

**Allison Transmission Holdings, Inc.**  
**Finance Committee Charter**

This Finance Committee Charter (the “Charter”) was adopted by the Board of Directors (the “Board”) of Allison Transmission Holdings, Inc. (the “Company”) on February 21, 2019.

**I. Purpose**

The primary purpose of the Committee is to: (i) review and approve or review and recommend to the Board for approval potential significant transactions, as needed on a case-by-case basis, including strategic investments, mergers, acquisitions and divestitures, and other similar transactions (each, a “Transaction”, collectively referred to as the “Transactions”); (ii) review and approve or review and recommend to the Board for approval significant capital expenditures (each, a “Capital Expenditure”); (iii) oversee, as requested by the Company’s management or the Board, the Company’s capital structure and the policies governing its capital structure, including dividend policies, share repurchases and borrowing and equity practices (collectively referred to as “Capital Policies and Practices”), and as appropriate, approve or make recommendations to the Board regarding the Capital Policies and Practices; and (iv) evaluate other financial strategies and special projects as brought to the Committee by the Company’s management or the Board.

**II. Composition and Qualifications**

- A. ***Committee Member Requirements.*** The Committee shall consist of at least three members of the Board. All Committee members must be non-management members of the Board.
- B. ***Appointment.*** Committee members shall be appointed annually by the Board (upon the recommendation of the Nominating & Corporate Governance Committee) and shall hold his or her office until such time as his or her successor is duly appointed and qualified, or until his or her earlier death, disqualification, resignation or removal.
- C. ***Chairperson.*** The Board shall annually designate one of the members as Chairperson of the Committee. The Chairperson will supervise the conduct of all meetings and establish the meeting agendas with input from the Company’s management.

**III. Authority, Delegation and Resources**

- A. ***Authority to Engage Third Parties.*** In discharging its oversight role, the Committee has the authority and is empowered to study or investigate any matter of interest or concern that the Committee deems appropriate. In this regard, the Committee may, in its sole discretion, engage any consultant, legal counsel or other advisors (collectively, “Advisors”) as it deems necessary or appropriate to carry out its duties. The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of any Advisor retained by the

Committee.

- B. ***Access to and Funding of Resources.*** The Company shall provide appropriate funding, as determined by the Committee, for payment of the compensation to (i) any Advisor retained by the Committee and (ii) ordinary administrative expenses of the Committee.

#### IV. Responsibilities

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

- A. ***Oversight of Transactions and Capital Expenditures.*** The Committee shall, as it deems appropriate or requested by the Company's management, review with and advise the Company's management and the Board with respect to the Company's strategic business objectives, and the manner in which Transactions and Capital Expenditures can contribute to the achievement of those objectives. The Committee shall review potential Transactions and Capital Expenditures with the Company's management for strategic alignment and financial viability, and (i) for Transactions greater than \$10 million but below \$25 million, approve the Transaction(s) without further Board review; (ii) for Capital Expenditures greater than \$5 million but below \$25 million, approve the Capital Expenditure without further Board review; or (iii) for Transactions or Capital Expenditures greater than \$25 million, make recommendations to the Board regarding the Transaction(s) or Capital Expenditure.
- B. ***Oversight of Capital Policies and Practices.*** The Committee may, as appropriate, (i) make recommendations to the Board as to the advisability of adopting, modifying or terminating Capital Policies and Practices; (ii) approve stock repurchases under Board-approved stock repurchase programs; and (iii) any other actions or matters related to Capital Policies and Practices, other financial matters, or special projects that are consistent with the purposes identified in this Charter.
- C. ***Charter Review.*** The Committee shall review this Charter as it deems appropriate, but at least annually, and recommend any proposed changes to the Nominating & Corporate Governance Committee and the Board.
- D. ***Committee Evaluation.*** The Committee shall perform a review of its performance annually, including a review of compliance with this Charter. The Committee shall conduct such evaluation and review in such manner as it deems appropriate and report the results of the evaluation to the Board.

V. **Procedural Matters**

- A. ***Conflicts with Certificate of Incorporation or Bylaws.*** To the extent that this Charter may be inconsistent with any article, provision or section of the certificate of incorporation or bylaws of the Company or any applicable law or regulation, the certificate of incorporation or the bylaws or the law or regulation, as appropriate, shall fully control.
- B. ***Meetings.*** The Committee shall meet at the call of its Chairperson or the Chairman of the Board. Meetings may, at the discretion of the Committee, include members of the Company's management, any Advisor and such other persons as the Committee or its Chairperson may determine. The Committee may request any officer or employee of the Company or the Company's outside counsel to attend a meeting of the Committee or to meet with any members of, or Advisors to, the Committee. The Committee may meet in person, by telephone conference call or in any other manner in which the Board or the Committee is permitted to meet under law and the Company's Articles. The Committee also may act by unanimous written consent in lieu of a meeting.
- C. ***Transaction of Business.*** A majority of the members of the Committee shall constitute a quorum for the transaction of business. A majority of the members of the Committee present at any meeting at which a quorum is present are competent to act. Except as expressly provided in this Charter or in the Company's Articles or Corporate Governance Guidelines, the Committee may determine additional rules and procedures to govern it or any of its subcommittees, including designation at any meeting of a chairperson pro tempore in the absence of the Chairperson and of a secretary (who need not be a member of the Committee) for that meeting.
- D. ***Minutes; Reports to the Board.*** The Committee shall keep minutes of all meetings and of all actions taken by the Committee and file such minutes with the Secretary of the Company. The Committee, either directly or through its Chairperson, shall provide the Board with regular reports, orally or in writing, on its activities and any recommendations by the Committee to the Board.

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