



# POWERTRAIN

November 2, 2018

Dear AAM Powertrain Supplier Partner:

We are pleased to share with you our second letter in a series about the exciting changes at AAM related to upgrading AAM's Powertrain Business Unit ERP to Oracle Release 12 (R12).

AAM will launch Oracle R12 in three (3) pilot facilities in the US in January, 2019, followed by implementations in our Powertrain facilities in Mexico, South America, Asia and Europe at various dates through early 2020.

In our initial announcement, we shared some project highlights aimed at having a positive impact on our Powertrain Supplier Partners. This communication is focused on the Procure-to-Pay process and the changes you should expect to see:

- Purchase Order documents will look different. Although the information you are accustomed to seeing will continue to print in the PO documents, the layout will be different. Attached to this letter you will find two sample Purchase Order printouts (first page only), for reference.
- Powertrain Requirements Contracts will be re-issued as Blanket Purchase Agreements ("Blanket PO's"). Because the Blanket PO's will be issued from Oracle, they will have all new PO numbers. However, the Blanket PO's will also include a reference to the original Requirements Contracts Purchase Order. That reference will be printed in the new Blanket PO's. Please see Attachment 1 for a sample Blanket PO and the Requirements Contract reference.
- Because Direct Material Blanket PO's (formerly Requirements Contracts) are typically program-based, Supplier Partners will eventually have more than one Blanket PO. That is common practice for AAM.
- When ordering items off of a Blanket PO, a Standard Purchase Order will be generated with its own unique PO number, though it will reference the Blanket PO number. Releases against the Blanket PO's (formerly Requirements Contract) will no longer exist. Please see title block in Attachment 2 for a sample Standard PO and the reference to the associated Blanket PO.
- For Direct Material in the United States, invoices will no longer be required, assuming Suppliers ship goods based upon an Advance Shipping Notices (either through EDI or iSupplier Portal). When the goods are received, an Evaluated Receipt Settlement (ERS) will be triggered, and payment will be scheduled based on the PO's terms.
- Similarly, for Direct Material outside the United States and all of Indirect Material, an ERS will be triggered upon receipt, though invoices will still be required. Whenever an invoice is required, the PO number that is to be referenced in the invoice is the Standard PO number, never the Blanket PO number.
- AAM's PO's use International Commercial Terms (Incoterms®) for our commercial terms language. All PO's will be updated with the correct Incoterms® when issued through Oracle. The change to Incoterms® will make the delivery terms in our contracts consistent with recognized international standards without changing the agreement between the parties. More detailed information on Incoterms® can be found via an internet search.

We will continue to share information with you relating to our Oracle R12 Project, including updates on our progress, any impact to our Global Supplier Partners, and training opportunities. We have created a special section for this project in our website (<https://www.aam.com/suppliers/powertrain-transition-to-oracle>). We will be posting all communications and other relevant information to that site as we progress throughout the project.



# **POWERTRAIN**

Should you have questions please submit them through [whq.suppliercommunication@AAM.com](mailto:whq.suppliercommunication@AAM.com) or contact your buyer(s) of record for additional details.

**Important Note:** AAM's Metal Forming and Casting business units will continue to use separate ERP systems. Supplier Partners that provide goods or services to the aforementioned business units, in addition to Driveline and Powertrain, will need to understand the business process requirements of each system, based on the buying location. For any questions, please reach out to [WHQGlobalProcurement@aam.com](mailto:WHQGlobalProcurement@aam.com).

Sincerely,

**Jake Stiteler**

*Vice President, Global Procurement*

**Faith Wandrie**

*Vice President, Global Supply Chain Management*



# POWERTRAIN

## Attachment 1: Sample Blanket Purchase Agreement



Issuing entity: Metaldyne Powertrain Components Inc, A subsidiary of AAM Holdings Inc.

### BLANKET PURCHASE AGREEMENT

Purchase Order	962948
Revision No.	0
Page No.	1 of 3
Revised Date	13-JUN-2018

**SUPPLIER**  
TREK ASSOCIATES  
AAM Supplier No. 11778  
3134 WELLER DR  
PO BOX 82  
EDEN NY 14057-0082  
United States

**BILL TO**  
Plymouth Business Office  
47659 Halyard Drive  
Plymouth  
MI 48170  
United States

**INCOTERMS**  
FCA-Free Carrier  
Named Place : TREK ASSOCIATES  
3134 WELLER DR  
PO BOX 82  
EDEN  
NY 14057-0082  
US

**SHIP TO**  
Litchfield Manufacturing Facility  
917 Anderson Road  
Litchfield  
MI  
United States

<b>BUYER NAME</b>	TRACI BLANKENMYER
<b>BUYER EMAIL</b>	Traci.Blankenmyer@aam.com
<b>BUYER PHONE</b>	+1 (269) 2780475

<b>PAYMENT TERMS</b>	Net 60
<b>EFFECTIVE DATE</b>	13-JUN-2018
<b>EXPIRATION DATE</b>	31-JUL-2018

Currency Code For All Prices On This Purchase Order is : USD

A Copy of this Purchase Order was posted to iSupplier Portal on 13-JUN-2018 01:21:59 UTC -04:00

This Blanket Purchase Order is being issued as a replacement for Metaldyne Powertrain Components Inc Requirements Contract PO number XXXX.

Unless otherwise stated, any reference to Seller's quote number related to this PO is for recordkeeping purposes only, and not for incorporation by reference.

The Seller agrees to sell and the Buyer agrees to purchase, at the price(s) and subject to the terms and conditions shown hereon, approximately 100% of AAM requirements (unless otherwise noted) for the items listed hereon for the time period shown on this order.

This document is a BLANKET PURCHASE AGREEMENT reflecting the content, pricing, and terms & conditions of your supply agreement with AAM.

DO NOT SHIP AGAINST THIS DOCUMENT.

Instead, if you are an Indirect Material Supplier, you are to ship against subsequent Standard Purchase Orders that will be generated from this Blanket Purchase Agreement when there are quantity requirements. Those Standard Purchase Orders will provide specific Delivery Dates, Quantities, and Extended Values.

Alternatively, if you are a Direct Material Supplier, you are to build against your forecasts (Delfors) then ship to Pull Signals (Deljit releases) issued to you through both EDI and the AAM iSupplier Portal. Additionally you will receive a Standard Purchase Order that will reference your releases.



# POWERTRAIN

## Attachment 2: Sample Standard Purchase Order Generated from an Existing Blanket Purchase Order



Issuing entity: Metaldyne Powertrain Components Inc. A subsidiary of AAM Holdings Inc.

### STANDARD PURCHASE ORDER

Purchase Order	973327
Revision No.	0
Page No.	1 of 4
Revised Date	26-JUL-2018
Associated Blanket /	340981
Contract No.	

### SUPPLIER

TREK ASSOCIATES  
AAM Supplier No. 11778  
3134 WELLER DR  
PO BOX 82  
EDEN NY 14057-0082  
United States

### BILL TO

Plymouth Business Office  
47659 Halyard Drive  
Plymouth  
MI 48170  
United States

### INCOTERMS

FCA-Free Carrier  
Named Place : TREK ASSOCIATES  
3134 WELLER DR  
PO BOX 82  
EDEN  
NY 14057-0082  
US

### SHIP TO

Litchfield Manufacturing Facility  
917, Anderson Road  
Litchfield  
MI  
United States

### BUYER NAME BUYER EMAIL BUYER PHONE

ANDRES GRAJEDA ORTIZ  
Andres.Grajeda@aam.com  
+52 (472) 7228527

### PAYMENT TERMS

Net 60

Currency Code For All Prices On This Purchase Order is : USD

A Copy of this Purchase Order was emailed to john@trekassociates.com on 26-JUL-2018 10:02:07 UTC -04:00

Unless otherwise stated, any reference to Seller's quote number related to this PO is for recordkeeping purposes only, and not for incorporation by reference.