

**STRICTLY PRIVATE & CONFIDENTIAL**

From: Dowlais Group plc, 2nd Floor Nova North, 11 Bressenden Place, London, United Kingdom, SW1E 5BY ("**Dowlais**")

To: American Axle & Manufacturing Holdings, Inc., One Dauch Drive, Detroit, Michigan 48211-1198, United States of America ("**American Axle**")

14 January 2025

Dear Sirs,

**Project Aintree**

We refer to our ongoing discussions as at the date of this letter in respect of the share and cash proposal made by American Axle to acquire the entire issued and to-be-issued share capital of Dowlais (the "**Proposal**"). As of the date of this letter, this letter supersedes and replaces the prior confidentiality agreement entered into between the parties on 29 October 2024, but without prejudice to any rights which have already accrued to either of the parties thereunder.

In consideration of our mutual consideration of the Proposal, we intend to provide each other with Confidential Information on the terms set out in this letter:

1. Each party, in its capacity as Recipient, undertakes to the other, in its capacity as Provider, to keep the Proposal, and the other party's Confidential Information, strictly confidential using the same care that it applies to its own commercially sensitive non- public information and not to make (or solicit or assist any other person to make) any announcement relating to the Proposal or to use or disclose any Confidential Information except as permitted by this letter. References in this letter to (a) "**Confidential Information**" means information provided, directly or indirectly, by or on behalf of a Provider to a Recipient (or its Connected Persons) before, on or after the date of this letter, in connection with the Proposal (including the existence of this letter and the Proposal) other than (i) information which is in the public domain or enters the public domain without any breach of the terms of this letter and (ii) all information (other than all information relating to the Proposal, including the existence of the Proposal and this letter and the fact of any discussions in connection with the Proposal) that the Recipient can show by its or their written records was properly and lawfully in the Recipient's or its Connected Persons' possession prior to the time that it was disclosed by or on behalf of the Provider, without prejudice to any other duty of confidentiality that may exist in relation to such information; (b) "**Provider**" means, as the context requires, that one of us (either directly or indirectly through any of its Connected Persons) who provides any information to the Recipient or any of its Connected Persons; and (c) "**Recipient**" means, as the context requires, that one of us (and/or any of its Connected Persons) who receives any information (either directly or indirectly through any of its Connected Persons) from the Provider or any of its Connected Persons; and (d) "**Connected Persons**" means, in relation to any person, the members of its Group (being its parent undertakings and subsidiary undertakings and subsidiary undertakings of such parent undertakings as defined in the Companies Act 2006) and each of its and their respective directors, officers, employees,

professional and financial advisers.

2. Each party undertakes to the other to ensure that their respective Connected Persons comply with this letter as if it were a party to this letter. The obligations expressed to be undertaken by each party are obligations each party owes to the other party and to each member of that other party's Group.
3. Each party undertakes to use Confidential Information solely for the purpose of evaluating or pursuing the Proposal and to only disclose Confidential Information:
  - (A) to its Connected Persons who have a clear need to know such information for the purposes of evaluating, pursuing or advising on the Proposal; and
  - (B) to the extent required by law or regulation, in which case it will (to the extent permitted) notify the other party of the requirement to disclose the Confidential Information as soon as possible and (where possible and where the identity of the other party or any member of its Group is to be disclosed) prior to the disclosure being made so that the parties may jointly agree both the manner of making and the content of any disclosure or announcement before its release or publication.
4. In accordance with Rule 2.3(d) of the City Code on Takeovers and Mergers ("**City Code**"), nothing in this letter shall impose any restriction on Dowlais from making an announcement relating to the Proposal at any time the board of directors of Dowlais considers appropriate.
5. Save as set out in paragraph 6 below, for the avoidance of doubt, no party shall disclose any Confidential Information to a provider or prospective provider of debt or equity financing in connection with the Proposal without the other party's written consent. Such consent may specify the conditions under which such providers may be approached, including as to the number of such persons. The Recipient shall be responsible for ensuring that any such provider to whom Confidential Information is disclosed complies with the terms of this letter as if it were a party hereto.
6. The restrictions in paragraphs 1 and 3 do not apply to the disclosure of Confidential Information by American Axle to J.P. Morgan Cazenove, acting in its capacity as a potential provider of debt financing to American Axle in connection with the Proposal, and its Connected Persons who strictly need to receive and consider the Confidential Information for the purposes of evaluating the Proposal and its financing provided that prior to any disclosure, each such person is informed of and agrees to observe the obligations regarding Confidential Information in this letter. American Axle shall be responsible for ensuring that J.P. Morgan Cazenove complies with the terms of this letter as if it were a party hereto.
7. Each Recipient undertakes to return or destroy all materials containing Confidential Information provided to it or its Connected Persons including all copies thereof (which are in a form reasonably capable of delivery or destruction) within seven days of a request from the other party to do so and to provide a certificate addressed to the Provider and signed by a duly authorised representative confirming, to the best of the Recipient's knowledge, compliance with this paragraph by the Recipient and its relevant Connected Persons. The Recipient will ensure that where Confidential Information has not been returned or destroyed because it is not in a form reasonably capable of delivery or destruction, no step will be taken to access or recover such Confidential Information from any computer, word-

processor, telephone or other device containing such information or which is otherwise stored or held in electronic, digital or other machine readable form and the Recipient and its Connected Persons will continue to hold such Confidential Information subject to the terms of this letter.

8. Each party will, in connection with the receipt and use of personal data of the other party and members of its Group, comply with applicable data protection and privacy laws, regulations and other similar instruments in any jurisdiction.

9. *Standstill*

- 9.1 Subject to the other provisions of this paragraph 9, American Axle agrees that from the Effective Date until the date falling 12 months after the Effective Date, it will not, and will procure that any person acting in concert with it will not (directly or indirectly) without Dowlais' prior written consent:

- (A) acquire or offer to acquire or enter into any agreement, arrangement or understanding (whether legally binding or not) to acquire or offer to acquire any interest in any securities (other than securities issued pursuant to any rights granted in relation to such securities held by American Axle on the Effective Date);
- (B) enter into any agreement, arrangement or understanding (whether legally binding or not) which imposes (directly or indirectly) obligations or restrictions on any party to such agreement, arrangement or understanding with respect to the exercise of voting rights attaching to any securities;
- (C) enter into any agreement, arrangement, understanding or transaction or do or omit to do any act as a result of which it or any person acting in concert with it will become obliged or required (whether under the City Code or otherwise) to make any general offer or invitation to acquire any securities;
- (D) enter into any agreement, arrangement or understanding (whether legally binding or not) with any person relating to or in connection with the making by such person (or other person acting in concert with such person) of any offer, invitation or solicitation for any securities (excluding any engagement letters or similar agreements entered into with professional and financial advisers in connection with the Proposal);
- (E) communicate with any shareholder of Dowlais to encourage such shareholder to oppose the board of directors of Dowlais' business strategy or management of the business, or otherwise seek to obtain representation on Dowlais' board of directors or to control or change the management, board of directors or strategy of Dowlais;
- (F) propose any matter to be voted on by the shareholders of Dowlais or seek to call or hold a general or special meeting of the shareholders of Dowlais;
- (G) seek any irrevocable undertakings from shareholders of Dowlais in respect of votes or proxies or otherwise initiate or engage in or have any contact of any kind whatsoever in connection with the Proposal with any shareholder of Dowlais;

- (H) enter into, assign, novate, unwind or terminate any stock lending agreement or arrangement in relation to any securities; or
- (I) unless, and to the extent, required to do so pursuant to Rule 2.2 of the City Code or by law or the rules of any competent stock exchange or other regulatory authority or regulatory body, announce any proposal to do any of the matters referred to in sub-paragraphs (A) to (H) above (including, without limitation, any announcement of an offer, possible offer or mandatory offer (including any offer to be implemented by way of scheme of arrangement) to acquire shares in Dowlais in accordance with Rules 2.4 or 2.7 of the City Code),

where “**acting in concert**” means actively co-operating pursuant to an agreement or understanding (whether formal or informal) in the acquisition (directly or indirectly) of securities of a party to obtain or consolidate control of that party (control having the meaning given to it by the City Code) and “**securities**” means any shares or security in the capital of Dowlais, any option to acquire any such share or security and any derivative relating to, or any rights whatsoever in respect of, any such share or securities.

9.2 The restrictions contained in sub-paragraph 9.1 will cease to apply if, at any time:

- (A) American Axle (or any person acting in concert with it) publishes an announcement (including under Rule 2.7 of the City Code) of a firm intention to make an offer to acquire all of the issued and to-be-issued share capital or other securities of Dowlais (including by way of a scheme of arrangement) which has been recommended by the board of directors of Dowlais; or
- (B) a third party (not acting in concert with either party):
  - (i) is identified in an announcement by Dowlais as a potential offeror under Rule 2.4 of the City Code or such third party makes an announcement under Rule 2.4 of the City Code that it may make an offer to acquire Dowlais (including by way of scheme of arrangement); or
  - (ii) announces under Rule 2.7 of the City Code a firm intention to make an offer to acquire all of the issued and to-be-issued share capital of Dowlais (including by way of scheme of arrangement); or
  - (iii) becomes interested (as defined in the City Code) in shares carrying more than 29.9 per cent of the voting rights (as defined in the City Code) of Dowlais; or
- (C) Dowlais announces a proposal to seek Dowlais shareholders' approval for a third party to avoid making an offer which would otherwise be required under Rule 9 of the City Code; or

- (D) Dowlais enters into an agreement to dispose of all or substantially all of the undertakings, assets or business of Dowlais and the members of its Group.

- 9.3 If American Axle or any person acting in concert with it acquires any interest in securities of Dowlais in breach of sub-paragraph 9.1, then American Axle, on request by Dowlais (without prejudice to any other right of Dowlais under this letter), will dispose of or procure the disposal of such interest within 30 days of it becoming lawful to do so. Pending such disposal, American Axle shall not (and/or, as applicable, shall procure, so far as it is able to do so, any person acting in concert with it shall not) exercise any rights attached to such interest in securities.
10. *Non-solicit:* From the Effective Date of this letter until (and including) the date falling 12 months after the earlier of the cessation of discussions by the parties relating to the Proposal and the termination or lapse of any offer or scheme of arrangement announced pursuant to the City Code, each party (and any of their respective Connected Persons (other than their respective financial and professional advisers)) will not directly or indirectly solicit, endeavour to entice away or offer to employ or to enter into any contract for services with any person who is at any time during those negotiations working for the other party or members of such other party's Group (whether as an employee or consultant or independent contractor) either in a "senior capacity" or directly engaged in the negotiations and/or who attends (whether in person or virtually) any meetings or discussions held between the parties in relation to diligence relating to the Proposal, whether or not that person would commit any breach of his or her contract by ceasing to work for the other party or any member of its Group. Nothing in this paragraph will prevent either party from considering and accepting an application made by any such person or employee in response to a recruitment advertisement published generally and not specifically directed at the employees of the other party or members of its Group. For the purposes of this paragraph, "senior capacity" means (i) the executive directors of a party; (ii) direct reports to the chief executive officer of a party; (iii) in the case of Dowlais, members of their business unit executive management teams (being the direct reports to the CEOs of GKN Automotive and GKN Powder Metallurgy, excluding administrative roles); and (iv), in the case of American Axle, the direct reports to the chief operating officer, the president of Driveline, the vice president of Metal Forming or the managing director for Europe (excluding in each case administrative roles).
11. Each party will, to the extent permitted by law or regulation, immediately notify the other of the full circumstances of any breach, or threatened breach, of this letter upon becoming aware of such breach or threatened breach.
12. Each party will only make contact in connection with the Proposal with the directors and employees of the other party or of its Connected Persons who may from time to time be notified by the other party in writing. For the purposes of contact with Dowlais, American Axle will only make contact through Dowlais' chairman, general counsel or its advisers Rothschild, Barclays and Slaughter and May and such other persons who may from time to time be notified by the other party in writing. For the purposes of contact with American Axle, Dowlais will only make contact through American Axle's Chairman, VP - Strategy & Business Development, General Counsel or its advisers J.P. Morgan Cazenove and Allen Overy Shearman Sterling LLP and such other persons who may from time to time be notified by the other party in writing.

13. Each party agrees that: (a) all information, whether containing Confidential Information or otherwise, made available to it, in connection with the Proposal, will not constitute an offer, inducement or invitation by, or on behalf of, such party or parties, nor will such information form the basis of, or any representation in relation to, any contract; (b) no responsibility is accepted, and no representation, undertaking or warranty is made or given by the other party or by its Connected Persons as to the accuracy or completeness of the information provided in connection with the Proposal; and (c) no liability shall arise from the provision of such information.
14. Each of the parties acknowledges that the Proposal and some or all of the Confidential Information may constitute unpublished price-sensitive information and that its use or disclosure in breach of this letter may constitute insider dealing or market abuse under applicable law.
15. Each of the parties agrees that damages alone may not be an adequate remedy for any breach of this letter and/or breach of confidence and, accordingly, the Provider may be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of this letter and/or breach of confidence, and the Recipient agrees that it will not raise any objection to the application by the Provider or its Connected Person for any such remedies.
16. No failure or delay by either party in exercising any right, power or privilege under this letter will operate as a waiver of it, nor will any single or partial exercise of it preclude any further exercise or the exercise of any right, power or privilege under this letter or otherwise. The terms of this letter may not be varied or terminated without the prior written consent of each party. No waiver of any provision of this letter will be binding upon either party unless in writing signed by the party granting the waiver. The rights, powers and remedies provided in this letter are cumulative and not exclusive of any rights, powers and remedies provided by law. To the extent that any Confidential Information is covered or protected by privilege, then the disclosing of such information by a party under the terms of this letter or otherwise does not constitute a waiver of privilege or any other rights which that party or its Connected Persons may have in respect of such Confidential Information.
17. The provisions of this letter will be severable in the event that any of the provisions hereof are held by a court of competent jurisdiction to be invalid, void or otherwise unenforceable, and the remaining provisions will remain enforceable to the fullest extent permitted by law.
18. The obligations in this letter are given by the Recipient in favour of the Provider and each member of its Group (as defined above), and are enforceable by each such person by virtue of the Contracts (Rights of Third Parties) Act 1999 (the "**Act**"). Notwithstanding the foregoing, this letter may be terminated or varied in any way and at any time as agreed in writing by each party, without the consent of any other member of the Group. Save as expressly set out in this paragraph 18, a person who is not party to this letter shall have no right under the Act to enforce any of its terms.
19. Any notification required pursuant to this letter will be made immediately by telephone, or email or to such other person or contact numbers as may be notified in writing from time to time. As at the date of this letter, for the purposes of notifications to Dowlais, the relevant

person shall be [REDACTED]  
[REDACTED] and for the purposes of notifications to  
American Axle, the relevant person shall be [REDACTED]  
[REDACTED]

20. This letter and any obligations in connection with this letter, contractual or non- contractual, are governed by and shall be construed in accordance with English law and the parties irrevocably submit to the exclusive jurisdiction of the English courts. American Axle hereby appoints Metaldyne International (UK) Ltd, AAM Halifax Manufacturing Facility of 131 Parkinson Lane, Halifax, West Yorkshire, HX1 3RD, United Kingdom (marked for the attention of the Legal Department) as its agent for service of process in England and Wales.
21. This letter has been executed by the parties on the respective dates specified below with an effective date of 29 October 2024 (the “**Effective Date**”).

Please countersign this letter to confirm your acceptance of its terms.

Yours faithfully

[REDACTED]

for and on behalf of  
**Dowlais Group plc**

Agreed and accepted this            day of January 2025

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for and on behalf of  
**American Axle & Manufacturing Holdings, Inc.**

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Yours faithfully

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for and on behalf of  
**Dowlais Group plc**

Agreed and accepted this 14th day of January 2025

[REDACTED]  
for and on behalf of  
**American Axle & Manufacturing Holdings, Inc.**