STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			CONTRACT FORMATION
			APPLICABILITY; EFFECTIVENESS; ENTIRE AGREEMENT; ACCEPTANCE
1	1	1	The Contract:
			 The Global Terms incorporate additional terms, if any depending on the jurisdiction, as Exhibit A. For North American contracts, Exhibit A is the "North America Exhibit A to Global General Terms and Conditions" ("NA Terms") {Global § 1} The parties' agreement is now referred to as the "Contract" whereas previously referred to as the Order. {Global, Definitions, Global § 1}
			 The NA Terms define "Purchase Order," "Source Package," and FCA "Policies." {NA §1(b), (c) and (g)}
			 NA Terms provide more detail as to the incorporated documents. {NA §1(b)}
			• FCA may issue non-binding Purchase Orders which only becomes binding if FCA approves the vehicle program and removes the non-binding clause and, at which time FCA may unilaterally change or terminate the order without any obligation to Seller and then source the Goods to another supplier. {NA §1(h)}
			• Seller agrees that it has access to the Supplier Portal and that it is bound by all information posted, including all updates and new information, despite no notice by FCA. {NA §1(c)}
			• FCA may update or add to its "Policies" at any time and Seller agrees that it is responsible to for checking the portal and that the Revised Policies apply to all new and existing Purchase Orders. Seller's continued performance is deemed consent. {NA §1(g)}
			• If Seller <i>bids</i> on any good and directs an affiliate to supply such goods, it is <i>jointly and severally liable</i> with such affiliate for all obligations and liabilities.
			• If Seller <i>bids</i> on any good and directs an affiliate to supply such goods, then <i>even if the Purchase Order is with such affiliate</i> , Seller shall be jointly and severally liable with such affiliate for all obligations and liabilities. {NA §1(d)}
1	1	1,2	Acceptance
	Ŧ	1,2	 All other terms are expressly rejected, along with an express rejection of UCC 2-207 (battle of the forms). No course of dealing or course of performance will expand or modify the rights, responsibilities or obligations under a Purchase Order. {NA §1(d)}
1, 11, 39	7	1, 12	Changes/Amendment/Modification
1, 11, 39	,	1, 12	 FCA has the <i>unilateral right to amend</i> the General <i>Terms and Conditions at any time</i> by publishing a new version in FCA's Supplier Portal. The amended terms will apply to all POs accepted on or after the date of such amendment and to all releases issued by FCA after the date of such amendment under POs existing on the date of the amendment. {NA §39(d)} FCA may, at any time, <i>unilaterally make changes to any aspect of a Purchase Order</i> and to the <i>Term</i>, including engineering changes (see discussion below on Engineering Changes, and changes to "Term"). <i>Seller's only rights</i> are to: (i) make a claim for a change in price for the goods based on the direct, <i>net increased out-of-pocket costs</i> actually incurred, or to be incurred,
			or (ii) make a claim that Seller is entitled to an extension of time for Seller to deliver goods under such PO. Under no circumstance is Seller entitled to any other costs. Claims must be asserted by Seller in detail with adequate support within

STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
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			10 days from the date of receipt of notification of the change. Unless FCA rescinds the change, Seller must immediately
			proceed with the PO change even if the requested adjustments are not approved. {NA §11(a)}
			Changes to the Contract Term (see below discussion under "Term" section)
			<u>Term</u>
35	Silent	38	 If the "Term" (duration) of any Purchase Order is not expressly stated on the Purchase Order or, if it has an end date of "9999", it is deemed to have a duration through the life of the program ("LOP"). {NA §35(b)}
			 FCA has the <i>unilateral right to extend the life of the program</i> "from time to time." For parts that are "commodity, generic
			goods or multiple vehicle programs" a PO may extend across multiple vehicle programs as determined by FCA from time to
			<i>time</i> , for which such Purchase Order is the <i>date of the termination of the last vehicle program</i> using such commodity,
			generic goods or multiple vehicle program good. {NA §35(b)}
Recital	1, 26	19	Assignment; Non-Assignment
			• Buyer has the right to assign any and all claims against Seller to any third party and the law and venue chosen by the third
			party will control with respect to the assigned claim. {Global, §26}
			• Buyer has the right, after notification to Seller, to assign the Contracts to any company under the Control of Stellantis NV.
			{Global, §26}
			• FCA's Affiliates shall have the right to enforce the Contract against Seller if such Affiliate is dealing with or receiving goods or
			services from Seller {NA Recitals}
39			Construction; General
			 To the extent that the language or provision in the Contract conflict, such conflict is to be resolved in a manner most favorable to FCA. {Global, §39(b)}
			• The order of precedence of the Contract documents: (i) the Policies; (ii) NA Terms; (iii) the Global Terms; (iv) the face of the
			Purchase Order; and (v) other documents making up the contract.
			WARRANTY, QUALITY AND REMEDIES
7	10	8	GENERAL WARRANTY:
			• The typical product warranties (conformance, freedom from defects, merchantability, fitness for purpose and title) {NA §7a(i),
			(ii) and (xiv)} are much wordier, but material changes are limited.
			• Supplier warrants that design is defect-free, without regard to whether it is design-responsible.
			This significantly expands many Seller's potential liability
			 Goods must be of the "highest quality"
			 Warranties now apply to tools, an as well as goods
			 Conformance includes quality and safety standards

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STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			 Several <u>additional product related warranties</u>: Goods and tools will be provided efficiently and cost-effectively, using qualified personnel {NA §7a(iii)} Price is competitive {NA §7a(viii)} Seller will perform all "necessary and appropriate" tests and has systems to identify and contain non-conforming good {Glob. §10(xvii) and (xviii)} Goods, tools, etc. must be free of viruses and other malware {NA §7a(xv)} Goods, tools, etc. must be free of viruses and other malware {NA §7a(vii)} Work product and equipment will conform to "industry standards" {NA §7a(vii)} Seller must obtain all necessary government approvals {NA §7a(xiii)} Seller and its affiliates will not do anything that harms FCA "as interpreted by FCA." {NA §7a(xii)} Seller and its affiliates will not do anything that harms FCA "as interpreted by FCA." {NA §7a(xii)} All information provided by Seller to Seller or its suppliers shall be accurate and complete. {NA §7a(xvii)} Warranty duration {NA §7a, unnumbered last paragraph} is fundamentally redefined and extended. It is the longer of:
18	N/A	21	CANCELLATION/TERMINATION FOR DEFAULT
10	17/2		 <u>Default" expanded</u> to include: Repudiation, including threats of non-delivery { NA §18a(i) and (vi)} Failure to give adequate assurances { NA §18a(viii)} Immaterial breaches; {NA §18a(ii); §18(d)} Failure to make progress, as determined in FCA's sole discretion {NA §18a(iii) and (ix)} Seller's financial weakness which could threaten Seller's ability to perform, as determined by FCA {NA §18a(v)} Non-competitiveness {NA §§18, 90 and 30} Note that under the Old Terms, FCA could terminate for non-competitiveness under some circumstances, but was not a default and this did not trigger a right to damages. FCA may terminate Seller if a lower tier supplier commits an act of Default {NA §18a(ii)} Cure period is shortened from 30 days to 10 (if permitted by FCA, in its sole discretion). {NA §18b}

STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			Remedies for Default termination discussed below
19	N/A	22	TERMINATION AT FCS'S OPTION
			• Time for Seller to <u>cease work</u> and terminate all lower tier contracts is shortened from 15 days to immediately. {NA §19b}
			 Time to <u>submit a termination claim</u> shortened from 60 days to 30. {NA §19b}
			FCA may direct Seller to terminate a lower tier Supplier {NA §19a}
20	21	23	REMEDIES
			• <u>Remedies for Default expanded</u> to include suspension of performance and procurement of replacement or substitute goods
			{NA §20a}, }, elimination of express obligation to pay for Goods delivered and accepted {NA §18a}, and FCA obtains expanded
			IP rights {NA§20b(i)}
			 Upon Default or other breach, FCA may <u>place a representative in Seller's facility</u>.
			<u>Cross-Default added</u> (i.e., FCA may terminate all contracts with Seller if one is breached). {NA §20a}
			• If Seller is terminated for Default or is unable to perform, FCA's license right to Seller's Intellectual Property expanded to
			allow FCA to: (i) sub-license; (ii) "use, exploit, and make and own derivative works" {NA §20b(i)}
			If a PO is terminated or expires, Seller has express <u>transition support obligations</u> {NA §20c}
10(b)	13, 20, 21,	11, 18,	INSURANCE & INDEMNIFICATION
	22	24(b),	<u>CGL minimum insurance</u> (\$5 million) now must be "per occurrence." {NA §10a}
		40(d)	• Indemnity obligations are described in much greater detail. {NA §10b}. In general, this detail <u>materially expands the Seller's</u>
			indemnity obligations, but in some instances it may merely clarify ambiguities in the more general language of the old terms.
			 Seller must indemnify FCA's <u>"suppliers, dealers and distributors."</u> Seller must indemnify for breaches by its suppliers.
			 Seller must indemnify for <u>breaches by its suppliers</u>. ECA may each indemnity for <u>"direct" clames</u> i.e. ECA lesses that do not arise out of claims raised by third parties.
			 FCA may seek <u>indemnity for "direct" claims</u>, i.e., FCA losses that do not arise out of claims raised by third parties. The <u>recoverable losses are extended</u> to many attenuated types of losses, including "soft" (i.e., not out of pocket) losses,
			such as "lost business, lost opportunity, loss of use, [and] costs associated with business interruption"
			 Indemnity is required for
			 breaches of law
			 environmental, health or safety violations,
			 disclosure of confidential information;
			 unfair competition;
			 use of software.
			 IP infringement expanded to include
			 inducement to infringe and contributory infringement claims
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STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			 infringement arising from incorporation or use of the Seller's parts with other parts or the vehicle. Seller must indemnify for any loss arising out of the <u>"supply or use of any good."</u> Arguably this is not limited to losses tied to Seller's breach or other wrongdoing. If liability for losses is allocated in an Authority Definition Plan (ADP), FCA may unilaterally change the allocation if it determines that Seller's actual responsibility is higher than the agreed allocation. {NA §17c} Seller waives any claim or defense based on FCA provided the specifications or that any Claim arose out of Seller's compliance with specifications or directions from FCA, its dealer, or any subcontractor or supplier FCA has option to either require Supplier to defend a third-party claim or to defend the claim itself. {§NA §10d} First party claims must be paid within thirty days of invoice. {§NA §10e} Seller must immediately notify FCA of any potential breach or claim {§NA §10f}
×			PERFORMANCE AND SUPPLY
2, 3	2, 3, 5, 7	3, 4	 DELIVERY/SCHEDULING/SHIPPING/PACKAGING FCA is entitled to recover all damages and losses of every type (direct and indirect) suffered or incurred by FCA and its Affiliates and their respective suppliers. Such amounts are required to be "immediately paid by Seller to FCA." {NA, §2} Global Terms contain updated details regarding requirements for providing shipping information and electronic data interchange use. {Global, §2} If FCA rejects acceptance of Delivery or otherwise rejects Goods, risk of loss and title revert back to Seller. Seller is responsible for and must insure all Goods until proper Delivery to FCA. {Global, §5}
		_	
4, 6, 34(d)-(f)	29	5	 VOLUME PROJECTIONS/CAPACITY/REQUIREMENTS AND RELEASE AUTHORIZATION Seller must maintain tooling and production plan that will enable Seller to supply FCA's peak daily, weekly and annual requirements, including for service parts and <u>Recalls</u>. {NA, §4a} FCA can require Supplier to make capital investment to increase capacity (possibly extending beyond just new tooling) or resource whole program with no penalty (arguably even no obsolescence), and new capital becomes FCA property {NA, §4a}: Carried over "common process goods language" regarding capacity and enhanced requirements to meet capacity increases. FCA may increase peak requirements at any time and may require Supplier to increase capital investments to meet increased capacity, or FCA may resource entire program {NA §4a}<u>v</u>. Seller has similar obligations to those above in cases in which Seller is acting as a Directed Component Supplier to an Assembler for FCA. {NA, §34d-f} FCA can cancel or reschedule any release at any time, without liability for any quantity above the raw and fab limits in a Purchase Order or Source Package at the end of production of that good or termination of the Purchase Order by FCA. {NA, §4b}

STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			• FCA can require Supplier to inventory unlimited "safety stock" at FCA discretion where FCA believes Seller's future ability t
			timely provide goods could be impacted. The safety stock shall be in the country in which FCA takes delivery of a good. {Na §4c}
			• Seller remains responsible for monitoring capacity constraints and limitations, regardless of whether supplier is a Directed
			Component Supplier. Seller also is liable for its Seller Suppliers, including any capacity shortfalls. {NA, §4d}
			• FCA's approval of Seller's labor plan may require Seller to build up a supply of parts. {NA, §6}
12	4	13	PARTS/SERVICE
			Seller has greater disclosure obligations:
			 For purchased parts, upon FCA's request, Seller must disclose Seller's Supplier and the price paid. {NA, §12b}. "For the sole purpose of remanufacturing or repairing Goods, Seller grants Buyer access to all information of Seller use to manufacture such Goods, including, bill of material, schematics, software strategies and tools, and functional validation tests." {Global, §4}
			 No minimum order quantities for service parts. {NA, §12c}
			• New Service Part pricing: {Global, §4}
			 First 5 years, price = last production price plus "possible differences in packaging and logistics costs as agreed by Buyer (Under the Old Terms, price was production price, plus special packaging.) After 5 years, the price will be "reasonably agreed." (Under the Old Terms, price was the last production price, adjuster for packaging, cost changes in materials, set up charge and volume-based costs.
			 "Third Party Part Buyer" section added to allow FCA to delegate to third parties (unclear who) the ability to purchase part
			directly from Supplier under similar terms to FCA PO terms (including price){NA§12f}
			SUPPLIERS AND SUBCONTRACTORS
33	N/A	37	SELLER'S CONTRACTS WITH ITS SUPPLIERS AND SUBCONTRACTORS:
			 FCA has substantially expanded its regulation of Seller's relationship with its suppliers. There has been a general obligation of Seller to ensure that its suppliers comply with FCA Terms with a special emphasis on FCA Data Rights, compliance with law and compliance with the Environmental, Health, Safety, and Disclosure Requirements {NA §33}. Seller's obligations have been broadened and include:
			 Seller shall enforce for the benefit of FCA all obligations of supplier to Seller. This may also create complicated issu related to third party beneficiaries and Seller's ability to manage its supplier relations.
			 All supplier contracts must include terms that mirror FCA's Terms.
			 All supplier contracts must be assignable to FCA. If FCA provides Seller a notice of default involving a supplier component, Seller must send a similar notice to the suppli
			on behalf of Seller and FCA.
			• Seller warrants that each supplier will be in compliance with the warrantees given by Seller to FCA in Section 7.
			 The NA Terms also establish additional rules for supplier directed by FCA to Seller including:

STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			 Seller is responsible for aspects of its relationship with a Directed Supplier except for pricing (unless FCA gives pricing responsibility to Seller). All contracts with the Directed Supplier must state FCA is a third-party beneficiary. FCA can direct Seller to assign to FCA some or all rights, claims or remedies (presumably including A/R and warranty claims) of Seller to FCA. Seller agrees to be an "Assembler" as to the goods of the Directed Supplier under Section 34. As an Assembler, the poor quality of the Directed Supplier will be chargeables against Seller under the quality performance grading by FCA. If Seller negotiates a reduction in price with a Directed Supplier because of an engineering change, that cost savings must be passed to FCA. Seller's rights and obligations can be further affected by a Directed Component Agreement with FCA.
34	N/A	N/A	 SELLER ACTING AS A DIRECTED SUPPLIER: This requires an explanation because it is new to the industry. Section 33 governs FCA directing a supplier to Seller. Section 34 governs Seller's role as a directed supplier to a third-party tier-one to FCA. Section 33 requires Seller to obtain from a directed supplier its agreement to be governed by FCA terms and be obligated directly to FCA in addition to being obligated to Seller. When Seller is the Directed Supplier from FCA, Section 34 avoids the tier-one obtaining Seller's consent to FCA terms. Section 34 provides that consent in advance, subject to statement in the opening paragraph referencing a failure to "agree to and accept" Section 34. But, Section 34 goes beyond this to include: Indemnification of FCA directly for liabilities and damages incurred because of any faulty performance by Seller in its obligations to the tier-one or FCA {NA 34b} When a Good is defective as determined by FCA, FCA with debit the tier-one, whether the tier-one is the Seller or the Seller's customer. It is then up to the tier-one (the Assembler in Section 34) to apportion the cost of the FCA debit between them. If they cannot, FCA may make a final binding allocation {NA §34c}. If the tier-one's requirements exceed the Directed Supplier's capacity, the parties shall discuss the necessary changes to increase the capacity. FCA may claim it has the right to direct changes, including capital investments, as required to meet FCA's capacity demands. FCA may elaim it has the right to direct changes if Directed Supplier for failure to supply up to its stated capacity or assisting the tier-one in obtaining comparable goods {NA §34f} FCA may assess damages if Directed Supplier for failure to supply up to its stated capacity or assisting the tier-one in obtaining comparable goods {NA §34f} FCA may require the tier-one to assign to FCA all of the tier-ones claims against the Directed Supplier. If FCA exercises any of its rights,

This analysis is not intended to provide legal advice and should not be relied upon for that purpose. A Supplier should consult legal counsel about specific legal issues.

7

STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer. Terms §§	New Global Terms §§	Old FCA §§	Overview of Changes
			PAYMENT AND PRICING
4(d), 13	14	14	 PAYMENT/FCA'S COMMITMENTS/CLAIMS ADJUSTMENT Global Terms provide additional detail as to required contents of invoices, many of which likely are not new. {Global, §14} Payment is due 90 days after FCA has received a proper and timely <u>undisputed</u> invoice. {NA, §13a} NA Terms omit language entitling Seller to periodic information concerning FCA's financial condition and ability to fulfill payment obligations. (Old Terms, §14(b)) Seller may not factor or otherwise sell or assign any amounts owed by FCA to Seller. All amounts due from Seller to FCA are due immediately. {NA §13a} FCA may setoffs for actual or alleged claims by FCA or any of its Affiliates or any Indemnified Party against Seller or any of Seller's Affiliates, regardless of whether claim is disputed. If FCA's claims are later determined to be wrong, Seller's sole recourse is to receive the original amounts due. FCA is not liable for any damages from the exercise of its setoff. {NA, §13b}. Further, FCA no longer commits to substantiate basis for any setoff within 15 days or other agreed time after Seller's request. (Old Terms, §14(e)) FCA also can withhold payment for goods delivered if it believes information entered into capacity management system is inadequate (previously, FCA could just withhold money for tooling). {NA, §4d} Seller has no right to set off against FCA. {NA, §13c}
7(a)(viii), 8, 9(a)(v), 29, 32, 35(b)	3, 14	9, 32, 36	 PRICING General rule continues to be that pricing is fixed and inclusive of Seller's costs, but additional detail is included as to what costs are included in price, and Seller also has additional cost breakdown documentation obligations. Seller must pass on all direct or indirect cost decreases with FCA. {NA, §8} Seller cannot mark up the cost of any tooling: {NA, §9a(v)} Cost savings programs entered into FCA system now are expressly binding on Suppliers. (NA, §32) FCA can apply parts from one program to other programs, presumably at same price, and extend the term/"life of the program" indefinitely. {NA, §35b} Seller has extensive (section regarding pricing for service parts and limitations on what Seller may charge to FCA and "Third Party Part Buyers". {NA, §12} Seller has extensive (and arguably stricter) cost competitiveness requirements, and pricing offered to FCA must be equal to or better than the pricing offered to or enjoyed by any other person or entity. If Seller contracts with or <u>offers</u> pricing that is lower than the price that FCA is then subject to, Seller must immediately make that pricing available to FCA. Also, FCA is not longer precluded from delivering a cost competitiveness "Cure Notice" within 12 months of the commencement of volume production. {NA, §29} Seller's price competitiveness warranties continue through any survival period. {NA, §7a(viii)}

STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	TOOLING AND PROPERTY
0	17 10	10	
9	17, 18	10	 PROPERTY AND TOOLING; BAILED PROPERTY: FCA may purchase all machinery, tooling and other personal property owned by Seller used in the production of goods if FCA terminates for cause. The price will be the net book value less any amounts previously paid by FCA. {Global §17} All personal property (tangible and intangible) paid for by FCA directly or by piece price is "Buyer's Property." Seller must repair or replace worn Buyer's Property. All risk of loss or damage of Buyer's Property is borne by Seller and cannot be used by Seller except in performance of an order. FCA may request delivery of Buyer's Property at any time. Seller licenses FCA to use any Seller's IP Rights embedded in FCA's Property. {Global §18} Seller must provide to FCA licenses to the following as they relate to Tooling: CAD data, bills of material, component supplier information, and manufacturing process information. Many Sellers object to providing the latter. {NA §9a(iii)} Seller grants FCA as to Tooling, for two years from SOP, the same warrantees granted as to goods (e.g., fit and safe for FCA use). {NA §9a(iii)}. Seller will pay FCA damages suffered by FCA, and all profits of Seller, from improper use of FCA's Property (e.g., unapproved aftermarket sales). {NA §9a(iv)} If Seller's cost of manufacture or acquisition of FCA's Property is less than the order price, Seller will pay the difference to Seller. {NA §9a(iv)} FCA shall not pay for, and Seller shall return any payments paid for, Tooling that is not complying with the Terms or FCA's quality standards. {NA §9a(v)} FCA may purchase Seller's Tooling dedicated to production of FCA's goods at Seller's cost less any piece price recovery. {NA 9a(vi)}
36	N/A	39	 SCRAPPING TOOLING: Seller scrapping any FCA tooling prior to FCA written approval to scrap voids obsolescence claim rights FCA US LLC Raw Material Resale Program Guidelines incorporated by reference SELLER COST SAVINGS PROGRAMS:
32	N/A	36	Seller cost savings programs or plans provided to FCA are " <u>binding</u> " on Seller
			LAWS AND COMPLIANCE
14	15	15	 CUSTOMS, EXPORT CONTROL: Seller must provide information on applicable customs duties during selection process and is responsible for duties in excess of those quoted. Seller guarantees accuracy of "Made in" labelling (Global §15). All goods and services supplied by North American-based Sellers shall satisfy the requirements to qualify the goods under the United States–Mexico–Canada Agreement ("USMCA"), unless FCA has specifically exempted Seller from this requirement in

STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			 writing. Exceptions will be made on an ad hoc and individual basis. Seller is required to provide FCA with all information that FCA may require to demonstrate to U.S. Customs that the goods and services qualify for USMCA. {NA §14a} This section includes two duties, a duty for seller to provide products that are USMCA compliant and a duty to provide information that may be required by FCA to demonstrate to Customs that the goods qualify under USMCA. This can include proof of qualification, regional value, applicable duty, regional value and country of origin. Seller must notify FCA of materials and components used by seller in filling an order that are purchased in a country other than the country in which the goods are delivered to FCA and any duty included in the purchase price of the goods. {NA §14(b)} Any FCA liability for duties (e.g., FOB Supplier's China plant) excludes discrepancy, countervailing, and other duties. This is a significant exposure for an import process under control of FCA.
7, 21, 25(a)	11, 23, 24	24, 28	 REQUIRED COMPLIANCE/COOPERATION Generally, Seller's and its suppliers' and subcontractors' conduct and documentation and Goods must comply with all FCA policies and all laws of all applicable jurisdictions (including all laws in force in each country where the Goods are manufactured, used, sold, or transferred and/or the services are performed, or where vehicles equipped with the Goods are delivered, sold or used, including new laws). Compliance obligations continue through the survival period after the contract's termination. Seller must comply with Laws relating to product safety <u>and vehicle emissions including CO2</u>. {Global, §23(ii)} In particular, Sellers of "Emission-Related Goods or Services" are now subject to various training, process, and documentation requirements to ensure compliance with standards and to ensure that no "Defeat Device" is contained or created. {NA, §25a} With respect to Seller's compliance with laws, including Environmental, Health, and Safety Requirements and all Disclosure Requirements, Seller must (a) notify Buyer immediately if Seller is not in full compliance with any Law, (b) use resources effectively and efficiently to minimize environmental impact, (c) not purchase or sub-contract from any illegal or non-compliant channel or supplier, and (d) remain committed to promote a responsible supply process. {Global, §11} Global Terms contain new language supplementing Seller's warning and notice obligations. In addition to prior advance warning and notice of any ingredient or part of any Goods that could become "dangerous" or hazardous so as to advise how to "exercise that measure of care and precaution that will comply with applicable Laws in force in each country where the Goods shall be manufactured, used, sold or transferred and/or the services shall be performed". Seller must adopt a code of conduct no less stringent than Stellantis N.V. group Code of Conduct. {Global §23} provisions regarding sub-suppliers are adde

STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer. New Glo	bal Old FCA	Overview of Changes
Terms §§ Terms	§§ §§	
		 Seller represents, warrants, and covenants that each Seller Supplier will be in full compliance with the extensive representations, warranties, covenants, and requirements in the Terms. {NA, §33b} At the reasonable request of FCA, Seller must cooperate with and assist Buyer's other suppliers and contractors in connection with the Contract or any Purchase Order. {NA, §21c} Note that this obligation is not limited to <u>Seller's</u> suppliers or contractors (as opposed to any suppliers or contractors of FCA), and no express right to compensation for such cooperation is included. Seller and its Seller Suppliers must comply with all applicable Policies and Laws {Global, §23}. These include, among others, all applicable local, national, international, or other legal requirements regarding the handling, storage, and transmission of legally protected personal data. {NA, §21d} Seller is subject to broad indemnification obligations for non-compliance with Laws, and Seller must bear all costs "needed to achieve compliance with existing or <u>new Laws</u>." {Global, §23}
25	N/A	COMPLIANCE WITH REQUIREMENTS; FORMULA AND INFORMATION DISCLOSURE; EMISSIONS:
		 For Sellers providing emission related good or services, the Seller must require employees and contractors to take FCA's Defeat Device Awareness and Prevention training at least annually. Seller must document and accurately describe their related auxiliary emission control devices, auxiliary emissions strategies, and base emission strategies. Sellers must provide a written confirmation that the Seller (i) has accurately described all AECDs, AESs, and BESs; (ii) has not created a defeat device; and (iii) that the products do not contain or are not a defeat device.
		FINANCES AND AUDIT
17 12	20	 FINANCIAL REPORTING: New terms retain requirements for broad Seller financial reporting to FCA/Stellantis, but expand as follows: Solid financial condition (in FCA's sole discretion) is condition of doing business with FCA, and, if FCA determines Seller's finances are inadequate, this is an Event of Default justifying termination (and with harsh default penalties, discussed elsewhere) {NA §17a} Now requires reporting "reserves for Recalls" in financial statements {NA§17a(i)} In addition to quarterly and annual financial statements, Sellers now must provide approved or certified balance sheets (whichever is available) and business plan for current year and subsequent years {Global§17(i)}, plus any other Seller financial information Stellantis/FCA may request, including related to Seller's "cost structure" {Global§12(i); NA§17a(iv)} Seller now must update information on FCA portal <u>quarterly</u> (formerly was annually){NA§17a(v)} FCA rights regarding use and disclosure of Seller Confidential Financial Information expanded, such that now FCA can use or disclose "for any business reason," including in connection with FCA selling or factoring amounts owed to FCA {NA§17b}
		 In addition to quarterly and annual financial statements, Sellers now must provide approved or certified 1 (whichever is available) and <u>business plan</u> for current year and subsequent years {Global§17(i)}, plus <u>ar</u> <u>financial information</u> Stellantis/FCA may request, including related to Seller's "<u>cost structure</u>" {Global§12(Seller now must update information on FCA portal <u>quarterly</u> (formerly was annually){NA§17a(v)} FCA rights regarding use and disclosure of Seller Confidential Financial Information expanded, such that no

This analysis is not intended to provide legal advice and should not be relied upon for that purpose. A Supplier should consult legal counsel about specific legal issues.

11

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STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
26	12	29	 BUYER AUDIT RIGHTS: New terms retain broad buyer audit rights but expand as follows: FCA may delegate its audit rights to third party contractors {NA §26} Specific audit topics expanded to include "pricing, cost information, forecasts" and other categories scope expanded to all information "FCA deems helpful or necessary," as opposed to former "reasonably necessary" standard record retention/audit period expanded from 4 years to <u>10 years</u> from final PO payment FCA audit rights extend to <u>records and facilities of Seller's suppliers</u>, and Seller contracts with its suppliers must include FCA audit rights Any errors of at least 3% or breaches trigger right to reimbursement of damages and audit costs.
16	19(e); (g); (h);	N/A	 DATA; SOFTWARE; SECURITY AND PRIVACY: <u>"FCA DATA"</u> The definition of "FCA Data" is expanded to include all Information and Data that is:

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STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			 Logic Keys {Global §19h}: Seller may not include any security certificate logic keys which were not agreed to in writing. <u>PERSONAL DATA</u> <u>Privacy</u> {NA §16c}: Sellers shall not provide any "Personal Data" to FCA without FCA approval. Personal data includes information that is: (i) covered by applicable privacy laws or (ii) which would allow the information to be associated or reasonably linked to an individual, household, or <u>device</u>. Devices may include computers or potentially technology which collects information within the vehicle. <u>Data Protection</u> {NA §16d}: Sellers will protect and process Personal Data per FCA requirements and instructions <u>Seller Personal Data Protection</u> {NA §16e}: Sellers must have administrative, organizational and technical measure to protect
			 Personal Data against unauthorized access, use, disclosure or processing including any Stellantis requirements. FCA may require the completion of a security assessment or vendor risk assessment or conduct a third-party audit. <u>Privacy Complaint</u>: Seller must notify FCA in the case of a reported privacy complaint related to any data or services under the contract.
			SECURITY BREACHES AND REMEDIATION {NA §16f}:
			 "Security Breach" is defined as either a known or <u>suspected</u> incident where FCA Data, Personal Data or confidential information is (i) accessed, acquired, or processed in an unauthorized or unlawful manner; (ii) lost or stolen; (iii) accessed by an attack or incident; or (iv) access which is inconsistent with law. This obligates the Seller to report potential security incidents, even if not confirmed.
			 Seller must provide FCA all information required to evaluate and response to any Security Breach and take immediate steps to mitigate and remedy the incident at Seller's expense.
37	19	40	 FCA COMPUTER NETWORK; ACCESS; CONFIDENTIALITY: <u>ACCESS</u> Seller has a new obligation to obligate its employees must agree to maintain the confidentiality of the information prior to
			 granting access. Seller is obligated to notify FCA of any suspected wrongful use, release, or access to FCA Data or any information present on FCA systems. CONFIDENTIALITY
			 <u>"Confidential Information"</u> (which is not defined in the Old Terms) is <u>broadly defined</u> to include: o information of suppliers and contractors. o "FCA Data" and
			 "brand or product information, designs, business plans, strategies or processes, business opportunities, procurement or supply business plans, strategies or processes, sales or marketing plans, technical plans, architecture or financial plans or strategies, research, development, know-how, personnel, sales information, customer information, marketing strategies, market forecasts, trade secret information, other information which could be construed to be useful to a competitor." Seller assumes all risk of accessing FCA's computer network.

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13

STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			• FCA is entitled to specific performance and may obtain a temporary and permanent injunction without posting a bond.
10	20	11, 18	 INTELLECTUAL PROPERTY INDEMNIFICATION (GLOBAL) Seller represents that the good do not infringe nor are they contributorily infringing on any right of a third party, including infringement or misappropriation of patents, copyrights, trademarks, trade secrets, or other proprietary rights.
			• In addition to defending and holding harmless the Buyer Group (including the companies within, their dealers and customers), Seller will investigate any alleged claim.
			• In the event of a claim of infringement, at the Buyer's option, Seller will either (i) procure the right to use the goods, (ii) replace the goods with a non-infringing equivalent which the Buyer approves of; or (iii) modify the goods without impacting quality or performance.
16, 20	19	17, 18	 INTELLECTUAL PROPERTY RIGHTS (GLOBAL): Intellectual Property is treated in far greater depth than under the Old Terms. The following is intended as a summary of the New Terms, rather than as a change analysis Definitions {Global §19a}: Intellectual property ("IP") rights broadly include patents, copyrights, source code and data base rights, trade secrets and all proprietary rights regardless of whether they have been registered. In assigning any such rights, the grant of rights is equally broad and contemplates reproduction, adaptation, use, sale, display, improve, make derivatives, etc. with a right to sublicense to any third party. Foreground Intellectual Property Rights {Global §19b} "Foreground IP" is defined as IP created by the Buyer alone, by the Buyer and the Seller, or by the Seller in fulfillment of the contract. Foreground IP is owned by the party that solely creates it. Seller grants the Buyer a royalty free, fully paid-up, perpetual, nonexclusive license with the right to sublicense.
			 Jointly owned Foreground IP may be licensed to any third party with no requirement to seek approval or no duty to account for any purpose. Background Intellectual Property Rights {Global §19c} "Background IP" is that which existed before the date of the contract or before technical cooperation existed between the two parties or IP that a party acquired indirectly or outside of the agreement. Each party retains ownership of its Background IP. Seller grants Buyer an irrevocable, worldwide, nonexclusive, fully paid up, royalty free license with the right to sublicense to any company within the Buyer Group. Buyer will only use this license if the Seller breaches or is unwilling or unable to deliver goods or as is required to support the contract under a force majeure event. Copyrights and Droit d'aunteur {Global §19d}

STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			 Copyrighted material will be considered works for hire to be owned by Buyer. Where these rights cannot be assigned, Seller grants Buyer an exclusive, irrevocable, perpetual, worldwide, royalty-free, fully paid up, transferrable and sublicensable license. The license can be used in any known media or future media. <i>Miscellaneous</i> {Global §19i} If a product is based on drawings, designs, software, model or specification of the Buyer, Seller cannot use the design or output for its own purposes and cannot sell it to third parties without written authorization. Seller warrants that it will comply with all requirements for software. <i>Trademarks</i> {Global §19j}: Seller may use and reproduce Buyer trademarks in accordance with Buyer's published marking and branding standards.
			Seller may not use its own trademarks or any third-party trademark on Buyer's goods.
			Extension of Goods to new countries {Global §19k}
			 If Buyer decides to produce products containing the goods in a new country, upon request, Seller will use best efforts to help Buyer localize the goods, including through the acquisition of licensing if required. Remedies {NA §20b(i), (ii)}
			• If the licenses from the Global Terms {Global §19} fails to sufficiently grant rights, the North American Terms provide to FCA a non-exclusive, worldwide, fully paid-up, sublicensable, irrevocable and perpetual right to use and make derivatives of any goods or any work product related to the good and the purchase orders. FCA also is granted the right to make the goods and work product connected with the purchase order.
			• If requested, Seller must provide FCA drawings, design aids, CAD data, specifications, bills of material, information on purchased components, and manufacturing information.
			MISCELLANEOUS
27	N/A	30	ASSIGNMENT OF ANTITRUST CLAIMS
			 Assignment expanded to include <u>Insurance rights</u> {NA §27}
			 If FCA allocates any part of its antitrust recovery to Seller, it may deduct "its costs and expenses incurred in connection with such claim" {NA §27}
15		16	 USE OF FCA'S NAME: FCA Seller may not make or publish derogatory or disparaging statements about FCA or its Affiliates, including their integrity, business or reputation.
23, Annex A,	30	26,	DISPUTE RESOLUTION/GOVERNING LAW
34	Global	Annex A	• NA Terms contain waiver of right to trial by jury and require all claims to be brought by Seller within 1 year of the date such
	Warranty Terms		claim first arises, regardless of whether Seller has actual knowledge of claim. (NA, §23(b))

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STELLANTIS / FCA TERMS CHANGE ANALYSIS

New N. Amer.	New Global	Old FCA	Overview of Changes
Terms §§	Terms §§	§§	
			 North America Terms no longer specifically exclude certain types of disputes from arbitration process (<i>i.e.</i>, disputes involving FCA's rights to injunctive relief, enforcement of Seller's delivery obligations, enforcement of FCA's rights and remedies under Competitiveness clause, and possession of Tooling, Unpaid Tooling or other Bailed Property). {NA, §23c} Terms no longer require negotiation and mediation before any unilaterally elected arbitration. {NA, §23c}.
21(b), 39(b)	27, 29		NATURE OF THE RELATIONSHIP OF THE PARTIES
			• Seller is not deemed an exclusive seller of the Goods to FCA, and FCA may purchase Goods from other suppliers. {Global, §29}