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NEW

AMERICAN AXLE & MANUFACTURING, INC.

JOB SECURITY COMMITMENTS

[Date]

Mr. Jimmy Settles
Vice President and Director
AAM Department
International Union, UAW
8000 East Jefferson Avenue
Detroit Michigan 48214

Dear Mr. Settles:

During these negotiations the Parties discussed the issue of job security for UAW members employed by AAM. The UAW expressed its view that job security for UAW members over the term of this agreement is and will continue to be a top priority for the Union. AAM recognizes that a commitment to job security for UAW members provides an advantage to AAM by helping foster their full commitment to the long-term success of AAM.

However, higher fuel prices and government regulation have created unprecedented change in the U.S. automotive industry, resulting in a shifting of consumer demand to more fuel-efficient vehicles. This has created a difficult business environment for AAM as sales of vehicles with little or no AAM content gain market share at the expense of vehicles with higher AAM content.

Most recently, due to severe and negative business decisions by AAM's largest customer, AAM has been forced to take necessary restructuring actions. While unfortunate, these restructuring actions are undertaken with the dual objective of securing jobs for UAW members where possible, and providing retirement incentives, early retirement options, buyout programs, and additional plant closing benefits in locations where the facility is slated for closure.

This Agreement provides economic changes and work-rule modifications intended to reduce AAM's cost structure for seniority associates who receive buydown compensation. The Parties believe that these actions, combined with the incentives described above, will allow AAM to align its workforce levels with lower customer demand for full-size and mid-size truck and SUV driveline components.

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