



JLG INDUSTRIES, INC.  
AUDIT COMMITTEE CHARTER

**I. Authorization**

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of JLG Industries, Inc. (the “Company”) is authorized, pursuant to Section 1731 of the Pennsylvania Business Corporation Law and Section 21 of the Company’s Bylaws, to exercise all the powers and authority of the Company necessary to carry out the purposes and responsibilities set forth herein.

**II. Purpose**

The principal purposes of the Committee are:

- to assist the Board oversight of (i) the integrity of the Company’s financial statements, (ii) the Company’s compliance with legal and regulatory requirements, (iii) the independent auditor’s qualifications and independence, and (iv) the performance of the Company’s internal audit function and independent auditor;
- to prepare the report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s annual proxy statement.

**III. Committee Membership**

The Committee shall consist of no fewer than three members, each of whom shall meet the independence and experience requirements of the New York Stock Exchange and such other independence and experience requirements, if any, as may be established by law, regulation or the Company’s Corporate Governance Principles. The members of the Committee shall be designated by the Board, on recommendation by the Directors and Corporate Governance Committee, during the Board of Directors’ reorganizational meeting held in November of each year.

Each year during the first Committee meeting following the reorganizational meeting of the Board, the Committee shall select from its members a Chairman, who may be the incumbent Chairman or another member of the Committee.

The Board shall have sole authority to appoint and remove members of the Committee.

## **IV. Authority and Responsibilities**

### **A. Independent Auditor Selection and Oversight**

1. The Committee shall have the sole authority to appoint, retain, evaluate, compensate or terminate the Company's independent auditor (subject, if applicable, to shareholder ratification) and to approve all audit engagement fees and terms. The Committee shall meet annually with the independent auditor and financial management of the Company to review the scope and plan of the proposed audit for the year, including the independent auditor's compensation and terms of engagement. At the conclusion of each audit the Committee shall review the results of the audit, including any comments or recommendations of the independent auditor and management's response to such comments or recommendations.

2. The Committee shall review and approve all non-audit engagements with the independent auditor and otherwise ensure that the independent auditor submits on a periodic basis to the Committee a formal written statement delineating all relationships between the independent auditor and the Company. In addition, the Committee shall actively engage in dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity or independence of the independent auditor.

3. The Committee shall, at least annually, obtain and review a report by the independent auditor describing: (a) the independent auditor firm's internal quality-control procedures; (b) 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, with respect to one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (c) (to assess the auditor's independence) all relationships between the independent auditor and the Company.

4. After reviewing the material described in paragraphs 2 and 3 and the independent auditor's work throughout the year, the Committee shall evaluate the qualifications, performance, and independence of the auditor. Such evaluation shall include, without limitation: (a) a review and evaluation of the lead partner and senior manager of the independent auditor and (b) the opinions of management and the Company's internal auditors or any other personnel responsible for the internal audit function. In addition to assuring the regular rotation of the lead audit partner as required by law, the Committee shall also consider whether, to assure continuing auditor independence, there should be regular rotation of the independent auditor firm itself. The Committee shall present its conclusions to the Board and, if so determined by the Committee, recommend that the Board take additional action to satisfy itself of the qualifications, performance, and independence of the independent auditor.

5. The Committee shall determine clear hiring policies for employees or former employees of the independent auditor.

### **B. Financial Statements and Disclosures**

1. The Committee shall review and discuss the annual audited financial statements included in the Company's Form 10-K and quarterly financial statements included in the Company's Form 10-Q, including the Company's disclosures under "Management's

Discussion and Analysis of Financial Condition and Results of Operations” with management and the independent auditor prior to their release. This review should be coordinated with the independent auditor’s quarterly reviews and annual audits of the Company’s financial statements and issuance of their applicable reports and opinions. The Committee shall determine that the independent auditor is satisfied with the report’s disclosure and content.

2. The Committee shall review and discuss with management and the independent auditor any significant financial reporting issues and judgments made in connection with the preparation of the Company’s financial statements, including (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company’s selection or application of accounting principles; (b) any major issues as to the adequacy of the Company’s internal controls and any special audit steps adopted in light of material control deficiencies; (c) analyses prepared by management and/or 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 effect of alternative assumptions, estimates, or GAAP methods on the Company’s financial statements; and (d) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the financial statements of the Company.

3. The Committee shall provide the opportunity at all Committee meetings and, in any event, shall regularly review and discuss with the independent auditor any audit problems or difficulties and management’s response including: (a) any restrictions on the scope of the independent auditor’s activities or on access to requested information; and (b) any significant disagreements with management. The Committee may also review with the independent auditor (a) any accounting adjustments that were noted or proposed by the auditor but were not incorporated into the financial statements or disclosure (as immaterial or otherwise); (b) any communications between the audit team and the audit firm’s national office respecting auditing or accounting issues presented by the engagement; and (c) any “management” or “internal control” letter issued or proposed to be issued, by the audit firm to the Company.

4. The Committee shall resolve all disagreements between management and the independent auditor regarding financial reporting.

5. The Committee shall discuss generally (i.e., the types of information to be disclosed and the type of presentation to be made) earnings press releases (with particular attention to the use of “pro forma,” or “adjusted” non-GAAP, information) as well as financial information and earnings guidance provided to analysts and rating agencies.

6. The Committee shall prepare the annual report of the Committee required by SEC rules and undertake all matters necessary for the preparation of such report.

### C. Oversight of Internal Audit Function and Compliance

1. The Committee shall review the appointment and replacement of the Company’s senior internal auditor.

2. The Committee shall review the significant reports to management prepared by the internal auditing department and meet privately with the Company’s senior internal

auditor at all Committee meetings to discuss any specific questions concerning internal or operational controls, or any other matters which the Committee might wish to address. The Committee shall also review management response to any significant reports prepared by the internal auditing department or to any questions concerning internal or operational controls raised by the Company's senior internal auditor or the Committee.

3. The Committee shall review and discuss with the independent auditor the internal audit function of the Company including the proposed programs for the coming year and the coordination of such programs with the independent auditor, with particular attention to maintaining an appropriate effective balance between independent and internal auditing resources. Such review shall include a discussion of the appropriate budget, staffing, and any recommended changes in the scope of the Company's internal auditing programs.

4. The Committee shall meet privately with the Company's Chief Financial Officer at all Committee meetings.

5. The Committee shall review with the independent auditor and with the Company's financial and accounting personnel the adequacy and effectiveness of the internal auditing and accounting and financial controls of the Company, and elicit any recommendations that they may have for the improvement of such internal control procedures or particular areas where new or more detailed controls or procedures are desirable. Particular emphasis should be given to the adequacy of such internal controls to expose any payments, transactions or procedures which might be deemed illegal or otherwise improper.

6. The Committee shall monitor compliance with prescribed Company policies and procedures designed to disclose conflicts of interest, illegal payments and record-keeping, fraudulent financial practices, and unethical corporate behavior.

7. The Committee shall discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies.

8. The Committee shall discuss with the Company's General Counsel any legal matters that may have a material impact on the financial statements or the Company's compliance policies.

9. The Committee shall establish 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 concerns regarding questionable accounting or auditing matters. The Committee shall investigate and take appropriate action with respect to any matter brought to its attention, within the scope of the Committee's duties, and retain outside experts for this purpose if appropriate in its judgment.

#### D. Risk Management and Other Matters

1. The Committee shall review and discuss with management guidelines and policies with respect to risk assessment and risk management, including major financial risk exposures and the steps taken by management to monitor and control such exposures.

2. The Committee shall review with the Board any issues that arise with respect to the performance and independence of the Company's independent auditor, the quality or integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, or the performance of the internal audit function.

3. The Committee shall have the authority, to the extent it deems necessary or appropriate, to retain special legal, accounting, or other consultants to advise the Committee.

4. The Committee shall review and assess this Charter and the performance of this Committee annually to ensure that they are consistent with the short-term and long-range goals of the Company and recommend any proposed changes to the Board.

5. The Committee shall remain generally informed regarding current and proposed changes in SEC financial reporting requirements, generally accepted accounting principles and generally accepted auditing standards.

6. The Committee shall conduct such other duties as may be lawfully delegated to the Committee from time to time by the Board.

7. The Committee shall determine appropriate funding for payment of compensation: (a) to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, (b) to any consultants or advisers employed by the Committee; and (c) for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

#### **V. Limitation of Audit Committee's Role**

The purpose, authority, and responsibilities of the Committee, as set forth in this Charter, do not impose upon the Committee the duty to (1) plan or conduct audits of the Company, or (2) determine whether the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable state and federal securities laws, rules, or regulations. This duty shall remain the responsibility of the Company's independent auditor and management.

#### **VI. Meetings and Minutes**

The Committee shall hold meetings, in person or by telephone, at such times and with such frequency as it deems necessary to carry out its duties and responsibilities under this Charter, but in no event less than once per quarter. In addition, the Committee shall meet with management, the internal auditors, and the independent auditor in separate executive sessions at least quarterly. Special meetings of the Committee may be called by the Chairman of the Board or the CEO of

the Company or by the Chairman of the Committee, with notice of any such special meeting to be given in accordance with the Company's Bylaws. A majority of the members of the Committee shall constitute a quorum for the transaction of business by the Committee. The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any members of, or consultants to, the Committee. The Committee may also, to the extent that it deems necessary or appropriate, meet with the Company's investment bankers or financial analysts who follow the Company.

The Committee also may act by unanimous written consent in accordance with the terms of the Company's Bylaws.

Minutes of each Committee meeting and records of all other Committee actions shall be prepared by the Secretary of the Company or, if the Secretary is not present at the meeting, any person appointed by the Chairman of the Committee, and shall be retained with the permanent records of the Company.

The Committee shall report to the Board, no later than the next regular Board meeting, all decisions made and actions taken by the Committee.

## **VII. Adoption and Amendment**

This Charter has been adopted by, and may be amended at any time or from time to time, in whole or in part, solely by a resolution adopted by the Board.

\* \* \*