

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.

COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS

PROPOSED AMENDMENTS TO CHARTER

I. PURPOSE

The primary purposes of the Compensation Committee (the "Committee") of the Company's Board of Directors (the "Board") are to:

- A. Have direct responsibility for all compensation, including equity compensation, of the Company's CEO and other executive officers;
- B. Make recommendations to the Board with respect to incentive compensation and equity-based plans and other compensation matters in which the CEO and other executive officers participate or that are otherwise subject to Board approval;
- C. Oversee preparation of the Company's compensation discussion and analysis for inclusion in the annual proxy statement and Form 10-K filed with the Securities and Exchange Commission ("SEC"); and
- D. Produce a Committee report on executive officer compensation to be included in the Company's annual proxy statement or Form 10-K filed with the SEC.

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"). Additionally, no director may serve on the Committee unless he or she is a "Non-employee Director" for purposes of Rule 16b-3 of the Securities Exchange Act of 1934 ("Rule 16b-3"); provided, however, that a failure to meet such requirement shall not invalidate decisions made by the Committee.

Appointment and Removal

The members of the Committee shall be appointed by the Board and shall serve until a 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 majority vote of the full Committee. 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. The Chairman of the Board or any member of the Committee may request a meeting of the Committee. All meetings 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 Company 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 carried out by the Committee in fulfilling its purposes 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.

Retention, Oversight, Funding and Selection of Advisors

The Committee shall have the resources and authority appropriate to discharge its oversight role, including the authority to retain advisors and to delegate related duties to subcommittees as permitted under applicable rules of the NYSE, the SEC and other applicable laws.

- A. The Committee may, its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other advisor.
- B. The Committee shall be directly responsible for the appointment and oversight of the work of any such compensation consultant, independent legal counsel or other advisor retained by the Committee.
- C. The Company must provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation to such compensation consultant, independent legal counsel or other advisor retained by the Committee.

- D. With respect to any compensation consultant, outside legal counsel or advisor that provides advice to the Committee, the Committee shall conduct an independence assessment as set forth in the rules adopted by the SEC and the NYSE before any engagement of such compensation consultant, outside legal counsel or other advisor. In conducting its independence assessment, the Committee must consider all factors relevant to that person's or firm's independence from management.

Compensation and Benefit Programs

1. With respect to the Company's compensation and benefit programs:
 - (i) Review and recommend to the full Board the Company's overall compensation philosophy and the compensation and programs to support the Company's overall business strategy and objectives;
 - (ii) Review and recommend to the full Board new benefit and compensation plans for executive officers, or amendments to existing plans that significantly change plan design or have a significant financial impact; and
 - (iii) Review and recommend to the full Board the termination of any existing benefit plan that is subject to Board approval.
2. Review and approve on an annual basis the corporate goals and objectives relevant to CEO compensation, evaluate the CEO's performance in light of the goals and objectives and determine the CEO's annual compensation, including salary, annual incentive and long-term incentive compensation. In determining the long-term incentive component of CEO compensation, the Committee may consider a number of factors, including the Company's performance and relative shareholder return, the value of similar incentive awards to CEOs at comparable companies, the awards given to the CEO in past years, and such other factors as the Committee deems relevant.
3. In consultation with the CEO, evaluate on an annual basis the performance of other executive officers and approve the annual compensation of non-CEO executive officers, including salary, annual incentive and long-term incentive compensation.
4. Review and recommend to the full Board any employment, severance, and change-in-control agreements or plans and any other compensation arrangements, as the Committee determines is appropriate, or amendments thereto, with current or prospective executive officers of the Company.
5. Periodically review and make recommendations to the Board as to the form and amount of compensation for the Company's non-employee directors.
6. Oversee management's risk assessment of the Company's policies and practices relating to its compensation programs for executive officers and other associates to ensure that such policies and practices do not encourage unnecessary or excessive risk taking and annually assess whether any risks arising from such policies and practices are reasonably likely to have a material adverse effect on the Company.

7. Approve or make recommendations to the full Board with respect to the adoption or modification of policies regarding the pledging or hedging of Company stock, if any, and monitor compliance with respect to any adopted policy on pledging and hedging.
8. Monitor compensation and regulatory developments trends and solicit independent advice where appropriate.

Monitoring Incentive and Equity-Based Compensation Plans

9. With respect to matters that are subject to Board approval, make recommendations to the Board regarding compensation and incentive compensation and equity-based plans, and oversee the activities of the individuals responsible for administering those plans.
10. Review and approve all awards of shares or share options pursuant to the Company's equity-based plans with respect to the CEO and such other executives as the Committee may deem appropriate in light of Rule 16b-3 and other relevant factors.
11. Establish and monitor stock ownership guidelines for executive officers and non-employee directors.
12. Approve annual incentive awards under the Company's annual incentive plans with respect to the CEO and such other executives as the Committee may deem appropriate in light of Rule 16b-3 and other relevant factors.
13. Oversee the Company's policies on structuring compensation programs for executive officers in light of tax impacts and, as the Committee determines appropriate in its sole discretion, certify the attainment of performance goals pursuant to Section 162(m).
14. Oversee the Company's submissions to shareholders on executive compensation matters, including advisory votes on executive compensation and the frequency of such votes. The Committee also shall review the results of such advisory votes and any other feedback obtained from the Company's shareholder outreach activities, and consider any implications.
15. Review and approve the creation or revision of any recoupment/clawback policy allowing the Company to recoup compensation paid to employees.

Reports

16. Oversee the preparation of a compensation discussion and analysis ("CD&A") for inclusion in the Company's annual proxy statement and Form 10-K, in accordance with the rules of the SEC. Review and discuss the CD&A with management and recommend to the Board that the CD&A be included in the Company's annual proxy statement or Form 10-K filed with the SEC.
17. Review and approve a report of the Committee on executive officer compensation as required by the SEC to be included in the Company's proxy statement or annual report on Form 10-K filed with the SEC.

18. Report to the Board at the Board's next regularly scheduled meeting following meetings of the Committee and recommend action by the Board as appropriate. The report to the Board may be an oral report by the Chairman or any other Committee member.
19. The Secretary of the Board shall maintain minutes or other records of meetings and activities of the Committee.

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.