

**AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.**  
**AUDIT COMMITTEE OF THE BOARD OF DIRECTORS**  
**CHARTER**

**I. Purpose**

The Audit Committee (the “Committee”) shall:

- A. Provide assistance to the Board of Directors (the “Board”) in fulfilling its responsibility with respect to its oversight of:
  - i. The quality and integrity of the Corporation’s financial statements;
  - ii. The Corporation’s compliance with legal and regulatory requirements;
  - iii. The independent auditors’ qualifications and independence; and
  - iv. The performance of the Corporation’s internal audit function and independent auditors.
- B. Produce a report of the Committee that SEC rules require to be included in the Corporation’s annual proxy statement.
- C. Provide assistance to the Board with respect to oversight of the Corporation’s risk management functions.

**II. Structure and Operations**

**Composition and Qualifications**

The Committee shall be comprised of three or more members of the Board, each of whom is determined by the Board to be “independent” under the Independence Guidelines established by the Board and the rules of the New York Stock Exchange (“NYSE”) and the Securities and Exchange Commission (“SEC”). No member of the Committee may serve on the audit committee of more than three public companies, including the Corporation, unless the Board (i) determines that such simultaneous service would not impair the ability of such member to effectively serve on the Committee and (ii) discloses such determination in the annual proxy statement.

All members of the Committee shall be financially literate, as determined by the Board, and have a working familiarity with basic finance and accounting practices (or become financially literate and acquire such familiarity within a reasonable period after his or her

appointment). At least one member must qualify as an “audit committee financial expert” as defined by the SEC and determined by the Board.

No member of the Committee shall accept, directly or indirectly, any consulting, advisory, or other compensatory fee from the Corporation or any subsidiary thereof, other than in the director’s capacity as a member of the Board or any committee thereof.

### **Appointment and Removal**

The members of the Committee shall be appointed by the Board and shall serve until such member’s successor is duly elected and qualified or until such member’s earlier resignation or removal. The members of the Committee may be removed, with or without cause, by a majority vote of the Board.

### **Chairman**

Unless a Chairman is elected by the full Board, the members of the Committee shall designate a Chairman by the majority vote of the full Committee membership. The Chairman shall be a voting member of the Committee. The Chairman will chair all meetings and will develop and set the Committee’s agenda in consultation with the other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent practical, be communicated to the members of the Committee sufficiently in advance of each meeting to permit meaningful review.

### **III. Meetings**

The Committee shall hold regularly scheduled meetings each year, normally on a calendar quarter basis, or more frequently as may be required. As part of its goal to foster open communication, the Committee periodically shall meet separately and privately with each of management, the senior internal auditing executive and the independent auditors to discuss any matters that the Committee or each of these groups believe would be appropriate. In addition, the Committee should meet with the independent auditors and management quarterly to review the Corporation’s financial statements in a manner consistent with that outlined in Section IV of this Charter. The Chairman of the Board or any member of the Committee may request a meeting of the Committee. All meetings of the Committee may be held telephonically. A majority of the members of the Committee shall constitute a quorum and a majority of the members in attendance when a quorum is present shall decide any matter properly brought before the Committee.

The Committee may take action by unanimous written consent in lieu of a meeting. Meetings of the Committee and actions taken by the Committee may be conducted or taken in any manner that is authorized by the governing documents of the Corporation for the proper conduct of a Board meeting or effective action by the Board, respectively.

The Committee may invite to its meetings such other persons as it deems appropriate in order to carry out its responsibilities. The Committee may also exclude from its meetings such persons as it deems appropriate in order to carry out its responsibilities.

#### **IV. Responsibilities and Duties**

The following functions shall be the common recurring activities of the Committee in carrying out its responsibilities outlined in Section I of this Charter. These functions should serve as a guide with the understanding that the Committee may carry out additional functions and adopt additional policies and procedures as may be appropriate in light of changing business, legislative, regulatory, legal or other conditions. The Committee shall also carry out any other responsibilities and duties delegated to it by the Board from time to time related to the purposes of the Committee outlined in Section I of this Charter.

The Committee, in discharging its oversight role, is empowered to study or investigate any matter or concern that the Committee deems appropriate relating to the purposes of the Committee as set forth in Section I of this Charter. In this regard, the Committee shall have the authority to retain outside legal, accounting or other advisors for this purpose, including the authority to approve the fees payable to such advisors and any other terms of retention. The Corporation shall provide appropriate funding, as determined by the Committee, for the payment of such advisory fees and for the payment of administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

The Committee shall be given full access to the Corporation's internal audit function, Board, corporate executives and independent accountants as necessary to carry out these responsibilities.

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

#### **Documents/Reports Review**

1. Review and discuss with management and the independent auditors the Corporation's annual audited financial statements as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" ("MD&A"), and recommend to the Board whether the audited consolidated financial statements should be included in the Corporation's annual report on Form 10-K.

2. Review and discuss with management and the independent auditor the quarterly consolidated financial statements of the Corporation as well as the MD&A and the results of the independent auditors' reviews of the quarterly consolidated financial statements, prior to the filing of the Corporation's quarterly reports on Form 10-Q.
3. Review and discuss with management the type and presentation of information to be included in the Corporation's earnings press releases (paying particular attention to the use of any "pro forma" or "adjusted" non-GAAP information and any earnings guidance), as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee's discussion in this regard may be general in nature (i.e., discussion of the types of information to be disclosed and the type of presentation to be made) and need not take place in advance of each earnings release or each instance in which the Corporation may provide earnings guidance.
4. Perform any functions required to be performed by the Committee or otherwise appropriate under applicable law, rules or regulations, the Corporation's by-laws and the resolutions or other directives of the Board, including review of certifications of financial reports by the Corporation's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") required by applicable law or regulations of the SEC.

### **Independent Auditors**

5. Appoint, retain and terminate independent auditors and approve all audit engagement fees and terms.
6. Inform each registered public accounting firm performing financial statement related audit work for the Corporation that such firm shall report directly to the Committee.
7. Oversee the work of any registered public accounting firm employed by the Corporation, including the resolution of any disagreement between management and the auditor regarding financial reporting, for the purpose of preparing or issuing an audit report or related audit, review or attest services.
8. Review and pre-approve both audit and permissible non-audit services to be provided by the independent auditors. Pre-approval may be granted pursuant to pre-approval policies and procedures established by the Committee. The authority to grant preapprovals may be delegated to one or more designated members of the Committee, whose decisions will be presented to the full Committee at its next regularly scheduled meeting.

The following shall be "prohibited non-audit services": (i) bookkeeping or other services related to the accounting records or financial statements of the Corporation; (ii) financial information systems design and implementation; (iii) appraisal or valuation services, fairness opinions or contribution-in-kind reports; (iv) actuarial services; (v) internal audit outsourcing services; (vi)

management functions or human resources; (vi) broker or dealer, investment adviser or investment banking services; (viii) legal services and expert services unrelated to the audit; (ix) services provided for a contingent fee or commission; (x) services related to marketing, planning or opining in favor of the tax treatment of a confidential transaction, or an aggressive tax position that was initially recommended, directly or indirectly, by the independent auditor; (xi) tax services for persons in a financial reporting oversight role with the Corporation; and (xii) any other service that the SEC or the Public Company Accounting Oversight Board (“PCAOB”) prohibits through regulation.

9. Review, at least annually, the qualifications, performance and independence of the independent auditors. In conducting its review and evaluation, the Committee should:
  - (a) Obtain and review a report by the Corporation’s independent auditor describing: (i) the auditing firm’s internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the auditing 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 auditing firm, and any steps taken to deal with any such issues; and (iii) (to assess the auditor’s independence) all relationships between the independent auditor and the Corporation, addressing the matters set forth in PCAOB Rule 3526.
  - (b) Review and evaluate the lead audit partner of the auditing firm, taking into account the opinions of management and the Corporation’s internal auditors or other personnel responsible for the internal audit function;
  - (c) Ensure the rotation of the lead audit partner at least every five years and consider a regular rotation of the auditing firm itself in order to assure continuing auditor independence;
  - (d) Present its conclusions with respect to the independent auditor directly to the Board;
  - (e) Confirm with any independent auditor retained to provide audit services for any fiscal year that the lead (or coordinating) audit partner (having primary responsibility for the audit), or the audit partner responsible for reviewing the audit, has not performed audit services for the Corporation in each of the five previous fiscal years of the Corporation.

### **Financial Reporting Process**

10. In consultation with the independent auditors, management and the internal auditors, review the integrity of the Corporation’s financial reporting processes, both internal

and external. In that regard, the Committee should obtain and discuss with management and the independent auditor reports from management and the independent auditor regarding: (i) all critical accounting policies and practices to be used by the Corporation; (ii) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the Corporation's management, the ramifications of the use of the alternative disclosures and treatments, and the treatment preferred by the independent auditor; (iii) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles; (iv) major issues as to the adequacy of the Corporation's internal controls and any specific audit steps adopted in light of material control deficiencies; and (v) any other material written communications between the independent auditor and the Corporation's management, such as any management letter or schedule of unadjusted differences.

11. Review periodically the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.
12. Review with management and such outside professionals as the Committee considers appropriate important trends and developments in financial reporting practices and requirements and their effect on the Corporation's financial statements.
13. Review with the independent auditors the matters required to be discussed by PCAOB AS1301 Communications with Audit Committees, relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, any significant disagreements with management and any changes required in the planned scope of the independent audit. Without excluding other possibilities, the Committee may wish to review with the independent auditors any accounting adjustments that were noted or proposed by the auditor but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by the independent auditors to the Corporation.
14. Review and approve the report of the Committee required by the SEC to be included in the Corporation's annual proxy statement.

## **Oversight of the Corporation's Internal Audit Function**

15. Review and approve the annual internal audit plan, including any significant changes to the plan, and periodically assess progress against the plan.
16. Review with the senior internal auditing executive the internal audit budget, resources, activities, staffing and independence of the internal audit function.
17. Review and approve the appointment and replacement of the senior internal auditing executive.
18. The senior internal auditing executive shall report directly to the Committee. For administrative and day-to-day management purposes, the senior internal auditing executive shall report to the CFO. The Committee shall periodically review the administrative reporting structure.
19. Review significant reports to management prepared by the internal audit function and management's responses.
20. Review and discuss with the independent auditors and management the responsibilities, budget and staffing of the Corporation's internal audit function, recommendations regarding the planned scope of the audit, and coordination of the internal audit function with the activities of the independent auditors.
21. Review with management, the senior internal auditing executive and the independent auditors the quality, adequacy and effectiveness of the Corporation's internal controls and any significant deficiencies or material weaknesses in internal controls.
22. Review and approve the internal audit charter at least annually.
23. Periodically review with the senior internal auditing executive any significant difficulties, disagreements with management, or scope restrictions encountered in the course of the internal audit function's work.

## **Legal Compliance / General**

24. Review, as necessary, with the General Counsel any legal matter that could have a significant impact on the Corporation's financial statements including disclosures.
25. Review with the General Counsel the adequacy and effectiveness of Corporation's procedures to ensure compliance with legal and regulatory responsibilities.

26. Set clear hiring policies for employees or former employees of the independent auditors. At a minimum, these policies should provide that any registered public accounting firm may not provide audit services to the Corporation if the CEO, controller, CFO, chief accounting officer or any person serving in an equivalent capacity for the Corporation was employed by the registered public accounting firm and participated in the audit of the Corporation within one year of the initiation of the current audit.
27. Establish procedures for: (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
28. Review all related party transactions and the impact of such transactions on the Corporation's financial statements and disclosures.
29. Review and approve any amendments to the Corporation's related person transactions policy as necessary or appropriate.
30. Review and approve all related person transactions in accordance with SEC rules and regulations and NYSE listing standards and review and discuss with management the disclosures of the Corporation of such related person transactions prior to filing with the SEC.
31. Engage independent counsel and other such independent advisors as the Committee determines necessary to carry out its duties.
32. Review and approve policies and procedures governing the Corporation's (and certain of its subsidiaries') use of hedging and derivatives (including uncleared swaps) at least annually.
33. Review and approve on an annual basis the Corporation's (and certain of its subsidiaries') use of the end-user exception from mandatory clearing requirements.

### **Risk Management**

34. Discuss with management and the independent auditors the Corporation's guidelines and policies with respect to risk assessment and risk management, including the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures, and periodically review the Corporation's insurance programs.



35. Oversee and review the Corporation's cybersecurity and other information technology risks, controls, procedures and programs, including any material cybersecurity incidents and the Corporation's plans to mitigate cybersecurity risks and respond to data breaches. The Committee will receive regular reports from the Company's Chief Information Officer on cybersecurity and data protection programs, including the Corporation's monitoring, auditing, implementation and communication processes, controls and procedures. The Committee also shall review cybersecurity disclosures set forth in the Corporation's SEC filings and review with management any specific cybersecurity issues that could affect the adequacy of the Corporation's internal controls.

### **Reports**

36. Review and approve all Committee disclosures required to be included in the Corporation's proxy statement, pursuant to and in accordance with applicable rules and regulations of the SEC.
37. Report regularly to the full Board including:
  - (a) with respect to any issues that arise with respect to the quality or integrity of the Corporation's financial statements, the Corporation's compliance with legal or regulatory requirements, the performance and independence of the Corporation's independent auditors or the performance of the internal audit function;
  - (b) following all meetings of the Committee; and
  - (c) with respect to such other matters as are relevant to the Committee's discharge of its responsibilities.

The Committee shall provide such recommendations as the Committee may deem appropriate. The report to the Board may take the form of an oral report by the Chairman or any other member of the Committee wishing to make such report.

### **V. Annual Performance Evaluation/Charter**

The Committee shall conduct and present to the Board an annual performance evaluation of the Committee. The Committee shall review at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.