

## **ADDENDUM TO STANDARD TERMS AND CONDITIONS FOR SELLERS FROM MEXICO.**

For shipments from Sellers organized and existing under the laws of Mexico the following modified terms shall apply and shall modify or replace as applicable below, the related provisions set forth in the main body text above:

The term Buyer shall mean "AAM MAQUILADORA MEXICO, S. DE R.L. DE C.V." for indirect material and "AAM INTERNATIONAL SARL" for direct material or such other subsidiary of American Axle & Manufacturing, Inc., as set forth on the face of a Purchase Order.

1. Section 26 above is replaced in its entirety with the following:

26. REMEDIES: The remedies reserved in these terms and at law are cumulative, and not alternative, and may be exercised separately or together, in any order or combination, and, in the case of Buyer only, are in addition to any other rights and remedies provided for or available to Buyer at Law or otherwise. Seller hereby waives any claims that it may have against Buyer in accordance with Mexican law or any international agreement executed by Mexico, and confirms that Seller's complete rights and remedies as against Buyer, including the right of indemnity and measure of damages in the event of Buyer's breach or default, are limited to those expressly conferred by or provided for in these terms.

In the event that Seller takes action (or fails to act) in a manner that disrupts or threatens to disrupt Buyer's ability to produce and deliver to Buyer's customers on schedule, Buyer shall have the right to seek specific performance of a Purchase Order in a competent court.

Notwithstanding the termination of a Purchase Order, in whole or part, whether for cause or convenience, and whether such termination is claimed by Buyer or Seller, so long as during the Transition Period, as defined hereinafter, and provided that Buyer timely pays the pricing set forth on the Purchase Order for such Goods or Services the Seller shall have the absolute obligation to continue to provide the Services or produce and deliver the Goods in accordance with the terms of the Purchase Order for a reasonable period of time so as to permit Buyer the opportunity to procure a replacement supplier, so as to permit an orderly transition of the production of the Goods or Services and so as to avoid any interruption of production at Buyer's facilities or the facilities of Buyer's customer. Such period shall only be of such a length so as to reasonably provide Buyer the opportunity to transition, under commercially reasonable terms and conditions, the supply of Goods or Services without an interruption of production at Buyer's facility or at the facilities of Buyer's customer, such period being referred to herein as the "Transition Period". This Transition Period shall not be a cure period and shall terminate by Buyer giving not less than five days' notice of its intention to terminate the Transition Period. Seller shall not have the right to terminate the Transition Period except in the event that Buyer fails to pay for conforming Goods or Services timely delivered or effectively provided by Seller during the Transition Period in accordance with Blanket Purchase Orders and associated Standard Purchase Orders issued for such Goods or Services and without regard to whether or not such Purchase Order has been terminated in whole or in part. Seller further acknowledges that the Goods or Services provided

hereunder are unique and that rights set forth herein are in addition to any rights granted under any applicable law,

Including, but not limited to, Commercial Code and the Federal Civil Code as adopted by the jurisdiction governing the transactions contemplated hereunder.

The Parties further agree that any breach of these terms or a Purchase Order that would have the effect of interrupting production at Buyer or Buyer's customer, would result in irreparable harm to the Buyer, its customers and the business and reputation of each of them, and that money damages would not be a sufficient remedy for any such breach. The Parties agree that in such event the Buyer shall be entitled to demand from Seller the corresponding indemnification, requiring further production of Goods or the provision of Services, as a remedy for any such breach or claimed breach. During the term of any Purchase Order, Seller consents to the entry of an order for specific performance for the production of goods in accordance with Commercial Code and the Federal Civil Code. Seller further waives any requirement or finding that a Purchase Order constitutes a requirements contract or the securing or posting of any bond in connection with any such remedy. Seller further acknowledges and consents to the entry of any action permitted by law in order to enforce the obligations of the Parties under these terms and Conditions and any Purchase Order or other document governing the purchase of goods from Seller by Buyer in accordance with Mexican law. The remedies of Buyer shall not be deemed to be the exclusive remedies for a breach by Seller but shall be in addition to all other remedies available at law. Seller further agrees that any right of termination of Buyer, whether in whole or part, under these terms may be enforced by Buyer without the need for entry of a resolution or order from a court of competent jurisdiction and shall be in the sole and absolute discretion of Buyer.

2. Section 32 shall be amended by adding the following to the end of the section:

Seller agrees that any disclosure of Confidential Information will make it responsible, as well as to its affiliates and Personnel to the sanctions provided in articles 221bis, 224 and 226 of the Industrial Property Law and other applicable, as well as to those sanctions provided in articles 210 and 211 of the Federal Criminal Law. Seller shall inform its affiliates and Personnel that have access to Confidential Information of the provided in this section.

3. The third sentence of Section 34 shall be amended to state:

Seller agrees to comply with all applicable anti-corruption laws, including, without limitation, the U.S. Foreign Corrupt Practices Act, and the U.K. Bribery Act, and the Mexican Federal Law for Preventing and Identifying Operations Funded by Illegal Resources also known as the Anti-Money Laundry Law, and that neither it nor any of its subcontractors, vendors, agents or other associated third parties will engage in any form of commercial bribery, nor directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority or of any government-owned, government-controlled or government-affiliated entity to obtain or retain any contract, business opportunity or other business benefit, or to influence any act or decision of that person in his/her official capacity.

4. Section 38 above is replaced in its entirety with the following:

**38. GOVERNING LAW; COMPLIANCE WARRANTY**

(a) These terms and any Purchase Order shall be interpreted and enforced in accordance with the applicable laws of Mexico and the competent Courts of Querétaro City waiving to any jurisdiction which may correspond to them by reason of their domiciles. For greater certainty, the U.N. Convention on Contracts for the International Sale of Goods shall not apply to the terms of any Purchase Order.

(b) Any action or proceedings by Buyer against Seller may be brought by Buyer in any competent court.

(c) Any reference in these terms to “applicable law(s)” shall include but not be limited to all consumer protection laws existing under the laws of Mexico.

(d) THESE TERMS AND THE DOCUMENTS REFERENCED HEREIN EMBODY THE ENTIRE AGREEMENT BETWEEN BUYER AND SELLER, AND NO NEGOTIATIONS, UNDERSTANDINGS OR AGREEMENTS, VERBAL, COLLATERAL OR OTHERWISE IN RELATION HERETO EXIST BETWEEN BUYER AND SELLER, EXCEPT AS EXPRESSLY SET FORTH IN THESE TERMS OR A PURCHASE ORDER.

Seller warrants its compliance with Mexican Labor law, social security legislation with respect to its employees, as well as intellectual property law, copyright law and all related applicable Mexican law.

5. The following provision is added as Section 41 of these terms:

41. LANGUAGE; The parties have agreed that these terms along with any documents to be created and/or delivered in conjunction with these terms, including without limitation, any Purchase Order, may be drafted in either or both, English and Spanish. The official version for these terms shall be Spanish and in the event of any inconsistency the Spanish version of the terms shall prevail.

6. The following is added as Section 42 of these terms:

42. LABOR LIABILITIES: The Seller shall be solely responsible for all of its labor obligations, including, without limitation, payment of: any workers’ compensation payable to Seller’s employees, unionized or not, permanent or temporary; fees to the Mexican Institute of Social Security; contributions to the Retirement Savings Fund; federal, state and local taxes; union fees; and any other costs and charges payable in connection with its relationship with its employees, derived from the obligations agreed hereto.

The Seller agrees to hold to the Buyer harmless from and against any claim that may be filed and shall immediately reimburse to the Buyer any legal and other expenses that may be incurred by the Buyer in connection with such claims.

In the event a claim is filed against the Buyer, the Buyer may, at its sole discretion, elect to be represented either by its own counsel or by Seller's counsel acting as attorneys-in-fact of the Buyer in the defense of the claim. The Buyer shall grant all powers and authority that may be required for such legal representation (either under letters proxy or a power of attorney certified by a notary public) and for the performance of any obligations hereunder, provided that such granting of powers shall not create any relationship other than the business relationship existing between the parties.

The Seller agrees to indemnify and hold to the Buyer harmless from and against: (1) any claim, loss, damage, injury and liability arising from bodily injuries or death of any individual acting under the orders of the Seller, and against any property damage or destruction, or any individual acting under the direction of the Seller, caused by or in connection with the performance of Seller's obligations hereunder; (2) any fine, penalty, loss or damage resulting from the breach of any law, rule or regulation by the Seller; or (3) any claim, loss, damage or liability arising from Seller's breach of any agreement with its employees, a contract with an independent contractor or any other agreement with a current, past, future or key employee that may contain a restrictive arrangement; and/or (4) any individual claim of labor, tax or social security nature that may be filed by Seller's employees or by any government authority in connection with such employees.