

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

This Audit Committee Charter (the “Charter”) was amended and restated by the Board of Directors (the “Board”) of Allison Transmission Holdings, Inc., a Delaware corporation (the “Company”), on December 13, 2023.

**I. Purpose**

The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and its subsidiaries and the audits of the Company’s financial statements. In addition, the Audit Committee shall further assist the Board in discharging its oversight responsibilities regarding:

- (a) the integrity of the Company’s financial statements;
- (b) monitoring the Company’s compliance with legal, ethical and regulatory requirements;
- (c) the independent auditor’s qualifications, performance and independence; and
- (d) the performance of the Company’s internal audit functions, internal accounting controls, disclosure controls and procedures and internal control over financial reporting.

**II. Membership**

The Audit Committee shall be comprised of at least three (3) directors. Each of the members of the Audit Committee shall be a member of the Board and shall satisfy the independence and experience requirements of the New York Stock Exchange (“NYSE”) and Rule 10A-3(b)(1) under the Securities Exchange Act of 1934, as amended. All members of the Audit Committee must be financially literate, as determined by the Board in accordance with the NYSE listing standards. At all times, there should be at least one committee member who, as determined by the Board in its business judgment, has accounting or related financial management expertise and at least one committee member who, as determined by the Board, is an “audit committee financial expert” as defined in the rules of the Securities and Exchange Commission (“SEC”).

If an Audit Committee member simultaneously serves on the audit committees of more than three public companies, the Board must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Audit Committee and must disclose such determination either on or through the Company’s website or in the annual proxy statement, or the annual report on Form 10-K filed with the SEC if the Company does not file an annual proxy statement.

The Nominating and Corporate Governance Committee of the Board shall recommend nominees for appointment to the Committee. Committee members, including the Chair of the

Committee, shall be appointed by the Board and may be removed by the Board at any time. The Nominating and Corporate Governance Committee of the Board shall recommend to the Board, and the Board shall designate, the Chair of the Committee.

### **III. Meetings and Procedures**

The Committee shall meet at least four (4) times annually, or more frequently as the Committee deems necessary or desirable. The Audit Committee shall meet periodically (as often as may be deemed necessary or appropriate in its judgment) with the Company's management, senior internal auditing executive and independent auditor. Meetings of the Committee may be called by the Chair of the Committee or the Chairperson of the Board. The Chair (or in his or her absence, a member designated by the Chair or, if no such designation is made, a member designated by a majority of the Committee members present) shall preside at each meeting of the Committee and set the agendas for the Committee meetings. In conjunction with these meetings, separate executive sessions shall be held with management, the independent auditor and the senior internal auditing executive, as necessary. Following each meeting, the Audit Committee shall report to the Board at the next regularly scheduled Board meeting, or sooner as circumstances may dictate.

In addition, the Chair of the Audit Committee may meet in person or by telephone with the Company's independent auditor, internal audit department and any of the Company's executive officers, as the Chair deems necessary.

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

The Audit Committee shall consult with management but shall not delegate these responsibilities. The Audit Committee may otherwise form subcommittees and delegate authority to those subcommittees when appropriate.

The Audit Committee shall have the authority to conduct or authorize investigations into any matters within its scope of responsibilities, contact and request information from any of the Company's advisors or other third parties, and retain outside advisors to assist the Committee as the Committee deems necessary or appropriate. The Company must provide for funding, as reasonably determined by the Audit Committee: for payment of compensation to the independent auditor; for payment to any advisor engaged by the Audit Committee; and for ordinary administrative expenses of the Audit Committee necessary or appropriate in carrying out its duties.

The Audit Committee shall review and reassess the adequacy of this Charter, at least annually, and shall recommend any proposed changes to the Board for approval.

The Audit Committee shall conduct an evaluation, at least annually, of the Committee's performance, including its compliance with this Charter.

The Audit Committee shall:

Financial Statement and Disclosure Matters

1. Review and discuss with management and the independent auditor the annual audited financial statements, including the specific disclosures to be made in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and recommend to the Board whether the audited financial statements should be included in the Company’s Annual Report on Form 10-K.
2. Review and discuss with management and the independent auditor the Company’s quarterly financial statements, including the results of the independent auditor’s reviews of the quarterly financial statements and the disclosure under “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” prior to the filing of the Quarterly Report on Form 10-Q.
3. Review and discuss with management and the independent auditor significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including any significant changes in the Company’s selection or application of accounting principles, any major issues as to the adequacy of the Company’s internal controls and any special steps adopted in light of material control deficiencies.
4. Review and discuss quarterly reports from the independent auditors on critical accounting policies and practices; alternative treatments of financial information within generally accepted accounting principles (“GAAP”) that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and other material written or verbal communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
5. Review and discuss with management the Company’s quarterly earnings press releases, including the use of “pro forma” or non-GAAP information, as well as financial information and earnings guidance provided to analysts and rating agencies.
6. Discuss with management and the independent auditor the effect of regulatory and accounting initiatives.
7. Review with the independent auditor and management the nature and effect of any off-balance sheet arrangements, special purpose financing and trading vehicles, derivatives and other complex transactions.
8. Review with the Company’s general counsel legal matters or other contingent liabilities that may have a material impact on the financial statements, and any significant reports to or inquiries received from regulators or governmental agencies.
9. Discuss with the independent auditor the matters required to be discussed by the Public Company Accounting Oversight Board.
10. Prepare the report of the Audit Committee to be included in the Company’s annual proxy statement.

## Oversight of the Company's Relationship with the Independent Auditor

11. Appoint, replace, compensate and oversee the independent auditor (including resolution of disagreements between management and the auditor regarding financial reporting) and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attest services for the Company; pre-approve the fees and other terms of all engagements for audit and non-audit services provided by the independent auditor.
12. Obtain from the independent auditor and review a written statement delineating all relationships between the auditor and the Company, and such other reports and information as the Audit Committee deems appropriate, to assess the independence of the independent auditor, including that of the independent auditor's lead partner. Based on a review of such reports and information, discuss with the independent auditor any disclosed relationships or services that might impact the objectivity and independence of the auditor and recommend to the Board any appropriate action to satisfy the independence requirements.
13. Evaluate the qualifications, experience, performance and independence of the independent auditor, including that of the independent auditor's lead partner, taking into consideration the opinions of management and the internal auditors, and present its conclusions with respect to such evaluations to the full Board.
14. Review hiring policies for employees or former employees of the independent auditors by the Company.
15. Assure the regular rotation of the lead, concurring, and other audit partners, as required by law and SEC regulations, and consider whether there should be regular rotation of the independent auditing firm itself, in order to assure continuing independence of the independent auditor.
16. Review with the independent auditor any audit problems or significant difficulties and management's response, including: any difficulties encountered in the course of the audit work; any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.
17. Obtain and review, at least annually, a report by the independent auditor describing the firm's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer 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; and all relationships between the independent auditor and the Company.
18. Review and discuss with the independent auditor: the audit planning and procedures, including the scope, fees, staffing and timing of the audit; the results of the audit and

management letters; and any reports of the independent auditor with respect to any interim period.

#### Oversight of the Company's Internal Audit Function

19. Review and approve the appointment, replacement, reassignment or dismissal of the Company's senior internal auditing executive.
20. Review with the internal auditing department, and approve, its responsibilities, budget, staffing and annual audit plan. Review all internal audit reports to management and management's responses.
21. Discuss with the independent auditor and management the internal auditing department's responsibilities, budget and staffing and recommended changes in the planned scope of the internal annual audit plan. Review and approve the Internal Audit Charter annually.

#### Compliance and Risk Oversight Responsibilities

22. Obtain reports from management, the Company's senior internal auditing executive, the general counsel, the Company's chief compliance officer (or individual serving the equivalent function who shall, in any event, communicate directly with the Audit Committee) and the independent auditor as to the Company's conformity with applicable legal requirements and the Company's Code of Business of Conduct, Driving Integrity Worldwide (the "Code of Conduct"); and advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Conduct.
23. Discuss with management, including the Company's general counsel and chief compliance officer, and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements, accounting and/or internal control policies.
24. Ensure the establishment of procedures for the receipt, retention, and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
25. Review the Company's enterprise risk management program, including the annual risk assessment and risk management policies. Meet periodically with management to discuss the Company's major financial risk exposures as well as significant climate-related and cybersecurity risks and the steps management is taking to monitor and control such exposures.
26. Report regularly to the Board and review with the Board any issues that arise with respect to the quality or integrity of the Company's financial statements, the Company's compliance with legal and regulatory requirements, the performance and independence of

the Company's independent auditor, and the performance of the internal audit function.

27. Perform any other activities consistent with this Charter, the certificate of incorporation and bylaws of the Company, applicable governing law, the rules and regulations of the SEC and the NYSE listing standards, as the Audit Committee or the Board deems necessary or appropriate.

#### **VII. Limitation on Audit Committee's Role**

The Audit Committee and its advisors shall be given full access to the Company's internal auditing department, Board, corporate executive officers, outside counsel and independent auditor as necessary to carry out the responsibilities and powers set forth in this Charter. While the Audit Committee has the responsibilities and powers set forth in this Charter, the Audit Committee is not responsible for planning or conducting audits, preparing or certifying the Company's financial statements, determining that the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles, or guaranteeing the auditor's report. The fundamental responsibility for the Company's financial statements and disclosures and for maintaining appropriate internal controls over financial reporting rests with management. The Company's independent auditor is responsible for auditing the financial statements. The Audit Committee is entitled to rely in good faith upon the information provided by the Company's management and the judgment and advice of professional experts and advisors.

#### **VIII. Consistency with Certificate**

To the extent that any provision or section of 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.