

# SCHNEIDER NATIONAL, INC.

## AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

### CHARTER

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#### **Purpose**

The primary function of the Schneider National, Inc. Audit Committee (the “Committee”) is to assist the Board of Directors of Schneider National, Inc. (the “Company”) in fulfilling its oversight responsibilities related to (1) the integrity of the financial statements of the Company, (2) the Company’s compliance with legal and regulatory requirements, (3) oversight of material financial matters, (4) the qualifications, performance and independence of the Company’s independent registered public accounting firm, and (5) the performance of the Company’s internal audit function. In addition, the Committee shall prepare the audit committee disclosure to be included in the Company’s annual proxy statement.

#### **Authority**

The Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to and shall:

- Be directly responsible for the appointment, determination of compensation, retention, oversight, and termination (subject, if applicable, to shareholder ratification) of any registered public accounting firm employed by the Company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company (“external auditor” or “independent auditor”).
- Resolve any disagreements between management and the external auditors regarding financial reporting.
- Pre-approve all auditing and non-audit services of the external auditor.
- Review, approve and recommend, when appropriate, material financial matters affecting the Company.
- Review and approve all related-party transactions.
- Engage and determine the compensation of any independent counsel, accountants, or others to advise the Committee, assist in the conduct of investigations or as otherwise deemed necessary by the Committee to carry out its duties.
- Seek any information it requires from employees – all of whom are directed to cooperate with the Committee’s requests – or external parties.
- Meet privately and on a periodic basis with Company officers, external auditors, internal auditors and, as necessary, outside counsel.

#### **Composition**

The membership of the Committee will be determined in accordance with the requirements of and procedures set forth in the Amended and Restated Bylaws of the Company and the Corporate Governance Guidelines. The Committee should consist of three or more directors who comply with independence and financial literacy requirements defined by SEC rules and the listing standards of the exchange on which the Company’s securities are listed. At least one member shall be designated as the “financial expert,” as defined by applicable legislation and regulation.

## **Meetings**

The Committee will meet at least four times a year, with authority to convene additional meetings, as circumstances require. All committee members are expected to attend each meeting, in person or via tele- or video-conference. The majority of Committee members must be present to constitute a quorum, and the majority of members present are required to pass a vote. The Committee will invite members of management, auditors, or others to attend meetings and provide pertinent information, as necessary. Each regular audit committee meeting will be concluded with an executive session of the committee, without members of management. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

## **Responsibilities**

The Committee will carry out the following responsibilities:

### **Financial Statements:**

- Meet with the Company's external auditors and management to review and discuss the annual audited financial statements and quarterly financial statements, including reviewing the Company's disclosures within the footnotes to the financial statements.
- In connection with review of the annual financial statements, consider and discuss with the Company's external auditors and management:
  - Significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
  - The results of the audit, including any audit problems or difficulties and management's response thereto, including (1) any restrictions on the scope of the external auditors' activities or access to required information, (2) any significant disagreements with management, (3) any accounting adjustments that were noted or proposed by the external auditors but were "passed" (as immaterial or otherwise), (4) any communications between internal audit and the external auditors' national office with regard to significant auditing or accounting issues presented by the engagement, and (5) any "management" or "internal control" letter issued, or proposed to be issued, by the Company's external auditors.
  - Whether the financial statements are complete, consistent with information known to committee members, and reflect appropriate accounting principles (including such principles as are promulgated by the Public Company Accounting Oversight Board ("PCAOB") and, to the extent not superseded thereby, the American Institute of Certified Public Accountants ("AICPA") Statements on Auditing Standards as in existence on April 16, 2003).
  - Any appropriate matters regarding accounting principles, practices and judgments and the external auditors' opinion as to the quality thereof and any items the external auditors are required to communicate to the Committee in accordance with standards established and amended from time to time by the PCAOB.
  - Any other material written communications between the external auditor and the Company's management, such as any management letter or schedule of unadjusted differences.
- Understand how management develops interim financial information, and the nature and extent of internal and external audit involvement.
- Review and discuss earnings press releases and generally discuss the type and presentation of (1) information to be included in earnings press releases (in particular any use of "pro forma" or

“adjusted” non-GAAP information) and (2) financial information and earnings guidance provided to analysts and rating agencies.

- Review the “Management’s Discussion and Analysis of Financial Condition and Results of Operations” to be included in the Company’s periodic reports.
- Based on such review of the audited financial statements and of the independence of the external auditors, as further described below, provide the Board with a recommendation as to the inclusion of the Company’s financial statements in the Company’s annual report on Form 10-K.

**Finance Activities:**

- Provide oversight with respect to the capital structure, and key financial ratios of the Company, and make recommendations with respect to the Company’s treasury policies.
- Review the Company’s liquidity position, including the Company’s credit facilities.
- Authorize the issuance of debt securities, or engaging in other forms of material financing (other than any financing calling for the issuance of common stock) on the part of the Company or any of its subsidiaries or affiliates.
- Oversee compliance with financial covenants and authorize the prepayment, redemption, repurchase or defeasance of material indebtedness of the Company.
- Review the Company’s credit ratings and monitor its activities with respect to credit rating agencies.
- Periodically review the Company’s insurance programs.
- Annually review the Company’s delegations of financial authority, including the thresholds for which management must seek Board approval, and recommend any changes to the full Board.

**Internal Control:**

- Consider the effectiveness of the Company’s internal control system, including information technology security and control.
- Understand the scope of internal and external auditors’ review of internal controls over financial reporting, and obtain reports of significant findings and recommendations, together with management’s responses.
- Consider and discuss with the Company’s external auditors and management any major issues as to the adequacy of the Company’s internal controls and any special audit steps adopted in light of material control deficiencies.
- Annually review the process for communicating and monitoring compliance with the code of conduct. Regularly review reports of code violations.
- Establish and maintain procedures for 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 these matters.

**Internal Audit:**

- Review the regular internal reports to management prepared by the internal audit function and managements’ response.
- Review with management the charter, plans, activities, budget, staffing, and organizational structure of the internal audit function.
- Approve the internal audit charter and risk-based audit plan on no less than an annual basis.
- Review the annual enterprise risk assessment which provides the basis for the annual internal audit plan. The risk assessment should include but is not limited to:
  - Account balance risk
  - Revenue recognition risk

- Asset valuation risk
- Fraud risk
- Cyber risk
- Labor compliance risk
- Data integrity risk
- Access risk
- Business disruption risk
- Legal and regulatory risk
- Insurance risk
- Fuel purchasing/hedging risk
- Benefit and compensation plan risk

While internal audit may coordinate the risk assessment, they may require assistance from others who have the expertise required to assess the risk for that area (e.g. business disruption risk)

- Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Vice President of Internal Audit.
- Review the effectiveness of the internal audit function, including compliance with the Institute of Internal Auditors (IIA) Professional Practices Framework, which includes the Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.
- On a regular basis, meet separately with the Audit Management to discuss any matters that the Committee or internal audit believes should be discussed privately.
- Ensure that the internal audit function has adequate resources.

**External Audit:**

- Communicate with the external auditors, who will report directly to the Committee.
- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review and discuss with the external auditors and with management the results of the annual audit of the Company's consolidated financial statements and the Company's unaudited interim financial statements.
- Review and discuss with the independent auditor any problems or difficulties encountered in the course of the audit and management's response. Oversee the resolution of disagreements between management and the independent auditor if they arise.
- Review the performance of the external auditors, and exercise final approval of the appointment or discharge of the auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on a regular basis, not less than once per year, describing (1) the external auditors' internal quality-control procedures, (2) any material issues raised by (a) the most recent internal quality-control review or peer review of the auditing firm, or (b) any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues, and (3) all relationships between the external auditors and the Company or individuals in financial reporting oversight roles at the Company, that may reasonably be thought to bear on the auditors' independence.
- Establish clear policies for the Company's hiring of current or former employees of the external auditors.
- On a regular basis, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

**Compliance and Risk Management:**

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Review the process for communicating the code of conduct to company personnel, and for monitoring compliance therewith.
- Obtain regular updates from management and company legal counsel regarding compliance matters.

**Reporting Responsibilities**

- Regularly report to the Board of Directors about Audit Committee activities, issues, and related recommendations.
- Provide an open avenue for communication between internal audit, the external auditors, and the board of directors.
- Review any other reports the Company issues that relate to committee responsibilities.

**Other Responsibilities**

- Review and assess the adequacy of the committee charter annually, approve proposed changes and ensure appropriate disclosure as may be required by law or regulation.
- Evaluate the Committee's and individual members' performance on a regular basis, not less than once per year.
- Annually review and address Committee membership composition to ensure that members possess the independence, knowledge and experience to be effective. Consider and plan for succession of audit committee members.
- Determine the appropriate funding to be provided by the Company for payment of those ordinary administrative expenses which are necessary or appropriate to carry out the Committee's duties and responsibilities.
- Perform other activities related to this charter as requested by the Board of Directors.
- Confirm annually that all responsibilities outlined in this charter have been carried out.

**As adopted by the Board of Directors on October 29, 2018.**