Membership**

The Audit Committee will be composed of three or more directors, as determined by the Board. The Board elects the members of the Committee upon the recommendation of the Governance and Nominating Committee at the annual organization meeting of the Board for terms of one year, or until their successors are duly elected and qualified. Members shall serve at the pleasure of the Board. Unless a Chairman is elected by the full Board, the members may designate a Chairman by majority vote of the full membership of the Committee.

The Committee’s composition shall meet the independence and expertise requirements for audit committees imposed by the New York Stock Exchange (“NYSE”), Section 10A(m)(3) of the Securities Exchange Act of 1934, as amended, and any applicable rules or regulations of the SEC, in each case as in effect from time to time. At least one member of the Committee shall be an “audit committee financial expert,” as defined by the SEC.

A director may not serve as a member of the Committee if he or she serves on the audit committees of more than two other public companies unless the Board determines that such simultaneous service and time commitment would not impair the director’s ability to serve effectively on the Committee.

## B. Meetings

The Committee will have a minimum of four scheduled meetings each year coincident with regularly scheduled Board of Directors' meetings, plus additional meetings as circumstances require. A majority of the members of the Committee will constitute a quorum for the transaction of business. The Committee will keep minutes of its meetings, and will regularly report to the Board on its activities, making recommendations as appropriate.

## III. Responsibilities and Authorities

The Committee will carry out its oversight responsibilities through a variety of processes. It is management's responsibility to prepare the Company's financial statements and to develop and maintain adequate systems of internal accounting and financial controls, and it is the internal and independent auditors' responsibility to review, and, when appropriate, audit those financial statements and internal control systems. In carrying out its oversight responsibilities, the Committee shall rely on the Company's management and the internal and independent auditors. The Committee cannot provide any expert or special assurances as to the Company's financial statements or internal controls or any professional certification as to the independent auditors' work.

In undertaking its oversight responsibilities, the Committee will take appropriate actions to set the overall corporate tone for quality financial reporting, sound internal accounting and financial controls and compliance with laws and regulations. In discharging its oversight role, the Committee may, as appropriate and necessary, institute special investigations, including hiring experts to assist as needed. The following are the primary recurring processes that will be utilized by the Committee in carrying out its oversight responsibilities. The Committee will supplement these recurring processes as appropriate for changing circumstances.

1. **Accounting and Financial Controls:** The Committee will review with management, the independent auditors and the Chief Audit Executive the effectiveness of the accounting and financial controls, including the Company's systems to monitor and manage business risk. The Committee will meet with the internal and independent auditors, with and without management present, to discuss the results of their examinations.

2. **Compliance Program:** The Committee will review the effectiveness of the Company's compliance program, and will evaluate whether management is setting the appropriate "tone at the top" with respect to business ethics and compliance with law by communicating the importance of the Company's code of business conduct and acceptable business practices.

3. **Independence of Outside Auditors:** The Committee will have a clear understanding with management and the independent auditors that the independent auditors are directly accountable to the Committee, as representatives of the Company's shareholders. The Committee has the authority and responsibility to select, compensate, evaluate and, where appropriate, terminate and replace the independent auditors, and the independent auditors shall be directly accountable to the Committee. Annually, the Committee will review and present to

the Board the selection of the Company's independent auditors, subject to shareholder ratification. The Committee will discuss the auditors' independence from management and the Company and the matters included in the written disclosures required by the Public Company Accounting Oversight Board ("PCAOB").

4. **Internal Audit:** The Committee will review with management and authorize any appointment, replacement, reassignment or dismissal of the Chief Audit Executive. The Chief Audit Executive reports functionally to the chair of the Committee and the Committee will review annually internal audit's charter, independence, budget, staffing and performance. The Committee will also review any adverse audit reports and management's responses to issues raised in these reports. The Committee will review the audit plan and obtain periodic updates on the status of the plan. The Committee will ensure there are no unjustified restrictions or limitations on the activities of the internal auditing department.

5. **Audit Scope:** The Committee will discuss with the Chief Audit Executive and the independent auditors the overall scope and plans for their respective audits, including the adequacy of resources to be applied.

6. **Reporting Procedures for Independent Auditors:** The Company's independent auditors shall report directly to the Committee.

7. **Pre-approval of Services Performed by Independent Auditors:** The Committee shall review and pre-approve, at least annually, (a) all auditing services and (b) all non-auditing services rendered to the Company by its independent auditors, in each case including all engagement fees and terms. The Committee shall not engage the independent auditors to perform non-audit services proscribed by law or regulation. The Committee may delegate preapproval authority to a member of the Committee. The decisions of any Committee member to whom pre-approval authority is delegated must be presented to the full Committee at its next scheduled meeting.

8. **Independent Auditors' Internal Quality-Control Procedures:** The Committee shall receive from the independent auditors, at least annually, a written report describing: (a) the independent auditors' internal quality-control procedures; (b) any material issues raised by the most recent internal quality-control review, or peer review, of the 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 any such issues; and (c) (to assess the independent auditors' independence) all relationships between the independent auditors and the Company.

9. **Evaluation of Independent Auditors:** After reviewing the foregoing report and the independent auditors' work, the Committee shall evaluate the independent auditors' qualifications, performance and independence, and shall present its conclusions with respect to the independent auditors to the Board.

10. **Hiring Policies:** The Committee shall establish clear hiring policies with respect to employees and former employees of the independent auditors in accordance with standards

imposed by the NYSE and any applicable rules or regulations of the SEC, in each case as in effect from time to time.

11. **Financial Statements and Management's Discussion and Analysis:** Prior to their public filing, the Committee will review and discuss with management and the independent auditors (1) the annual audited consolidated financial statements and interim consolidated financial statements, including the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations; and (2) any other matters to be communicated to the Committee by the independent auditors under the standards of the PCAOB (United States), to determine whether they are complete and consistent with information known to the Committee members, and whether the independent auditors are satisfied with the disclosure and content of those financial statements. The Committee will recommend to the Board the consolidated financial statements of Valvoline to be included in its Annual Report to Shareholders and Annual Report on Form 10-K. The Committee's review of the financial statements shall include: (1) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection or application of accounting principles, and major issues as to the adequacy and effectiveness of the Company's internal control over financial reporting and any specific remedial actions adopted in light of significant deficiencies or material weaknesses; (2) discussions with management and the independent auditors regarding significant financial reporting issues and judgments made about the preparation of the financial statements and the reasonableness of those judgments, including analyses of the effects of alternative GAAP methods on the financial statements; (3) consideration of the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements; (4) consideration of the judgment of both management and the independent auditors about the quality, not just the acceptability, of accounting principles; and (5) the completeness and clarity of the disclosures in the financial statements.

12. **Financial Information:** The Committee will discuss with management and the independent auditors, as appropriate, earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies.

13. **Executive Sessions:** The Committee shall meet periodically in separate sessions with (a) management, (b) the general counsel, (c) the Chief Audit Executive, and (d) the independent auditors.

14. **Audit Inquiries:** The Committee shall regularly review with the independent auditors and the Chief Audit Executive any audit problems or difficulties encountered during their audits and management's response.

15. **Environmental, Health and Safety Activities:** The Committee will periodically review and discuss with appropriate members of management the Company's policies, programs and practices with respect to environmental, health and safety risks and programs to mitigate such risks, the company's compliance with applicable laws and regulations in that regard, and the status of environmental, health and safety audit activities.

16. **Enterprise Risk Assessment and Risk Management Policies:** The Committee shall review and discuss with management, and the Chief Audit Executive and the independent

auditors as appropriate, the Company's enterprise risk assessment and risk management policies, including the Company's major enterprise and financial risk exposures and steps taken by management to monitor and mitigate such exposures.

17. **Information and Cyber Security Risks:** The Committee shall periodically review the Company's information and cyber security risks and programs established to manage such risks.

18. **Financial Activities:** The Committee shall evaluate and recommend to the Board, as appropriate, actions respecting significant financial matters and decisions such as capital structure, dividend policy, offerings of corporate securities, major borrowings, credit facilities, derivatives and swaps policies, post audits of capital investments, capital projects, commercial commitments and merger, acquisition and divestiture activities. The Committee will also review funding and investment policies related to employee benefit plans.

19. **Disclosure Controls and Procedures and Internal Control Over Financial Reporting:** The Committee shall review and discuss with management, the Chief Audit Executive and the independent auditors, the quality and adequacy of the Company's disclosure controls and procedures and internal control over financial reporting, including reviewing any management internal control report, any significant internal control deficiencies or material weaknesses, any fraud involving management or others significantly involved in the Company's disclosure controls and procedures or internal control over financial reporting, and any changes implemented in light of material control deficiencies or weaknesses. The Committee shall review the disclosures describing any identified material weaknesses and management's remediation plans.

20. **Integrity of Management / Compliance with Laws:** The Committee shall (a) review and investigate any matters pertaining to the integrity of executive management (including conflicts of interest or adherence to the Company's code of business conduct) and (b) oversee policies and procedures regarding compliance by management with laws, regulations and the Company's code of business conduct.

21. **Complaints:** The Committee shall establish and maintain procedures for handling complaints regarding accounting, internal accounting controls, and auditing matters, including procedures for confidential, anonymous submission of concerns by Company employees regarding accounting and auditing matters.

22. **Swap Transactions:** The Committee shall review and approve the Company's decisions, if any, to enter into swaps, including security-based swaps, from time to time in reliance on the "end-user" exemption from mandatory clearing and exchange trading requirements. This review and approval may occur annually on a general basis and does not need to occur on a swap-by-swap basis.

The Committee may form and delegate authority to subcommittees.

The Committee shall be empowered to investigate any matter brought to its attention with full access to all Company books, records, and personnel and have the authority to retain such outside counsel, experts and other advisors as the Committee may deem appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms.

The Committee shall report to the Board after each Committee meeting and shall conduct and present to the Board an annual assessment of its performance under its charter. The Committee shall review at least annually the adequacy of this charter and present any recommended additions, changes or deletions to the Board through the Governance and Nominating Committee.