

## **THE ESTÉE LAUDER COMPANIES INC.**

### **Audit Committee Charter**

(Approved May 17, 2019)

The Audit Committee (the "Committee") reviews the internal and external accounting and audit processes for The Estée Lauder Companies Inc. (the "Company") and is directly responsible for the appointment, compensation, retention, and oversight of the Company's independent auditors.

#### Committee Composition

The Committee consists of at least three independent directors, including the Committee chair, each of whom the Company's Board of Directors (the "Board") has determined satisfy the applicable rules of the Securities and Exchange Commission ("SEC") and the New York Stock Exchange ("NYSE") relating to independence of audit committee members. Only independent directors may serve on the Committee.

Each member of the Committee must be financially literate, as determined by the Board, or must become financially literate within a reasonable period of time after joining the Committee. At least one member of the Committee must have accounting or related financial management expertise, as determined by the Board, and at least one member must be an "audit committee financial expert" as defined by the SEC.

Appointments to the Committee, and any changes in membership, shall be made by the Board.

#### Committee Responsibilities

The Committee's role is one of oversight. The Committee assists the Board in fulfilling its responsibilities to oversee the:

1. integrity of the Company's financial statements;
2. Company's compliance with legal and regulatory requirements;
3. independent auditor's qualifications and independence;
4. performance of the Company's internal audit function and independent auditor; and
5. Company's policies for risk assessment and risk management.

Management is responsible for preparing the Company's financial statements, and the independent auditor is responsible for auditing the annual financial statements. The independent auditor is ultimately accountable to and reports to the Committee. In carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company's financial statements or any professional certification as to the independent auditor's work.

The scope of the Committee's oversight responsibilities include information technology, cybersecurity, taxes, treasury, and legal matters.

The Committee has full authority and unrestricted access to the resources, information, and personnel necessary to fulfill its responsibilities. It has the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities.

The Committee also has authority to declare quarterly dividends on the Company's Class A Common Stock and Class B Common Stock up to an amount per share determined from time to time by the Board.

In connection with its oversight responsibilities, the Committee will:

A. *Audit and Audit-Related Matters*

1. Maintain an open avenue of communication between the internal auditor, the independent auditor, and the Board.
2. Have sole authority to appoint, retain, or terminate the Company's independent auditor.
3. Have sole authority to approve all auditing work and any permitted non-audit work by the independent auditor and the compensation for such work.
4. Review the qualifications, scope of services (including audit and tax services), performance, and fees of the independent auditor.
5. Set clear hiring policies for employees or former employees of the independent auditor.
6. At least annually, obtain and review a report from the independent auditor describing all relationships between the independent auditor and the Company and discuss with the independent auditor any such disclosed relationships and their impact on the independent auditor's independence.
7. At least annually, obtain and review a report from the independent auditor describing: the auditing firm's internal quality-control procedures; and any material issues raised by the most recent internal quality-control review, peer review, or PCAOB 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.
8. Review with management the annual audit report and recommendations of the independent auditor, including any audit problems or difficulties and management's response.

9. Review and discuss with management and the independent auditor the annual audited financial statements and the quarterly financial statements to be included in the Company's periodic reports, including the disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," and review with the independent auditor the matters required to be discussed by applicable auditing standards.

B. Internal Audit

1. Approve and oversee the charter, policies, and scope of audit plans of the Company's internal audit department.
2. Review and concur in the appointment, annual performance evaluation, and replacement of the head of internal audit.

C. Risk Oversight

Review and discuss with management, the independent auditor, and the Board the Company's policies with respect to risk assessment and risk management, as well as any significant risks or exposures and the steps management has taken to monitor and control such exposures.

D. Earnings Review

Discuss with management earnings press releases (paying particular attention to the use of "pro forma" or "adjusted" non-GAAP information) as well as financial information and earnings guidance provided to analysts and rating agencies. This discussion may be done generally, such as a discussion of the types of information to be disclosed and the type of presentation to be made. The Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance.

E. Other Matters

1. In connection with the quarterly certifications by the Chief Executive Officer and Chief Financial Officer ("CFO"), receive reports from such officers regarding (i) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize, and report financial data; (ii) material weaknesses in internal controls; and (iii) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls.
2. Prepare the audit committee report required by the rules of the SEC to be included in the Company's proxy statement for its annual meeting of stockholders.

3. Review transactions under the Company's Related Person Transactions Policy, including any successor policy.
4. Conduct a periodic review of the Corporate Code of Conduct and the effectiveness of the Company's related compliance procedures.
5. Establish procedures for receiving, retaining, and treating complaints received by the Company regarding accounting, internal accounting controls, or auditing matters and the confidential, anonymous submission by employees of the Company, including its subsidiaries, of concerns regarding questionable accounting or auditing matters.
6. Conduct a periodic review of information about executive officers' expense accounts, perquisites, and the use of corporate assets.
7. Meet periodically with the CFO, the head of internal audit, and the independent auditor, in separate executive sessions, to discuss any matters that they or the Committee believe should be considered privately.
8. Perform such other functions as assigned by law, regulation or the Company's charter, bylaws, or Board.

#### Outside Advisers

The Committee may engage independent counsel and other advisers as the Committee determines necessary to carry out its duties.

#### Funding

The Company shall provide for appropriate funding, as determined by the Committee, for the payment of compensation to the Company's independent auditor and any outside advisers, as well as for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

#### Meetings

The Committee should meet at least four times per year.

#### Committee Performance Evaluation

The Committee shall conduct an annual performance evaluation of the Committee.

#### Committee Reports to the Board

The Committee shall report regularly to the Board regarding any issues that arise with respect to matters it oversees.