

MERITOR, INC.

AUDIT COMMITTEE CHARTER

I. Purpose and authority

The Audit Committee of Meritor, Inc. (the "Corporation") is established by the Board of Directors and shall be charged with monitoring, or assisting the Board of Directors in monitoring:

- A. the integrity of the financial statements of the Corporation and the Corporation's accounting and financial reporting processes and financial statement audits;
- B. the compliance by the Corporation with legal and regulatory requirements;
- C. the independence and qualifications of the Corporation's independent auditors;
- D. the performance of the Corporation's internal audit function and independent auditors;
- E. the Corporation's systems of disclosure controls and procedures, internal controls over financial reporting, and compliance with ethical standards adopted by the Corporation;

The Audit Committee should encourage continuous improvement, and should foster adherence to the Corporation's policies, procedures, and practices at all levels.

The Audit Committee should also provide for open communication among the independent auditor, financial and senior management, the internal audit function, and the Board of Directors.

The Audit Committee has the authority to conduct investigations into any matters within the scope of its duties and engage outside consultants, independent counsel or other advisers as the Committee deems appropriate to carry out its duties and responsibilities.

The Corporation shall provide appropriate funding, as determined by the Audit Committee, for compensation to the independent auditor and any advisors that the Audit Committee chooses to engage and for ordinary administrative expenses of the Audit Committee that are necessary or appropriate in carrying out its duties.

The Audit Committee's principal responsibility is one of oversight. The fundamental responsibility for the Corporation's financial statements and disclosures rests with management and the independent auditor.

II. Composition and meetings

The Audit Committee shall consist of at least three and not more than six members of the Board of Directors.

Each member of the Audit Committee shall meet the independence and experience requirements of the New York Stock Exchange, as they may be revised from time to time.

At least one member will qualify as an "Audit Committee financial expert" as defined by the SEC and determined by the Board of Directors. The Corporation will disclose the member(s) determined to be an Audit Committee financial expert.

The Audit Committee shall meet at least quarterly, or more frequently as circumstances dictate. The Audit Committee chairman will approve the agenda for the Committee's meetings, and any member may suggest items for consideration. Briefing materials will be provided to the Committee in advance of meetings.

Each regularly scheduled meeting will include separate executive sessions:

1. with the Corporation's Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer;
2. with the Corporation's General Auditor;
3. with the independent auditors; and
4. as a Committee without members of management;

III. Responsibilities and duties

To carry out its responsibility, the Committee shall regularly undertake the following activities:

A. Documents / Reports / Accounting Information Review

1. Review and reassess its charter annually and submit any changes to the Board of Directors for approval.
2. Review, with the independent auditors (who shall be accountable to the Audit Committee) and with the Corporation's Chief Executive Officer, Chief Financial Officer, Controller and other management personnel, the Corporation's annual and quarterly financial statements (including the Management's Discussion and Analysis of Financial Condition and Results of Operations) before their release.
3. Review the Corporation's annual and quarterly earnings press release (including, in particular, review of the use of pro forma or adjusted non-GAAP information).
4. Review, prior to its release or use, the type and presentation of financial information and earnings guidance provided by the Corporation to analysts and rating agencies.

B. Independent Auditor

1. Sole authority, for each fiscal year, to select and employ, subject to approval of the shareholders (and to terminate and replace, where appropriate), independent auditors to audit the books, records, accounts and financial statements of the Corporation and its subsidiaries, and to approve and cause the Corporation to pay all audit engagement fees.
2. Review the performance and independence of the independent auditor and remove the independent auditor if circumstances warrant. The independent auditor will report directly to the Audit Committee and the Audit Committee will oversee the resolution of disagreements between Management and the independent auditor if they arise.
3. Review and approve in advance (and to delegate this pre-approval authority to one of its members in its discretion, whose decisions will be presented to the full Audit Committee at its next regularly scheduled meeting) the fees charged, and the scope and extent of any non-audit services to be performed, by the independent auditors and to receive and evaluate at least annually a report from such auditors as to their independence, and to report to the Board of Directors the results of its evaluation.
4. Consider whether the auditor's provision of permissible nonaudit services is compatible with the auditor's independence. Actively engage in dialogue with the independent auditor with respect to any disclosed relationships or services that may affect the independence and objectivity of the auditor and take appropriate actions to oversee the independence of the independent auditor.
5. Review the experience and qualifications of the lead partner each year and determine that all partner rotation requirements, as promulgated by applicable rules and regulations, are executed.

6. Discuss with the independent auditor the matters required to be discussed under the standards of the PCAOB.
7. Review with independent auditor, any significant issues related to their audit activities and management's response, restrictions, if any, imposed on their work or access to requested information, the cooperation they received during the audit and any significant disagreements with management.
8. Review with the independent auditors, the following:
 - a. critical accounting policies and practices;
 - b. new accounting pronouncements;
 - c. significant financial reporting issues and judgments made in connection therewith, including (i) alternative treatments of financial information within generally accepted accounting principles ("GAAP") and the ramifications of use of such treatments and the treatment preferred by the independent auditors; (ii) significant changes in the selection or application of accounting principles; and (iii) treatment of complex or unusual transactions;
 - d. significant internal control matters (including incidents of fraud identified by the Corporation, the independent auditors or internal audit, or reported directly to the Committee) and any recommendations of the independent auditors with respect to the adequacy of the Corporation's system of internal controls, including their attestation and report on management's report on internal controls;
 - e. material written communications between the independent auditors and management, including, the management letter and the schedule of unadjusted differences;
9. Obtain and review a report to be provided by the Corporation's independent auditors at least annually, 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 audits carried out by the firm, and steps taken to deal with any such issues, and all relationships between the firm and the Corporation.
10. Assess whether the independent auditor is consistently demonstrating objectivity and skepticism in the performance of their work.
11. Set the Corporation's policies with respect to hiring employees or former employees of the Corporation's independent auditor.

C. Financial reporting, accounting policies, and internal control structure

1. In consultation with the independent auditor and the internal audit function, review the integrity of the Corporation's financial reporting processes (both internal and external).
2. Understand the scope of the independent auditors' review of internal control over financial reporting and procedures utilized in their annual audit and quarterly reviews of the Corporation's financial statements.
3. Receive and review any disclosure from the Corporation's Chief Executive Officer or Chief Financial Officer made in connection with the certification of the Corporation's quarterly and annual reports filed with the Securities and Exchange Commission of:
 - a. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial data.
 - b. disclosure controls and procedures; and
 - c. any instances of fraud, whether or not material, that involve management or other employees who have a significant role in the Corporation's internal controls.

4. Review major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection of accounting principles; major issues as to the adequacy of the Corporation's internal controls; and any special audit steps adopted in light of material control deficiencies.
5. Review analyses prepared by management and the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements.
6. Review the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Corporation's financial statements;
7. Review and approve all related-party transactions defined as those transactions required to be disclosed under Item 404 of Regulation S-K.
8. Establish procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees.
9. Recommend to the Board whether the Corporation's annual financial statements should be included in its annual report to the Securities and Exchange Commission on Form 10-K.
10. Prepare the report to be included in the Corporation's annual proxy statement.

D. Internal Audit

1. Annually, review and recommend changes (if any) to the internal audit charter.
2. Review and approve the scope of the annual internal audit plan, including proposed staffing, budget and other resources necessary for its accomplishment.
3. Review the results of completed internal audits and management's response to audit reports.
4. Review any comments the General Auditor may have on significant issues related to the internal audit activities or restrictions, if any, imposed thereon.
5. Review with General Auditor significant internal control matters (including incidents of fraud identified by the Corporation, the independent auditors or internal audit, or reported directly to the Committee).
6. Annually, review the composition and qualifications of the Internal Audit staff.
7. Review and concur with management as to the appointment, reassignment, replacement, dismissal, and compensation of the General Auditor.

E. Legal and Ethical Compliance, and Risk Management

1. Oversee, review, and periodically update the standards of business conduct policies, including communication of the Corporation's standards of business conduct policies to employees, monitoring compliance of employees with those policies, and other related matters.
2. Review with the Corporation's General Counsel significant contingencies that could impact the Corporation's financial statements and regarding legal compliance matters, including compliance with insider trading policies.

3. Discuss policies with respect to risk assessment and risk management, including financial and accounting risk, and cybersecurity risk, and management's initiatives to monitor and control such exposures.
4. Review any findings by regulatory agencies with respect to the Corporation's activities, and management's response to such findings.

F. Other Responsibilities

1. Review periodically and consult with management concerning the composition and capabilities of the finance organization staff.
2. Conduct an annual performance assessment of the Audit Committee.
3. Perform any other activities consistent with this Charter, the Corporation's By-laws, and applicable laws and regulations, as the Audit Committee or the Board deems appropriate of concerns regarding accounting or auditing matters.

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