

AMERICAN AXLE & MANUFACTURING HOLDINGS INC  
Form DEF 14A  
March 19, 2015  
Table of Contents

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
SCHEDULE 14A  
Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No. )

Filed by the Registrant  Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to §240.14a-12

AMERICAN AXLE & MANUFACTURING HOLDINGS, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.  
 Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

1 Title of each class of securities to which transaction applies:

2 Aggregate number of securities to which transaction applies:

3 Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4 Proposed maximum aggregate value of transaction:

5 Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1 Amount Previously Paid:

2 Form, Schedule or Registration Statement No.:

3 Filing Party:

4 Date Filed:

SEC 1913 (02-02)

Persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.



Table of Contents

One Dauch Drive  
Detroit, Michigan 48211-1198  
www.aam.com

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

April 30, 2015

American Axle & Manufacturing Holdings, Inc. (AAM)

Time and Place 8:00 a.m., local time, on Thursday, April 30, 2015

AAM World Headquarters Auditorium, One Dauch Drive, Detroit, Michigan

Items of Business

- (1) Elect three members of the Board of Directors to serve until the Annual Meeting of Stockholders in 2018;
- (2) Approve the Amended and Restated AAM 2012 Omnibus Incentive Plan;
- (3) Advisory vote to approve named executive officer compensation;
- (4) Ratify the appointment of Deloitte & Touche LLP as AAM's independent registered public accounting firm for the year ending December 31, 2015; and
- (5) Attend to other business properly presented at the meeting.

Record Date You may vote if you were an AAM stockholder at the close of business on March 3, 2015.

Meeting Admission Admission may be limited to AAM stockholders as of the record date and holders of valid proxies. Please be prepared to present identification for admittance. Stockholders holding stock in brokerage accounts will need to bring a copy of a brokerage statement reflecting stock ownership as of the record date. Cameras and recording devices will not be permitted.

Proxy Materials We have elected to furnish materials for the 2015 Annual Meeting of Stockholders via the Internet. On March 19, 2015, we mailed a notice of Internet availability (notice) to most stockholders containing instructions on how to access the proxy materials on the Internet instead of receiving paper copies in the mail.

Important Notice Regarding Internet Availability of Proxy Materials for the April 30, 2015 Stockholder Meeting. The Proxy Statement and 2014 Annual Report and Form 10-K are available at [www.envisionreports.com/AXL](http://www.envisionreports.com/AXL).

By Order of the Board of Directors,  
David E. Barnes  
General Counsel & Secretary  
March 19, 2015

Table of Contents

2015 ANNUAL MEETING OF STOCKHOLDERS  
 PROXY STATEMENT  
 TABLE OF CONTENTS

	Page No.
<u>INTERNET AVAILABILITY OF PROXY MATERIALS</u>	<u>2</u>
<u>QUESTIONS AND ANSWERS ABOUT VOTING AND THE ANNUAL MEETING</u>	<u>2</u>
<u>PROPOSAL 1: ELECTION OF DIRECTORS</u>	<u>5</u>
<u>Nominees for Director</u>	<u>6</u>
<u>Returning Directors</u>	<u>8</u>
<u>Corporate Governance</u>	<u>12</u>
<u>PROPOSAL 2: APPROVAL OF AMENDED AND RESTATED AMERICAN AXLE &amp; MANUFACTURING HOLDINGS, INC. 2012 OMNIBUS INCENTIVE PLAN</u>	<u>18</u>
<u>COMPENSATION OF EXECUTIVE OFFICERS</u>	<u>27</u>
<u>Compensation Discussion and Analysis</u>	<u>27</u>
<u>Summary Compensation Table</u>	<u>39</u>
<u>Grants of Plan-Based Awards</u>	<u>41</u>
<u>Outstanding Equity Awards at December 31, 2014</u>	<u>44</u>
<u>Options Exercised and Stock Vested</u>	<u>45</u>
<u>Pension Benefits</u>	<u>46</u>
<u>Nonqualified Deferred Compensation</u>	<u>48</u>
<u>Potential Payments Upon Termination or Change of Control</u>	<u>50</u>
<u>PROPOSAL 3 : ADVISORY VOTE ON EXECUTIVE COMPENSATION</u>	<u>56</u>
<u>2014 COMPENSATION OF NON-EMPLOYEE DIRECTORS</u>	<u>57</u>
<u>SECURITY OWNERSHIP</u>	<u>59</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>60</u>
<u>PROPOSAL 4: RATIFICATION OF APPOINTMENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2015</u>	<u>61</u>
<u>AUDIT COMMITTEE DISCLOSURE</u>	<u>61</u>
<u>Report of the Audit Committee</u>	<u>61</u>
<u>Policy for Pre-Approval of Audit and Non-Audit Services</u>	<u>62</u>
<u>Fees of Independent Public Accountants</u>	<u>62</u>
<u>OTHER MATTERS</u>	<u>63</u>
<u>APPENDIX A: AMENDED AND RESTATED AMERICAN AXLE &amp; MANUFACTURING HOLDINGS, INC. 2012 OMNIBUS INCENTIVE PLAN</u>	<u>A-1</u>



Table of Contents

PROXY STATEMENT

Annual Meeting of Stockholders

To Be Held April 30, 2015

INTERNET AVAILABILITY OF PROXY MATERIALS

American Axle & Manufacturing Holdings, Inc. (AAM or the Company) is providing proxy materials electronically via the Internet, instead of mailing printed copies of those materials to each stockholder. On March 19, 2015, we mailed to our stockholders (other than those who previously requested e-mail or paper delivery) a Notice of Availability of Proxy Materials containing instructions on how to access our proxy materials, including our proxy statement and 2014 annual report on Form 10-K. The Notice of Availability of Proxy Materials provides instructions on how you may submit your proxy over the Internet or by telephone.

This electronic delivery process is designed to expedite stockholder receipt of proxy materials, lower the cost of the Annual Meeting of Stockholders (annual meeting), and conserve natural resources. However, if you would prefer to receive printed proxy materials, please follow the instructions included in the Notice of Availability of Proxy Materials. If you have previously elected to receive our proxy materials electronically, you will continue to receive these materials by e-mail unless you elect otherwise. If you received a printed copy of proxy materials by mail and would like to view future proxy materials over the Internet, you can do so by accessing the Internet at [www.envisionreports.com/AXL](http://www.envisionreports.com/AXL).

QUESTIONS AND ANSWERS ABOUT VOTING AND THE ANNUAL MEETING

Why am I receiving this proxy statement?

You received these proxy materials because you owned shares of AAM common stock on March 3, 2015 (record date). AAM's Board of Directors (Board) is soliciting your proxy to vote your shares at the annual meeting. By use of a proxy, you can vote whether or not you attend the meeting. This proxy statement includes information that we are required to provide to you and is designed to assist you in voting your shares.

Who is entitled to vote?

Holders of AAM common stock on the record date are entitled to one vote per share. You are a holder of record if your shares are held directly in your name with AAM's transfer agent, Computershare Trust Company, N.A. If your shares are held in the name of a broker, bank, trustee or other record holder, you are a street name holder. If you hold shares in more than one account, each notice, proxy and/or voting instruction card you receive that has a unique control number must be voted so that all your shares are voted.

How do I vote?

You may vote by any of the following methods:

In person — attending the annual meeting and casting a ballot.

By mail — using the proxy and/or voting instruction card provided.

By telephone or over the Internet — following the instructions on your notice card, proxy and/or voting instruction card.

If you vote by telephone or over the Internet, have your notice card or proxy and/or voting instruction card available.

The control number on your card is necessary to process your vote. A telephone or Internet vote authorizes the named proxies to vote in the same manner as if you marked, signed and returned the card by mail. If you hold shares in street name, refer to the voting instructions provided by your broker, bank, trustee or other record holder.

How many shares may vote at the meeting?

As of March 3, 2015, we had 75,769,239 shares of common stock outstanding and entitled to vote. Under AAM's by-laws, a majority of these shares must be present in person or by proxy to hold the annual meeting and take any action during the meeting.

Can I change my vote?

You may change your vote at any time before the annual meeting by:

revoking it by written notice to AAM's Secretary at the address on the cover of this proxy statement;

voting in person at the annual meeting; or

delivering a later-dated proxy vote by mail, telephone or over the Internet.



Table of Contents

What are the Board's recommendations on how I should vote my shares?

The Board recommends that you vote your shares as follows:

Proposal 1 — FOR the election of the three nominees with terms expiring at the 2018 annual meeting;

Proposal 2 — FOR approval of the Amended and Restated AAM 2012 Omnibus Incentive Plan;

Proposal 3 — FOR approval, on an advisory basis, of the compensation of AAM's named executive officers as described in the Compensation Discussion and Analysis, tables and related narrative; and

Proposal 4 — FOR ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the year ending December 31, 2015.

What are my choices when voting?

Proposal 1 — You may vote for or withhold your vote on one or more of the nominees.

Proposal 2 — You may vote for or against the proposal to approve the Amended and Restated AAM 2012 Omnibus Incentive Plan, or you may abstain from voting your shares.

Proposal 3 — You may vote for or against the proposal to approve the compensation of our named executive officers, or you may abstain from voting your shares.

Proposal 4 — You may vote for or against the proposal to ratify the appointment of the Company's independent registered public accounting firm, or you may abstain from voting your shares.

What vote is required to approve each proposal?

Proposal 1 — A plurality of the votes cast to elect a director, which means that nominees with the most affirmative votes will be elected to fill the available seats.

Proposal 2 — An affirmative vote of a majority of the shares voted in person or by proxy must be cast in favor of the vote to approve the Amended and Restated AAM 2012 Omnibus Incentive Plan.

Proposal 3 — An affirmative vote of a majority of the shares voted in person or by proxy must be cast in favor of the advisory vote to approve the compensation of AAM's named executive officers.

Proposal 4 — An affirmative vote of a majority of the shares voted in person or by proxy must be cast in favor of the ratification of the appointment of the Company's independent registered public accounting firm.

Proposals 3 and 4 are advisory votes only and, as discussed in more detail in each proposal, the voting results are not binding on AAM. However, with respect to proposal 3, the Board and the Compensation Committee will consider the outcome of the vote in making future determinations concerning the compensation of our named executive officers.

With respect to proposal 4, the Audit Committee will consider whether the appointment of Deloitte & Touche, LLP is in the best interests of the Company if the appointment is not ratified.

Who will count the votes?

Representatives of Computershare Trust Company, N.A., AAM's transfer agent, will count the votes and serve as our inspector of election. The inspector of election will attend the annual meeting.

What if I "withhold" my vote or "abstain"?

Votes withheld and abstentions will be counted as present for purposes of determining whether a majority of shares is present to establish a quorum and hold the annual meeting. Abstentions will not be counted in the tally of votes for or against any proposal. A withheld vote has the same effect as an abstention.

What if I do not vote and do not attend the annual meeting?

If you are a holder of record and you do not vote your shares at the annual meeting or by proxy, your shares will not be voted. If you sign and return your proxy card without specific voting instructions, your shares will be voted as recommended by the Board.

Under New York Stock Exchange (NYSE) rules, brokers have discretionary power to vote your shares only on "routine" matters. Brokers do not have discretionary power to vote your shares on "non-routine" matters. If you hold shares in street name, and you do not give your bank, broker, trustee or other holder of record specific voting instructions for your shares, your record holder can only vote your shares on the ratification of the Company's independent registered public accounting firm (proposal 4), a "routine" matter.



Table of Contents

Without your specific instructions, your record holder cannot vote your shares on the election of directors, the amendment and restatement of the 2012 Omnibus Incentive Plan and the advisory vote on named executive officer compensation. For each of these matters, if you do not instruct your record holder how to vote, the record holder may not vote your shares. Shares not voted will be broker non-votes and will not be counted in determining the outcome of the vote for proposals 1, 2 and 3. Broker non-votes will have no impact on the outcome of these proposals. We urge you to give your record holder voting instructions on each proposal being presented at the annual meeting.

Table of Contents

PROPOSAL 1: ELECTION OF DIRECTORS

The Board proposes that David C. Dauch, William L. Kozyra and Peter D. Lyons be elected to the Board as Class I directors for terms expiring at the annual meeting in 2018. Mr. Dauch, Chairman of the Board, President & Chief Executive Officer, is standing for re-election. Mr. Kozyra and Mr. Lyons are new nominees selected by the Board. The Board is divided into three classes. Directors serve for staggered three-year terms. The Board believes that the staggered election of directors helps to maintain continuity and ensures that a majority of directors at any given time will have in-depth knowledge of the Company.

The Board unanimously approved the nominations of Mr. Dauch, Mr. Kozyra and Mr. Lyons as Class I directors based on their achievements, special competencies and integrity. Each nominee brings a strong and unique background and set of skills to the Board. Collectively, the Board has high levels of competence and experience in a variety of areas, including manufacturing, engineering, finance, international business, management, law, risk management, strategic business development and the global automotive industry. A summary of the principal occupation, professional background and specific knowledge and expertise that qualify each nominee and returning director to serve on our Board is provided in the following pages of this proxy statement.

The Board unanimously recommends a vote FOR each of the nominees.

Table of Contents

Nominees for Director

Class I — Directors to hold office until the 2018 Annual Meeting of Stockholders

DAVID C. DAUCH

Age 50

David C. Dauch is President & Chief Executive Officer of AAM, a position he has held since September 2012. Mr. Dauch was appointed Chairman of the Board in August 2013. Since June 2008, he served as AAM's President & Chief Operating Officer and previously served as Executive Vice President & Chief Operating Officer. Prior to joining AAM in 1995, Mr. Dauch held several positions at Collins & Aikman Products Company, where he received the President's Award for leadership and innovation. Mr. Dauch also served on the Collins & Aikman Board of Directors from 2002 to 2007. Presently, he serves on the boards of Business Leaders for Michigan, the Detroit Regional Chamber, the Great Lakes Council Boy Scouts of America, the Boys & Girls Club of Southeast Michigan and the Original Equipment Suppliers Association. In December 2014, Mr. Dauch was elected to the Board of Directors of Amerisure Mutual Holdings, Inc. and the Amerisure Companies. Mr. Dauch also serves on the Miami University Business Advisory Council. Mr. Dauch's day-to-day leadership as President & Chief Executive Officer provides him with intimate knowledge of and responsibility for developing and implementing the Company's operating objectives. Mr. Dauch's leadership of AAM's global business and operations provides the Board with strategic vision and insight regarding AAM's strategic plans for the future.

Director since  
2009

WILLIAM L. KOZYRA

Age 57

Mr. Kozyra is Chairman of the Board and Chief Executive Officer of TI Automotive Ltd., a global supplier of automotive fluid storage, carrying and delivery technology. He has served as TI Automotive's CEO since June 2008. Prior to that, Mr. Kozyra was President and CEO of Continental AG North America for 10 years. He was also a member of the Executive Board, Continental AG (DAX), Hanover, Germany, with responsibility for Continental AG's NAFTA businesses. Previously, at ITT Automotive, he served as Vice President and General Manager, Brake and Chassis Systems North America. Prior to joining ITT Automotive, he was Vice President and General Manager of Bosch Braking Systems' Brake Products Division. Mr. Kozyra is a member of the Board of Directors of the Motor & Equipment Manufacturers Association (MEMA), the Ford Motor Company Top 100 Supplier Forum, the Board of Trustees of the Notre Dame Preparatory School, the Boy Scouts of America Executive Board in Detroit, Michigan, the Board of Advisors of the University of Detroit and the University

of Detroit Alumni Council and the Society of Automotive Engineers. In nominating Mr. Kozyra for election as a director, our Board considered his 35 years of experience in the global automotive industry and demonstrated leadership skills and technical background in the areas of manufacturing, engineering, quality systems and sales, all of which are aligned with AAM's business objectives.

Table of Contents

PETER D. LYONS

Age 59

Mr. Lyons, an attorney, is a partner and Co-Head of the Global Public Mergers & Acquisitions Group of Freshfields Bruckhaus Deringer US LLP, which he joined in September 2014. Based in the New York office of Freshfields, Mr. Lyons represents leading U.S. and global companies in acquisitions and sales of public and private companies, asset acquisition and disposition transactions, and joint ventures. Prior to joining Freshfields, Mr. Lyons was a partner with Shearman & Sterling LLP and a member of the Mergers & Acquisitions Group based in New York, New York. Mr. Lyons practiced law at Shearman & Sterling for 35 years. Mr. Lyons has been recognized and recommended as an M&A practitioner by Chambers Global, Chambers USA, The Legal 500 US, and IFLR1000. Mr. Lyons received his law degree from Georgetown University Law Center and his Bachelor of Arts degree from the University of Virginia. From 2003 to 2014, while a partner at Shearman & Sterling, Mr. Lyons served as lead counsel to AAM and as a key advisor to the Board on legal matters. In nominating Mr. Lyons for election as a director, our Board considered his extensive experience advising global companies and corporate boards as well as his subject matter expertise in mergers and acquisitions and other corporate transactions, corporate governance and other areas of significance to the Board.

Table of Contents

RETURNING DIRECTORS

Class II — Directors to hold office until the 2016 Annual Meeting of Stockholders

ELIZABETH A. CHAPPELL

Age 57

Ms. Chappell has served as President and Chief Executive Officer of the Detroit Economic Club since 2002. Previously, she served as Executive Vice President, Corporate Communications & Investor Relations for Compuware Corporation. From 1995 to 2000, Ms. Chappell was President and Chief Executive Officer of a consulting firm she founded, The Chappell Group, Inc. For 16 years, Ms. Chappell held executive positions at AT&T. From 1999 to 2009, Ms. Chappell served on the Board of Directors of the Handleman Company. She also serves on a number of civic boards, including the Michigan State University Capital Campaign, Citizens Research Council, Detroit Regional Chamber, the United Way Board and Tocqueville Committee, and the Charter One Regional Advisory Board (Midwest). Ms. Chappell is a former board member of the Karmanos Cancer Institute, Michigan Economic Growth Authority and Hospice of Michigan. Ms. Chappell's demonstrated leadership skills, entrepreneurial business experience and service on various boards enhance her contributions to the Board in the areas of investor relations, marketing and communications, and strategic business development.

Director since  
2004

STEVEN B. HANTLER

Age 62

Mr. Hantler is Director of Policy Initiatives for The Marcus Family Office. In this capacity, he advises Home Depot co-founder, Bernie Marcus, in the areas of government affairs, legal and regulatory policy, national security, free enterprise and higher education. Previously, he had a 27-year career with Chrysler Corporation, where he held positions as Assistant General Counsel, Manufacturing Group Counsel, and Senior Trial Attorney. Prior to joining Chrysler, Mr. Hantler was engaged in private law practice. Mr. Hantler is a Senior Fellow at the Pacific Research Institute and a member of the Legal Policy Advisory Board of the Washington Legal Foundation. Previously, Mr. Hantler served as Chair of the State Government Leadership Foundation, which educates state leaders on public policy issues, Chair of the Advisory Board of the National Judicial College, and on the Board of Directors of the New York University Law School Center for Labor and Employment. Mr. Hantler's leadership experience and expertise in law, public relations and government affairs provide the Board with knowledge and insight in these areas of importance to the Board's oversight of AAM's global business growth and strategic initiatives.

Director since  
2011



Table of Contents

JOHN F. SMITH

Age 64

Mr. Smith is principal of Eagle Advisors LLC, a consulting firm in Bloomfield Hills, Michigan that specializes in strategy development and performance improvement. From 2000 to 2010, Mr. Smith held positions of increasing responsibility with General Motors Corporation in sales and marketing, product planning and corporate strategy, most recently as Group Vice President, Corporate Planning and Alliances. During his 42-year career in the automotive industry, Mr. Smith also served as General Manager of Cadillac Motor Car, President of Allison Transmission, and Vice President, Planning at General Motors International Operations in Zurich, Switzerland. Mr. Smith currently serves on the boards of CEVA Holdings LLC, Arnold Magnetics and Enginetics, LLC. Mr. Smith also serves as an advisor to VNG.CO, a developer of compressed natural gas refueling stations, and Palogix International, a provider of in-bound logistics and container management solutions. Mr. Smith is a member of the National Advisory Board of Boy Scouts of America and the Board of Trustees of St. John's Providence Health System in Michigan. He served on the Board of Directors of Smith Electric Vehicles Corp. from June 2012 to December 2013, and on the Board of Plasan Carbon Composites from December 2013 to December 2014. Mr. Smith's extensive experience in manufacturing, finance, business development, international operations, sales and marketing, product development and mergers and acquisitions is aligned with AAM's key business objectives, including continued global business growth and diversification.

Director since 2011





Table of Contents

Class III — Directors to hold office until the 2017 Annual Meeting of Stockholders

JAMES A. McCASLIN

Age 66

Mr. McCaslin retired from Harley Davidson, Inc. in April 2010. Mr. McCaslin joined Harley Davidson in 1992 and held various senior executive leadership positions, including President and Chief Operating Officer of Harley-Davidson Motor Company, from 2001 to 2009. From 1989 to 1992, he held manufacturing and engineering positions with JI Case, a manufacturer of agricultural equipment. Previously, he held executive positions in manufacturing and quality with Chrysler Corporation, Volkswagen of America and General Motors Corporation, where he began his 40-year career in manufacturing. From 2003 to 2006, he served on the Board of Directors of Maytag Corporation. Mr. McCaslin has served on a number of civic boards, including Boys and Girls Clubs of Greater Milwaukee, Manufacturing Skill Standards Council and Kettering University. Mr. McCaslin's extensive operational expertise and experience in multiple manufacturing industries provide the Board with a valued resource in support of AAM's operational objectives, which include engineering, quality and technology leadership, operational excellence and global geographic and product diversification.

Director since  
2011

WILLIAM P. MILLER II CFA

Age 59

Mr. Miller, Chartered Financial Analyst, is Head of Asset Allocation for the Saudi Arabian Investment Company. Separately, since 2003, Mr. Miller has been a member of the Board of Directors of the Chicago Mercantile Exchange, serving on the Audit Committee, Finance Committee and Market Regulation Oversight Committee. Since June 2011, Mr. Miller has served on the Board of Directors of the Dubai Mercantile Exchange, where he also serves on the Compensation Committee and the Risk and Compliance Committee. From April 2011 to October 2013, he was the Senior Managing Director & Chief Financial Officer of Financial Markets International, Inc. From 2005 to 2011, he was employed by the Ohio Public Employees Retirement System, where he served as Deputy Chief Investment Officer. Previously, he was Senior Risk Manager for the Abu Dhabi Investment Authority and an Independent Risk Oversight Officer and Chief Compliance Officer for Commonfund Group. Mr. Miller also served as Director, Trading Operations and Asset Mix Management with General Motors Investment Management Corp. and as a financial analyst with the U.S. Department of Transportation. Mr. Miller also served on the Public Company Accounting Oversight Board's Standing Advisory Group, the Institutional Investor Advisory Board for Golub Capital and the Board of Directors of the Dubai International Financial Exchange.

Director since  
2005

Mr. Miller's expertise in finance, investments, risk management, compliance, international business, audit and accounting provides the Board with valuable guidance in assessing and managing risks and in fulfilling the Board's financial oversight role.

Table of Contents

SAMUEL VALENTI III

Age 69

Mr. Valenti serves as Chairman and Chief Executive Officer of Valenti Capital LLC and World Capital Partners, investment firms located in