

**This letter is important and explains the impact of the Combination on your Cash Award.  
Please read this letter carefully.**

15 October 2025

# DOWLAIS



Dear Participant

## **The recommended acquisition of Dowlais by AAM: Cash Award**

On 29 January 2025, Dowlais Group plc ("**Dowlais**") and American Axle & Manufacturing Holdings, Inc. ("**AAM**") announced that they had reached agreement on the terms of a recommended acquisition of Dowlais (the "**Combination**"). Pursuant to the Combination, AAM will acquire the entire issued, and to be issued, ordinary share capital of Dowlais.

### **1. Why are we writing to you?**

You hold a Cash Award which was granted under the Dowlais Omnibus Share Plan (the "**OSP**"). We are writing to explain how the Combination will affect your Cash Award.

**YOU DO NOT NEED TO TAKE ANY ACTION AS A RESULT OF THIS LETTER – THE  
TREATMENT OF YOUR CASH AWARD WILL HAPPEN AUTOMATICALLY**

This letter uses defined terms which are explained in Appendix 2. If a term is used in this letter and it is not defined in Appendix 2, the term has the meaning given to it in the Scheme Document.

### **2. What is the Combination?**

The Combination will result in Dowlais and its subsidiaries becoming wholly-owned subsidiaries of AAM. It is intended that the Combination will be implemented through a court process which is known as a "scheme of arrangement" (referred to in this letter as the "**Scheme**"). The Scheme must be sanctioned by the Court. The Court will sanction the Scheme on the date referred to in this letter as "**Court Sanction**", which is expected to be during 2025 if certain regulatory conditions are satisfied. The Scheme will become effective and AAM will become the owner of Dowlais a couple of days after Court Sanction (referred to in this letter as "**Completion**").

Further information about the Scheme is set out in the Scheme Document, which should be read together with this letter. The Scheme Document is available on Dowlais' and AAM's websites at [dowlais.com/investors/recommended-combination-with-american-axle-manufacturing-holdings-inc/](https://dowlais.com/investors/recommended-combination-with-american-axle-manufacturing-holdings-inc/) and [www.aam.com/investors/offer-for-dowlais-group-plc](https://www.aam.com/investors/offer-for-dowlais-group-plc).

### **3. What are the terms of the Combination?**

The terms of the Combination are set out in full in the Scheme Document. In summary, if the Combination goes ahead and the Scheme becomes effective, Dowlais Shareholders will receive 0.0881 New AAM Shares and 43 pence in cash for each Dowlais Share (the “**Consideration**”).

### **4. How does the Combination affect your Cash Award?**

Under the Cash Award, you are entitled to a cash value attributable to the notional number of Dowlais Shares that the Cash Award represents. Normally, your Cash Award would vest approximately three years after the date of grant, to the extent that the performance conditions are met. However, as a result of the Combination, your Cash Award will vest early on Court Sanction (unless it lapses earlier under the OSP Rules – see paragraph 9 for further information). The extent to which your Cash Award will vest is subject to the Dowlais Remuneration Committee’s determinations on the satisfaction of performance conditions and the application of time pro-rating. The Dowlais Remuneration Committee will make its determinations on or shortly before Court Sanction.

The Dowlais Remuneration Committee currently expects that:

- the performance conditions for your Cash Award will be satisfied in full; and
- your Cash Award will be subject to time pro-rating (rounded up to the nearest whole month).

Once the Dowlais Remuneration Committee has determined the extent to which your Cash Award will vest, you will be notified of the final decision and the cash settlement (including any dividend equivalents) you will receive. All dividend equivalents payable in respect of your Cash Award will be satisfied in cash.

If you hold a Cash Award immediately before Court Sanction and you remain an employee of the Dowlais Group on Completion (or were an employee of the Dowlais Group immediately before Completion and you became an employee of the AAM Group on or around Completion), AAM will grant you a cash transition award (a “**Transition Award**”) as soon as reasonably practicable after Completion. The Transition Award will reflect the value of the notional number of Dowlais Shares subject to your Cash Award which lapse due to the application of time pro-rating. See paragraph 6 below for more information.

### **5. What do I need to do for my Cash Award to vest?**

You do not need to do anything for your Cash Award to vest. This will happen automatically.

### **6. Will I receive anything to replace the part of my Cash Award which lapses as a result of time pro-rating?**

Yes. As explained in paragraph 4 above, if you hold a Cash Award immediately before Court Sanction and you remain an employee of the Dowlais Group on Completion (or were an employee of the Dowlais Group immediately before Completion and you became an employee of the AAM Group on or around Completion), AAM will grant you a cash Transition Award as soon as reasonably practicable after Completion.

The Transition Award will be granted under (or on equivalent terms to) the AAM Share Plan and will be equal in value to the value of the notional Dowlais Shares subject to your Cash Award which lapse due to the application of time pro-rating.

Your Transition Award will not be subject to performance conditions. It will be subject to continued employment with a member of the AAM Group (except for certain “good leaver” circumstances or on a “qualifying termination” as described in the Co-operation Agreement). It will vest in full on: (i) the original vesting date of your Cash Award if you are still employed by a member of the AAM Group at that time; or (ii) if you leave employment as a “good leaver” circumstances or on a “qualifying termination” as described in the Co-operation Agreement, the date you leave employment.

If you leave employment as a “good leaver” or on a “qualifying termination” as described in the Co-operation Agreement after Completion but before your Transition Award is granted, your Transition Award will instead be paid to you in cash as soon as practicable after your employment ends.

#### **7. Will I be entitled to dividend equivalents?**

To the extent that you are entitled under the OSP Rules and the Cash Award grant documentation, you will receive a sum in cash to reflect the value of the dividends that would have been paid in respect of dividend record dates that fall between the date of grant and the date of vesting. The value of these dividend equivalents will be calculated in accordance with the OSP Rules and the Dowlais Remuneration Committee’s normal practice.

#### **8. What if the Combination does not complete?**

If the Combination does not complete for any reason, your Cash Award will continue as normal, subject to the OSP Rules.

#### **9. What if I leave employment with the Dowlais Group before Court Sanction?**

If you leave employment with the Dowlais Group before your Cash Award vests (or if you have already left as a good leaver), the leaver provisions under the OSP Rules will apply in the normal way. In summary, this means that:

- if you are a “good leaver” under the OSP Rules, the default position is that your Cash Award will not lapse but will vest on the earlier of the normal vesting date and Court Sanction, subject to the Remuneration Committee’s assessment of the performance conditions applicable to your Cash Award and to time pro-rating. Please note that any decisions about performance conditions and/or time pro-rating made in connection with the termination of your employment will override decisions about performance conditions and/or time pro-rating made in connection with the Combination; or
- if you leave other than as a “good leaver”, your Cash Award will lapse immediately when you leave employment (or, if the Remuneration Committee so determines, when you give or receive notice to end your employment).

**10. What are the tax implications?**

Appendix 1 to this letter includes general tax notes outlining the tax implications applicable to your Cash Award in your jurisdiction.

**11. What if I hold other Dowlais share awards?**

If you hold any other share awards or cash awards granted under the OSP or the Dowlais Performance Share Plan, Dowlais and AAM will write to you separately about the effect of the Combination on those other awards.

**12. What if I am already a Dowlais Shareholder?**

If you already hold Dowlais Shares, you should have received a copy of the Scheme Document in your capacity as a Dowlais Shareholder. This letter does not address the steps you can take in relation to Dowlais Shares you already hold, and you should refer to the Scheme Document for a full description of your rights in respect of your Dowlais Shares.

**13. What if I have questions?**

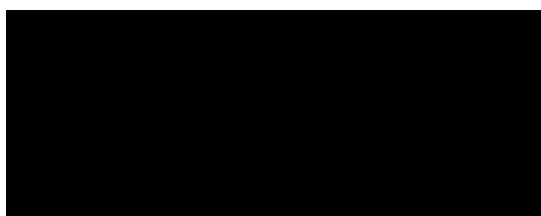
To the extent that you have questions that relate to your Cash Award, please email [Company.Secretariat@dowlais.com](mailto:Company.Secretariat@dowlais.com). Please note that Dowlais cannot provide any tax, legal or financial advice. If you are in any doubt as to your tax, legal or financial position, please consult an appropriate professional adviser without delay.

**14. Important notes**

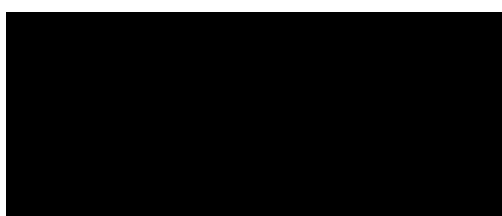
Nothing in this letter or the Appendices constitutes tax, legal or financial advice to any holder of shares or share awards in Dowlais or AAM. If you have received this letter electronically, you may request a hard copy of this letter, free of charge, by contacting [Company.Secretariat@dowlais.com](mailto:Company.Secretariat@dowlais.com). You may request that all future documents, announcements and information sent to you in relation to the Combination be sent to you in hard copy form.

If there is a conflict between the information in this letter, the Appendices and the OSP Rules or any relevant legislation, the OSP Rules or the legislation will prevail (as applicable).

Yours faithfully



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



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

## Appendix 1: Tax Guide

### China Tax Summary

The information in this Appendix 1 is intended as a general guide only to the China tax implications of your Cash Award vesting if you are a citizen or a tax resident in China and does not constitute tax advice to any individual participant. Please remember that tax law can and often does change, and you should not necessarily assume the current tax position will continue. **If you are unsure how your Cash Award will be taxed, you may want to consider seeking advice from an independent financial or tax adviser.**

Please note that no one at Dowlais, AAM or VU Live can provide you with legal, personal tax or financial advice. If you are in any doubt as to the contents of this letter and what action you should take, you are recommended to seek your own personal financial, legal and tax advice immediately.

#### 1. Income tax

On the date of Court Sanction, your Cash Award will vest, and you will receive a cash value attributable to the notional number of Dowlais Shares that the Cash Award represents. You will be subject to income tax (the “**Tax Liability**”) on the cash payment.

The Tax Liability will be withheld and accounted for by your employing company in China to the competent tax authorities on your behalf.

## **Appendix 2: A brief explanation of some definitions**

|                               |                                                                                                                                                                                           |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AAM</b>                    | means American Axle & Manufacturing Holdings, Inc., a Delaware corporation, with its registered office at One Dauch Drive, Detroit, MI 48211-1198, United States of America;              |
| <b>AAM Directors</b>          | means the directors of AAM, whose names are set out in the Scheme Document;                                                                                                               |
| <b>AAM Shares</b>             | means shares in the capital of AAM from time to time;                                                                                                                                     |
| <b>AAM Share Plan</b>         | means the amended and restated AAM 2018 Omnibus Incentive Plan, as amended from time to time together with any successor equity incentive plan, or any inducement plan maintained by AAM; |
| <b>Cash Award</b>             | means an award granted under the OSP that confers a right to receive a cash payment equivalent to the value of a specified number of Dowlais Shares;                                      |
| <b>Combination</b>            | means the proposed recommended combination of Dowlais and AAM in respect of the entire issued and to be issued share capital of Dowlais, to be implemented by way of the Scheme;          |
| <b>Completion</b>             | means the date that the Combination becomes effective in accordance with its terms;                                                                                                       |
| <b>Consideration</b>          | the consideration payable by AAM to Dowlais Shareholders pursuant to the Combination comprising, for each Dowlais Share, 0.0881 New AAM Shares and 43 pence in cash;                      |
| <b>Co-operation Agreement</b> | means the co-operation agreement between Dowlais and AAM dated 29 January 2025;                                                                                                           |
| <b>Court</b>                  | means the High Court of Justice in England and Wales;                                                                                                                                     |
| <b>Court Sanction</b>         | means the date on which the Court sanctions the Scheme under section 899 of the Companies Act 2006;                                                                                       |
| <b>Dowlais</b>                | means Dowlais Group plc, a public limited company incorporated in England and Wales with registered number 14591224;                                                                      |
| <b>Dowlais Board</b>          | means the board of directors of Dowlais;                                                                                                                                                  |

|                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Dowlais Directors</b>              | means the directors of Dowlais, whose names are set out in the Scheme Document;                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Dowlais Group</b>                  | means Dowlais and its subsidiaries and subsidiary undertakings from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Dowlais Performance Share Plan</b> | means the Dowlais Performance Share Plan adopted by resolution of the Dowlais Board on 1 March 2023, with effect from 20 April 2023;                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Dowlais Shares</b>                 | means shares in the capital of Dowlais from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Dowlais Shareholders</b>           | means the registered holders of Dowlais Shares;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>New AAM Shares</b>                 | means the AAM Shares to be issued to Dowlais Shareholders pursuant to the Scheme or in consideration of the transfer to AAM of Dowlais Shares;                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>OSP</b>                            | means the Dowlais Omnibus Share Plan approved by Dowlais Shareholders on 21 May 2024;                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>OSP Rules</b>                      | means the rules of the OSP, as amended from time to time;                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Remuneration Committee</b>         | means the remuneration committee of the Dowlais Board;                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Scheme</b>                         | means the procedure by which AAM will become the holder of the entire issued and to be issued ordinary share capital of Dowlais;                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Scheme Document</b>                | means the document setting out the terms of the Scheme, dated on or around the date of this letter, sent to Dowlais Shareholders (available on Dowlais' and AAM's websites at <a href="https://dowlais.com/investors/recommended-combination-with-american-axle-manufacturing-holdings-inc/">dowlais.com/investors/recommended-combination-with-american-axle-manufacturing-holdings-inc-/</a> and <a href="https://www.aam.com/investors/offer-for-dowlais-group-plc">www.aam.com/investors/offer-for-dowlais-group-plc</a> ); |
| <b>Takeover Code</b>                  | means the City Code on Takeovers and Mergers;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Tax Liability</b>                  | has the meaning given to it in Appendix 1; and                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>VU Live</b>                        | means VU Live Ltd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## **Important Notes**

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The Dowlais Directors, whose names are set out in the Scheme Document, accept responsibility for the information contained in this letter (including, any expressions of opinion), other than the information for which responsibility is taken by others pursuant to the paragraph below. To the best of the knowledge and belief of the Dowlais Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

The AAM Directors, whose names are set out in the Scheme Document, accept responsibility for the information contained in this letter (including any expressions of opinion) relating to the AAM Group, the AAM Directors and their respective immediate families and the related trusts of and persons connected with the AAM Directors, and persons deemed to be acting in concert with AAM (as such term is defined in the Takeover Code). To the best of the knowledge and belief of the AAM Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.