

Charting Your Way Through Chrysler Group LLC's New Terms and Conditions

Chrysler Group LLC (Chrysler)¹ issued new general terms and conditions (Terms) for production and Mopar purchasing that will apply to all purchase orders issued after December 1, 2014. The new Terms are not retroactive and apply only to the NAFTA region. The Terms include 41 provisions and reflect significant changes from prior iterations, especially with respect to identifying additional compliance and administrative obligations for suppliers.

Suppliers to Chrysler will need to understand the implications of the various changes to their business and consider strategic responses to the new Terms Chrysler now seeks to impose.

Many of these new provisions contain terms that could be subject to varying interpretations, and therefore place the onus on the suppliers to obtain written clarification on application in the event of doubt.

Foley prepared the following chart to assist suppliers in navigating the changes. The chart identifies the most significant provisions and changes and their implications. The chart also sets forth preliminary recommendations and strategies for suppliers to successfully navigate these changes.

Foley has significant experience representing automotive suppliers and sub-suppliers with myriad issues, such as contract negotiations, supply chain management and pricing issues, and dispute resolution. Foley also has extensive expertise in drafting, negotiating and enforcing favorable terms on behalf of its supplier clients.

Foley can review and update suppliers' own standard terms and conditions of purchase to assist in protecting the suppliers' interests by helping to align those terms and conditions with the Terms from Chrysler and other OEMs. Additionally, Foley can assist suppliers with consultation and preparation of other supply chain documentation to reduce the risk exposure faced by suppliers. Sales, compliance, and procurement training regarding these changes is essential.

Click [here](#) for a redline comparison of the September 2010 Chrysler Terms with the new December 2014 Chrysler Terms.

For More Information

For more information on Foley's comparison of Chrysler's terms and conditions or our Automotive Industry Team and its capabilities, please contact:

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¹Chrysler Group LLC changed its name to FCA US LLC on December 16, 2014.



Analysis of Select Provisions of Chrysler Group LLC's Newly-Released 2014 Terms and Conditions

Provision	Difference	Implication	Response
1. Agreement	Chrysler Supplier Portal established. [Click here to view redline]	Supplemental clauses referenced in the agreement are published on Chrysler's Supplier Portal.	To the extent it has not already done so, Supplier will need to register as a new user or have an active logon to access the Supplier Portal.
3. Delivery	Chrysler electronic communications ("broadcasts") may be used in addition to purchase orders to indicate parts requirements for assembly plants. [Click here to view redline]	Broadcasts, releases, or written requirements can request delivery outside of purchase order lead time.	Supplier must meet Chrysler IT specifications in Supplier Portal to receive broadcasts and develop a procedure to incorporate the delivery requirements.
6. Inspection and Rejections; Quality	Supplier now being required to hire and pay for third-party containment and problem resolution ("3CPR") provider selected by Chrysler within 24 hours of Chrysler initiating the program on "suspect materials." If Supplier disputes the charges, Chrysler will initially bear the 3CPR project cost and allocate responsibility in its reasonable discretion. [Click here to view redline]	New version clarifies that Supplier is to pay for 3CPR provider. Additionally, "suspect materials" is not defined.	If responsibility is not clear or Supplier disputes identification of product as "suspect," Supplier should immediately request further information or dispute such identification in writing.



Provision	Difference	Implication	Response
<p>7. Labor Disputes</p>	<p>Supplier to disclose and update union representation on Chrysler Supplier Portal. Supplier to notify Chrysler of any change in union related status, including contract ratification or extension within 24 hours.</p> <p>Supplier to establish, at its own expense, a 40 working day supply of goods in a neutral warehouse site disclosed to Chrysler and located in a NAFTA nation at least 50 miles from Supplier’s manufacturing locations.</p> <p>Module and sequence Supplier who cannot provide a bank of goods must submit a written plan to Chrysler Purchasing two weeks prior to contract expiration detailing production plans in the event of a labor dispute.</p> <p>[Click here to view redline]</p>	<p>Prior version required a 40 day working supply of goods at least 50 miles from Supplier’s manufacturing locations only in the United States. New version expands this requirement to Mexico and Canada (if applicable).</p>	<p>Supplier with manufacturing facilities in Mexico and Canada will need to establish neutral warehouse sites with 40 working day supply of goods at least 50 miles outside of facilities.</p> <p>Module and sequence Supplier should review administrative procedures to ensure written plans regarding labor disputes are submitted.</p>
<p>11. Insurance and Indemnification</p>	<p>Unless Chrysler instructs otherwise in writing, Supplier to obtain: \$1M employer’s liability insurance; \$5M commercial general liability insurance; and \$5M automobile liability insurance.</p> <p>[Click here to view redline]</p>	<p>As with prior version, Supplier is to add Chrysler as an additional insured under all policies.</p>	<p>Supplier should review insurance coverage and policies to ensure compliance or request a separate written agreement regarding coverage requirements. Supplier should factor these additional costs into its pricing structure.</p>
<p>13. Parts; Service</p>	<p>Supplier’s service, after-market, and warranty parts requirement changed from 10 to 15 years if the goods are identified by Chrysler as “safety</p>	<p>Goods which may not be initially viewed as “safety items” by Supplier may be identified by Chrysler as</p>	<p>Supplier should confirm with Chrysler as early as practicable whether goods will be identified as “safety items” through the source package process,</p>



Provision	Difference	Implication	Response
<p>13. Parts; Service (cont.)</p>	<p>items” prior to issuance of the purchase order either through the source package process or substantive equivalent.</p> <p>Chrysler will not consider any change to this time requirement until the goods have reached the end of their service life.</p> <p>Neither Supplier nor Sub-Supplier may sell any “obsolete or surplus” goods covered in purchase order to third parties without written consent.</p> <p>Supplier must sell remanufactured or kitted goods to third parties at the same price it sells to Chrysler, with same level of technical support. Chrysler may withdraw this authorization at its sole discretion.</p> <p>Supplier must, at its own expense, comply with all Mopar APQP (advanced product quality planning) policies including using a third-party APQP provider.</p> <p>[Click here to view redline]</p>	<p>subject to the 15 year after-market and warranty requirement.</p> <p>“Obsolete or surplus” goods are not defined in the agreement.</p>	<p>and obtain an agreement in writing that the goods will not be deemed “safety items.”</p> <p>Supplier should take into account these third-party price provisions and ensure its own terms and conditions allow it to flow any additional obligations down to Sub-Suppliers.</p> <p>If Supplier sells or anticipates selling to third parties, Supplier should request Chrysler’s consent in writing and confirm whether the goods are considered obsolete, surplus, or remanufactured.</p> <p>Review contracts with other customers selling remanufactured parts.</p>
<p>15. Customs; Exports</p>	<p>Supplier to comply with destination country’s content reporting regulations.</p> <p>Supplier to comply with all pertinent requirements of U.S. Customs and Border Protection’s trade partnership against terrorism program (C-TPAT) or</p>	<p>C-TPAT is voluntary and there is no cost to join; however, the program requires Supplier to conduct a security risk assessment, submit an application, and complete a supply-chain security profile. A C-TPAT specialist will review the application within 90 days. If the application is</p>	<p>Supplier should review export control processes and obtain C-TPAT validation, recognizing lead time and administrative requirements.</p>



Provision	Difference	Implication	Response
<p>15. Customs; Exports (cont.)</p>	<p>other recognized program. Supplier must provide proof of compliance in Chrysler’s annual risk assessment survey.</p> <p>Supplier to comply with all export control laws and foreign laws, including International Traffic in Arms Regulations, or Export Administration Regulations. Supplier to reimburse Chrysler for any violation, fine, expense including attorneys’ fees, or liability incurred by Chrysler.</p> <p>[Click here to view redline]</p>	<p>certified, the Supplier will be validated within a year.</p>	
<p>17. Information Disclosed; Data Rights; Trademarks</p>	<p>Supplier to immediately discontinue use of “Chrysler data,” trademarks, and/or logos upon Chrysler’s request or at the termination of the Order.</p> <p>At Chrysler’s option, Supplier must (1) destroy any such item and present an affidavit of destruction, (2) return items, or (3) remove and destroy Chrysler trademark or logo from item and present an affidavit of removal and destruction.</p> <p>[Click here to view redline]</p>	<p>Supplier is not permitted to use Chrysler data or trademarks after termination.</p> <p>Summarily, “Chrysler data” defined as (1) all information and data Chrysler makes available in connection with performance of the Order, and (2) any and all data entered into or processed by the Supplier for the purpose of performing Supplier’s obligations under the purchase order (excluding certain intellectual property).</p>	<p>Supplier should ensure that it is keeping track of, and accounting for, all data and information obtained from Chrysler or used in performing the Order. In anticipation of termination of an Order, Supplier should gather all Chrysler data in preparation for immediate destruction or removal on Chrysler request.</p> <p>Supplier should consider setting up reciprocal protections for its own data, trademarks, etc.</p>
<p>20. Financial Reporting</p>	<p>Chrysler has modified subsection (c) to clarify that Chrysler may share Supplier’s Confidential Information with “the present or future parent, subsidiary, or affiliate entities of Chrysler or its parent entity” except for “such present or future entities</p>	<p>In most cases, this change will have little direct impact on Supplier. The modifications to this section are intended to make clear that, with certain exceptions, Chrysler may share financial information provided under Chrysler’s reporting</p>	<p>It remains to be seen how actively (if at all) Chrysler will control the flow of information to avoid disclosure to excluded Chrysler entities. To the extent Supplier is aware of Chrysler-related entities (including Fiat entities) with which it does not want such information shared, such as</p>



Provision	Difference	Implication	Response
<p>20. Financial Reporting (cont.)</p>	<p>which, in their core business, are Tier 1 automotive suppliers and/or direct competitors of [Supplier]”.</p> <p>[Click here to view redline]</p>	<p>requirements with other Chrysler affiliated entities.</p> <p>It is notable that Chrysler has included some protections for Supplier by ostensibly excluding disclosure to Chrysler affiliated entities that are themselves Tier 1 suppliers in direct competition with Supplier.</p>	<p>affiliated automotive parts and equipment suppliers, the Supplier should take care to specifically identify such entity to Chrysler in writing.</p> <p>Although not directly related to the most recent changes, Supplier should ensure that its own contracts with its Sub-Supplier (including any NDA's) do not prohibit the sharing of any information that Supplier must provide to Chrysler.</p>
<p>23. Remedies</p>	<p>This section now provides that, upon fourteen days' notice of actual or threatened, recurring non-performance, at the Supplier's expense, Chrysler may engage, or require Supplier to engage, a third party to support a mediation plan. The provision applies only to recurring capacity or quality issues.</p> <p>[Click here to view redline]</p>	<p>Many other OEM's have comparable provisions.</p> <p>This section specifically provides that the costs associated with such third parties may be recovered by setoff.</p>	<p>It remains to be seen how actively Chrysler will assert its rights under this provision. In the event of ongoing capacity or quality issues, Supplier should seek to avoid the imposition of a third party by proactively formulating a mediation plan and making sure that Chrysler is kept informed.</p>
<p>24. Required Compliance</p>	<p>This section makes several changes specifically requiring that Supplier comply with applicable environmental laws and regulations, including those governing hazardous materials. This section also specifically includes requirements to comply with Chrysler's CS-9003 and sustainability guidelines and to provide and maintain an Environmental Management System compliant with ISO 14001.</p> <p>[Click here to view redline]</p>	<p>ISO 14001 is a standard promulgated by the International Organization for Standardization. The focus of the standard is setting up a system to monitor compliance with legal obligations and whether the company is successfully implementing its own environmental policies.</p> <p>Beyond the specific requirement to implement ISO 14001, many of the changes to Section 24 do not</p>	<p>Supplier should review its internal policies and procedures for ensuring compliance with applicable environmental and hazardous material laws and regulations. Such review should ensure that policies and procedures are in place to ensure compliance with not only U.S. laws, but the laws of any foreign jurisdictions where Supplier operates or ships its products.</p>



Provision	Difference	Implication	Response
<p>24. Required Compliance (cont.)</p>		<p>significantly change Supplier's contractual obligations. The previous Section 24 already required compliance with all laws, regulations and Chrysler policies. In practice, the revisions to this section specifically highlight laws and regulations related to the environment and may indicate that Chrysler will be giving heightened scrutiny to Supplier's compliance with such rules. To the extent there may have been doubt, it now is clear that Supplier must comply with CS-9003.</p>	
<p>28. Compliance with Applicable Requirements; Formula and Information Disclosure</p>	<p>Supplier must comply with Chrysler requirements regarding the handling, transportation, labeling, registration, notification, prohibition, use, disposal or recyclability of the goods.</p> <p>Supplier must also comply with Chrysler's requirements regarding disclosures on the content and origins of raw materials and substances, including conflict mineral disclosures and chemical and/or substance of concern disclosures.</p> <p>Supplier must provide to Chrysler (i) the formula of all ingredients in the goods, (ii) amount and percentage of ingredients, (iii) any updates to the formula, and (iv) a list of the countries of origin for each ingredient. Chrysler no longer has to make a request for this information.</p> <p>[Click here to view redline]</p>	<p>Supplier is required to comply with environmental and disclosure requirements. Supplier also must provide country of origin of all ingredients used in goods sold. Requiring Supplier to certify in writing the origin of the materials places risk on the Supplier.</p>	<p>In order to comply with Chrysler's requirements, the Supplier must make sure that it is familiar with what those requirements entail. If Supplier does not have copies of those requirements, they should be requested from Chrysler.</p> <p>Supplier must be prepared to provide the formula and ingredients of its goods to Chrysler, as well as inform Chrysler as to the country of origin of those ingredients. This may prove difficult if the ingredients changed hands multiple times before purchase by the Supplier. The Supplier should thus ensure that it is asking for country of origin of the ingredients from Sub-Supplier.</p> <p>Supplier should require Sub-Supplier to represent the origin of its materials, provide certifications of</p>



Provision	Difference	Implication	Response
<p>28. Compliance with Applicable Requirements; Formula and Information Disclosure (cont.)</p>			<p>the same, and maintain the appropriate records.</p>
<p>29. Right to Audit</p>	<p>Chrysler has included a right to access the Supplier's chemical data as part of an audit to ensure compliance with Section 28, above.</p> <p>[Click here to view redline]</p>	<p>Chemical data is now part of Chrysler's right to audit. Expanded audit rights raise confidentiality and proprietary concerns.</p>	<p>Supplier should include adequate protections in its agreements with Chrysler and/or its own Terms and Conditions to prevent any misuse or misappropriation of its chemical data. At a minimum, Supplier should request an NDA requiring confidentiality and limiting the scope and use of information provided. The NDA should also limit the review of the information to inspection and not retention of documentation.</p> <p>Supplier should also make sure that it will not be in violation of any NDA's that it may have with its Sub-Supplier in the event that it is required to share Sub-Supplier information with Chrysler.</p>
<p>40. Chrysler Computer Network; Access Confidentiality</p>	<p>This entirely new provision addresses the use of Chrysler's computer network.</p> <p>(a) Supplier understands that, if it has access to Chrysler's computer network, that access only extends to the employees with need for the access to perform their work for Chrysler. Supplier must inform those employees that all data reviewed is confidential.</p>	<p>Chrysler is implementing safeguards in the event that it invites Supplier to utilize its computer network, including confidentiality provisions and disclaimers.</p>	<p>Supplier must exercise caution if it is invited to use Chrysler's computer network in performing its work for Chrysler. Only employees that are necessary to the project should have access to Chrysler's network and warn all employees about their confidentiality requirements.</p> <p>Supplier should have safeguards in place to prevent wrongful disclosure to third parties, and to report wrongful disclosure if disclosure occurs.</p>



Provision	Difference	Implication	Response
<p>40. Chrysler Computer Network; Access Confidentiality (cont.)</p>	<p>(b) Chrysler does not grant any rights from the use of its computer network.</p> <p>(c) Chrysler may terminate access at any time. Upon termination, Supplier must return any copies of data obtained from the network. Confidentiality survives termination until the information is made public.</p> <p>(d) Supplier must inform Chrysler if it expects that information has been wrongfully released to a third party. Supplier must indemnify Chrysler in the event of wrongful disclosure.</p> <p>(e) Supplier assumes risk of accessing Chrysler's computer network, and Chrysler is not liable for any damages incurred from errors or viruses.</p> <p>[Click here to view redline]</p>		<p>Supplier should have updated antivirus software to protect against any risks associated with accessing Chrysler's computer network.</p> <p>Supplier should consider setting up reciprocal protections in the event that Chrysler uses the Supplier's computer network.</p>



Redline Comparison of September 2010 Chrysler Terms with New December 2014 Chrysler Terms

Introduction.

Seller and Chrysler (the “Parties”) acknowledge the following mutually beneficial goals and objectives in entering into this Order: (i) to ensure a reliable and timely supply of goods covered by the Order; (ii) to implement common or complementary processes to forecast necessary quantities, place orders, ship, receive and make payments for goods; (iii) to identify, contain and resolve promptly and fairly any issues as to timeliness and quality of goods delivered; and (iv) collaboratively to identify opportunities and implement cost savings measures related to the goods covered by the Order and the processes of creating, shipping, receiving, and Seller’s using of those goods, all in accordance with applicable law and the specific terms and conditions of the Order. This statement of these shared goals and objectives is intended to be a general introduction to the Order and is not intended to expand or limit the scope of the Parties’ obligations or alter the plain meaning of this Order’s terms and conditions as set forth hereinafter. However, to the extent the terms and conditions of this Order are unclear or ambiguous, such terms and conditions are to be construed so as to be consistent with the goals and objectives set forth herein.

1. AGREEMENT.

Seller agrees to sell and deliver the goods or services specified in Chrysler’s Order in ACCORDANCE WITH THESE GENERAL TERMS AND CONDITIONS CONTAINED IN THE ORDER, INCLUDING THE SUPPLEMENTAL CLAUSES REFERENCED IN THE ORDER, AND ANY DOCUMENTS SPECIFICALLY INCORPORATED IN THE ORDER, all of which constitute the entire and final agreement of the Parties and cancels and supersedes any prior or contemporaneous negotiation, agreements, or information provided to Seller as background in any Request for Proposal. The supplemental clauses referenced herein are as published on the date of the Order or on the date of any amendment to the Order, in each case as published on Chrysler’s ~~website or its successor site.~~ ~~Chrysler’s website is currently located at:~~ [supplier portal \(the “Chrysler Supplier Portal”\). Seller must have an active login to access the Chrysler Supplier Portal.](http://extranet.Chrysler.com/restricted/purchasing/terms/index.html) <http://extranet.Chrysler.com/restricted/purchasing/terms/index.html>

By accepting the Order, Seller acknowledges having actual knowledge of the text of the referenced clauses and documents. CHRYSLER’S ORDER EXPRESSLY LIMITS ACCEPTANCE TO THE TERMS OF THE ORDER AND ANY ADDITIONAL OR DIFFERENT TERMS, WHETHER CONTAINED IN SELLER’S FORMS OR OTHERWISE PRESENTED BY SELLER AT ANY TIME, ARE REJECTED UNLESS EXPRESSLY AGREED TO IN WRITING BY CHRYSLER BY INCORPORATION IN THE ORDER. “Order” as used in these General Terms and Conditions means a purchase order transmitted electronically to Seller by Chrysler or delivered to Seller in a paper format. The Order may only be modified by Chrysler’s issuance of an amended Order to ~~Buyer~~[Seller](#).

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2. ACCEPTANCE.

This Order constitutes Chrysler's offer to Seller and is not binding on Chrysler until accepted by Seller. Seller accepts this Order: (a) if Seller acknowledges in writing (including any electronic communication) its acceptance of the Order, (b) if Seller performs any work or renders any services related to goods to be specially manufactured for Chrysler pursuant to the Order after Seller's receipt of the Order; or (c) if Seller delivers any of the goods or provides any of the services. SELLER SPECIFICALLY WAIVES ANY REQUIREMENT FOR SIGNED ACCEPTANCE OF THE ORDER, AND SELLER AND CHRYSLER EACH WAIVE ANY DEFENSE TO THE VALIDITY AND ENFORCEABILITY OF THE ORDER ARISING FROM THE ELECTRONIC SUBMISSION OF THE ORDER TO SELLER AND SELLER'S ACCEPTANCE OF THE ORDER IN ACCORDANCE WITH THIS CLAUSE 2.

3. DELIVERY.

Time is of the essence. Delivery must be effected within the time specified in the Order, or in accordance with Chrysler's releases, [broadcasts, and/or](#) written requirements; ~~if so indicated in the Order~~; provided, however, in the event Chrysler's releases, [broadcasts,](#) or written requirements request a delivery outside of Seller's stated lead time (as set forth in the Order), Chrysler and Seller will agree on a delivery time as proximate to Chrysler's original request as is commercially reasonable. If Seller fails to make deliveries or perform services at the agreed time, all damages suffered by Chrysler as a result of Seller's non-performance, including but not limited to any premium transportation or other costs incurred by Chrysler in its efforts to mitigate the impact of Seller's late performance on its manufacturing operations, will be at Seller's expense. Seller will make commercially reasonable ~~progress in preparing~~ [preparations](#) for the delivery of goods and/or the performance of services in accordance with Chrysler's timing needs, [including, as applicable, compliance with Chrysler's IT specifications found on the Chrysler Supplier Portal,](#) and will make reasonable progress toward completing any required engineering and design activities. [The term "broadcast," as used herein, means an electronic communication which indicates the parts requirements for the Chrysler assembly plants. For Pay as Built \(PAB\) or sequencers, the broadcast is the P/N sequence. For Modular Pay as Built \(MPAB\), the broadcast is the collection of part numbers required to be built into the assembly as well as the sequence.](#)

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4. PACKING, MARKING AND SHIPMENT.

(a) Seller will pack and mark goods and make shipments (including shipping on Saturdays and holidays, when requested) in accordance with Chrysler's instructions, comply with all carrier requirements and assure delivery free of damage and deterioration. All shipments of goods to Chrysler's facilities must include two packing slips, or four packing slips in the case of shipments directed to a Chrysler consolidation point. Whenever shipment is made by truck, Seller will enclose one of the packing slips (or packing slip sets in the case of multiple item shipments) in an envelope and Seller will record written instructions on the bill of lading directing the delivering driver to deliver the envelope to Chrysler's traffic representative upon arrival at Chrysler's facility. Seller is responsible for the goods until delivery at the designated delivery point in the Order. (b) Chrysler may specify the carrier and/or method of transportation and Seller will process shipping documents and route shipments of the goods from the delivery point accordingly. Seller will comply with all of Chrysler's transportation routing instructions, including, but not limited to, mode of transportation, utilization of assigned carrier and identification of the shipping point. Seller will be responsible for all excess costs incurred because of its failure to comply with Chrysler's transportation instructions or delivery requirements/schedules.

5. VOLUME PROJECTIONS, CAPACITY, REQUIREMENTS, AND RELEASE AUTHORIZATION.

(a) Chrysler may provide Seller with estimates, forecasts, or projections of its anticipated future quantity requirements for goods. Each of these expressions of anticipated future requirements for goods is provided for



informational purposes only, and is not intended to be, and is not, a commitment by Chrysler to buy those future requirements. (b) (i) Seller must have a tooling and production plan in place that will enable Seller to supply Chrysler's peak daily, weekly and annual requirements for the goods, including service parts, and Seller's capacity as stated in the Order will be based on such tooling and production plan. The Order may cover goods that are manufactured by Seller using the same manufacturing process and tooling that Seller uses to manufacture other goods not covered by the Order ("Common Process Group goods"). If the Order covers a Common Process Group good, Seller's total capacity for all goods within the same Common Process Group, including the goods covered by the Order, will be stated in the Chrysler Capacity Database or its successor database. In the event Chrysler's peak requirements exceed Seller's capacity stated in the Order, Chrysler and Seller will, upon request of either Party Chrysler or Seller, meet promptly consistent with Chrysler's capacity management policies (including its volume variance system and capacity database) to discuss what, if any, additional capital investments, together with expenses directly related to such increased demands, are reasonably required by Seller to continue to meet such peak requirements, after which Seller may submit a claim for a price adjustment or new tooling purchase order as a result of the need for additional capital investments in writing within five (5) days following such meeting. Chrysler will have the right to verify all claims regarding the need for additional capital investment and the sole discretion to determine whether to accept such changescharges or to source peak requirements beyond Seller's capacity stated in the Order elsewhere. No changes in the Order or these General Terms and Conditions, other than those changes in price or tooling requests directly tied to the need for additional capital investments agreed to between Seller and Chrysler pursuant to this Clause 5, will be made. (ii) Seller must submit accurate information into the Chrysler capacity management systems and databases in accordance with Chrysler's instructions and manuals provided to Seller from time to time. Such information may include, without limitation, current and potential tool capacity, work pattern, overtime, and parts capabilities regarding Common Process Group goods and must consider not only Seller's capacity limits but any constraints faced by Seller's suppliers, it being understood that Seller is responsible for monitoring its suppliers' capacity constraints and limitations, regardless of whether such supplier is a directed supplier. Chrysler may withhold payment for Tooling (as defined in Clause 10 of these General Terms and Conditions) used to manufacture the goods covered by the Order until Seller submits all required information into the Chrysler capacity management systems and databases. Chrysler is entitled to rely on information Seller submits into such systems and databases in planning Chrysler's production schedule. (c) When deliveries are specified to be in accordance with Chrysler's written releases, Seller will not fabricate or assemble any goods, nor procure required materials, nor ship any supplies, except to the extent authorized by such written releases or provisions of this Order specifying minimum fabrication or delivery requirements.

6. INSPECTION AND REJECTIONS; QUALITY.

Chrysler may, in its sole discretion, inspect, evaluate, and test all goods (including all Tooling, fixtures, all equipment, and all material used directly or indirectly in manufacture of the goods), and all services at times and places designated by Chrysler. Seller will provide and maintain a Quality Management System that complies with ISO/TS 16949, the "Chrysler Group LLC Customer Specification Requirements for use with ISO/TS ~~16949 and ISO 14001, 16949~~," the "~~Advance Quality Process Planning and Process Sign-off & Audit~~" manual and any document specified in the "Quality Management System ~~Information~~" area of application on the Global Chrysler Supplier Portal website or any successor website. Seller will promptly comply with any revisions to ISO/TS 16949, the "Chrysler Group LLC Customer Specific Requirements for use with ISO/TS ~~16949 and ISO 14001, 16949~~," the "~~Advance Quality Process Planning & Process Sign-off Audit~~" manual, and any document specified in the "Chrysler Quality Management System ~~Information~~ area of the Global application and Supplier Quality Manuals and Forms reference on the Chrysler Supplier Portal website" or any of their successors. Seller will perform inspections as designated by Chrysler and Seller will make inspection systems, procedures and records available to Chrysler upon request. Seller must be, and remain throughout the Term, registered with the Chrysler electronic Chrysler Quality Management System ("CQMS") and any other electronic Advanced Quality Planning (AQP) system designated by



Chrysler. Notwithstanding payment or any prior inspection of goods, Chrysler may revoke acceptance, reject or require correction and return the goods to Seller (at Seller's expense and risk of loss) regarding any goods delivered or services rendered that do not conform to applicable requirements. The Order is issued for the goods specifically identified in the Order and any substitution of material, without Chrysler's prior written approval, will be a breach of the Order. Without limiting its remedies, after providing notice to Seller, Chrysler may (a) replace or correct any non-conforming goods or services and charge or debit Seller the cost of such replacement or correction, (b) cancel the Order for default under Clause 21 hereof, (c) commence arbitration or other legal action to recover damages suffered by Chrysler in accordance with Clause 26 hereof, and/or (d) cause the removal of Seller as an approved Chrysler supplier.

Seller will comply with all Third-Party Containment and Problem Resolution ("3CPR") program policies and project requirements for the 3CPR Web Based System, as updated from time to time, and documented on the ~~following website:~~ [Chrysler Supplier Portal, https://gsp.extra.chrysler.com/PRCWeb/CPR](https://gsp.extra.chrysler.com/PRCWeb/CPR)

Within 24 hours of initiation by Chrysler of a 3CPR project on suspect materials of Seller, Seller will hire ~~a~~ the 3CPR ~~provider that Chrysler has~~ Provider identified by Chrysler for the purpose of undertaking the required 3CPR project at each affected facility. ~~Seller and Chrysler will each bear one half (1/2) of the cost of paying the 3CPR provider required in connection with a 3CPR project related to the Order. Upon completion of a 3CPR project, Chrysler~~ Seller is required to provide a fully funded minimum \$5,000 (USD or CAD) for projects in the U.S. or Canada and \$2,000 USD for projects in Mexico hard copy purchase order within twenty-four (24) hours of the creation of the 3CPR project. Seller will bear the costs of the 3CPR project. However, if Seller disputes the charges, Chrysler will initially bear the costs of the 3CPR project and will, in its reasonable discretion, examine the extent to which 3CPR costs should be borne by Chrysler and Seller, respectively, based on an allocation of responsibility ~~to Seller for suspect materials and, upon completion of that analysis, Chrysler will inform Seller of any revised allocation of such expense. Such revision (if any) will be reflected in Seller's next invoice to Chrysler as a debit or credit.~~

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7. LABOR DISPUTES.

Seller will notify Chrysler immediately of any actual or potential labor dispute affecting Seller or its suppliers which delays or threatens to delay timely performance of the Order, and will include all relevant information to Chrysler. Seller will notify Chrysler in writing six (6) months in advance of the expiration of any current labor contract of Seller. Seller will ensure that union representation is disclosed and updated in the supplier profile maintained by suppliers through the Chrysler Supplier Portal or its successor system. Seller will notify Chrysler of any change in union related status, such as contract ratification or extension, within twenty-four (24) hours of occurrence (or such other time as may be commercially practicable). Prior to the expiration of any labor contract of Seller, Seller will, except as provided below, establish, at its expense (unless otherwise agreed to in writing by Seller and Chrysler), a forty (40) working day supply of goods in a neutral warehouse site disclosed to Chrysler and located in ~~the United States~~ NAFTA nation at least fifty (50) miles from Seller's manufacturing locations. Such supply of goods will be in place at least ten (10) working days prior to the expiration of any such contract. For MPAB and Sequenced Part Delivery (SPD) suppliers which cannot provide a back-up bank of goods, such Sellers must submit a written plan to Chrysler Purchasing two (2) weeks prior to such contract expiration detailing how Seller plans to continue production in the event of a labor dispute. The warehouse site and supply of goods described in this Clause 7 will be subject to Chrysler's audit rights under Clause 29 of these General Terms and Conditions.

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8. GENERAL WARRANTY.

(a) Seller warrants that the goods or services will (i) comply with all performance standards and product characteristics, including without limitation specifications, drawings, descriptions or samples, furnished and/or specified by Chrysler, (ii) be merchantable, and (iii) be free from defects in material and workmanship. Seller further warrants that to the extent that Seller designs any goods, or Chrysler relies on Seller's expertise in any aspect of the design of the goods communicated by Seller to Chrysler, those goods will be fit and sufficient for the purposes intended. The warranty term will be coterminous with the warranty extended to Chrysler's customers by Chrysler on the date of the Order, or any other date agreed upon by Chrysler and Seller in the Order (except to the extent, prior to the commencement of initial volume production in connection with the applicable Request for Proposal, that Chrysler and Seller agree that the goods must meet quality or durability requirements for a longer term, in which case the warranty term will be such longer term). (b) Seller's liability for Chrysler's expense of reimbursing warranty claims made by Chrysler's dealers due to Seller's breach of Clause 8(a) hereof or any warranties implied by law or otherwise made by Seller shall be determined in accordance with the Supplier Associated Warranty Reduction Program Policies and Procedures or any successor program or policies as published on [the Chrysler's website Supplier Portal](#) (as referenced in Clause 1 hereof) on the date of the Order or on the date of any amendment to the Order. (c) Seller further warrants that Chrysler will receive good title upon delivery of goods, services, Tooling, fixtures, or equipment under this Order, free and clear of all liens and encumbrances and that all goods, services, Tooling, fixtures, or equipment will be free from any actual or claimed patent, copyright or trademark infringement. (d) These warranties are in addition to any warranties implied by law or otherwise made by Seller and will survive acceptance and payment by Chrysler.

9. PRICES.

The prices stated in this Order are firm and are not subject to adjustment for changes in volume, changes in the price of raw materials or labor, changes in currency valuation, or for any other reason, unless (a) a clause specifically incorporated in the Order (with Chrysler's written consent) expressly provides that the prices will be adjusted on a particular basis, and then only to the extent specified in that clause, or (b) a document specifically incorporated in the Order (with Chrysler's written consent) expressly provides that the prices will be adjusted on a particular basis, and then only to the extent specified in that document.-

10. PROPERTY AND TOOLING.

(a) Property and Tooling. (i) Tangible property of every description including without limitation all tools, equipment, material, drawings, manufacturing aides, dies, test and assembly fixtures, jigs, gauges, patterns, casting patterns, cavities, molds and documentation, including engineering specifications, PPAP books, and test reports together with any accessions, attachments, parts, accessories, substitutions, replacements, and appurtenances thereto that is necessary for the manufacture of component and service parts for Chrysler ("Tooling") for which (i) Chrysler issues a purchase order, or (ii) Chrysler does not issue a purchase order, but which is used exclusively by Seller in connection with its manufacture of component and service parts for Chrysler ("Chrysler Tooling") is owned by, is property of, and is being held by Seller as a bailee at will for Chrysler, except for Unpaid Tooling (as defined below). Upon payment in full of the applicable price for any item of Unpaid Tooling such item will thereafter be included in the definition of Chrysler Tooling under the Order. With respect to each item of Chrysler Tooling, Seller grants to Chrysler, at the time of payment for such Chrysler Tooling, in addition to any other license granted to Chrysler under this Order: a non-exclusive, world-wide, paid-up, irrevocable and perpetual license under any (i) intellectual property of Seller that is incorporated into or used to make or design the goods under the Order, and (ii) knowledge and know how concerning the use of such Chrysler Tooling, in each case as necessary and sufficient to enable Chrysler to make, have, offer for sale, import, export, or modify such goods or any vehicles that Chrysler manufactures using such goods, and (ii) to ensure that Chrysler can make full beneficial use of the rights provided herein, Seller will provide the following:



Tooling, dies, and molds for such goods, including without limitation, any computer aided design data for such Tooling, and in each as applicable, the specifications, bills of material, supplier information for any purchased components used in such Tooling, and manufacturing process information regarding such Tooling. In the case of Unpaid Tooling which is the subject of a purchase order, the applicable price under this Clause 10 will be the amount set forth in the applicable order less any payments already made by Chrysler in respect of such Tooling and any amounts required to satisfy liens with respect to such Tooling. In all other cases, the applicable price under this Clause 10 will be the greater of net book value (defined as book value less depreciation applied to such Tooling by Seller using a consistently applied GAAP method) and orderly liquidation value, less any amounts required to satisfy liens with respect to such Tooling. Chrysler reserves the right, in determining the applicable price for any payment under this Clause 10, to deduct appropriate amounts for incomplete or non-conforming Tooling. Seller acknowledges and agrees that Chrysler is a third party beneficiary of any agreement between Seller and a party other than Chrysler for the production of Chrysler Tooling or Unpaid Tooling, and that Chrysler will have ownership of, and access to, Chrysler Tooling and/or Unpaid Tooling (if subject to an ownership dispute) held by any such party. Seller will comply with Chrysler's instructions concerning bailed property and will keep Unpaid Tooling and Chrysler Tooling (whether or not completed) in its possession and/or control, tagged and safely stored apart from Seller's property, in good condition, fully covered by insurance, free of liens and encumbrances (other than statutory liens) and will replace or repair any such Tooling when lost, damaged or destroyed. Seller will not re-locate any Unpaid Tooling or Chrysler Tooling without Chrysler's consent. Without limiting any of Chrysler's rights and remedies under this Clause 10 (including, specifically, Chrysler's ownership of Chrysler Tooling), Seller also grants Chrysler a purchase money security interest in and to all Chrysler Tooling, and Seller, upon request from Chrysler, agrees to reasonably cooperate in any act necessary to perfect or otherwise establish the priority of such interest, including, without limitation, identifying the date on which Seller takes possession of the Chrysler Tooling and the filing of applicable financing statements. (ii) For purposes of the Order, the term "Unpaid Tooling" means any Chrysler Tooling for which Chrysler has not fully paid the applicable price (as calculated above) for such Tooling to either Seller or any of its predecessors-in-interest as defined above. (iii) Neither Seller, nor any other person or entity other than Chrysler has any right, title or interest in the Chrysler Tooling other than Seller's obligation, subject to Chrysler's respective unfettered discretion, to use Chrysler Tooling in the manufacture of Chrysler's component and service parts. (iv) In the event of a dispute between Seller and Chrysler over the applicable price for Unpaid Tooling, the applicable price will be assumed to be the amount proffered by Chrysler and Chrysler will have the right to immediate possession and use of the Tooling pending resolution of the dispute (and Seller may not withhold delivery of possession of the Unpaid Tooling to Chrysler pending such resolution), but will remain subject to any claim or right to payment of Seller for the disputed amounts (despite Seller's relinquishment of possession). (v) Seller will submit all required information regarding Chrysler Tooling through the Chrysler "Tooling Process" system or its successor system, and will comply with all other requirements, policies, and procedures of Chrysler regarding Chrysler Tooling, including without limitation, use of the Chrysler "Tool Record Form" or its successor. (vi) Seller will adhere to the Chrysler procedure in effect at the time for submitting requests for reimbursement for Chrysler Tooling costs, including but not limited to the use of the Chrysler "Tool Record Form" or its successor. All requests for reimbursement for tooling costs are subject to review, approval and audit by Chrysler. (vii) All Chrysler Tooling will be transferred as Chrysler may direct at any time. If Seller makes any unauthorized transfer or re-location of Chrysler Tooling, Seller will reimburse Chrysler for any costs incurred by Chrysler in returning the Chrysler Tooling to Chrysler or moving the Chrysler Tooling as directed by Chrysler. If Chrysler determines in good faith that Seller has made any use of Chrysler Tooling inconsistent with this Order or with Chrysler's interest in such Chrysler Tooling, then Seller acknowledges and agrees that (A) Chrysler will have a lien on any proceeds obtained by Seller as a result of such inconsistent use, (B) Chrysler will be entitled to have a constructive trust imposed on such proceeds, and Seller will disgorge such proceeds upon receipt of written notice from Chrysler, and (C) the damages incurred by Chrysler, including lost profits, as a result of such inconsistent use will be a claim owed to Chrysler under Clause 14 hereof, and will entitle Chrysler to the rights and remedies set forth in such Clause 14, including, without limitation, deduction, set-off, and recoupment. Seller will maintain



internal control policies sufficient to prevent any such inconsistent use of Chrysler Tooling or Unpaid Tooling by Seller or any of Seller's employees.

(b) Bailed Property. (i) Property of every description, including but not limited to Chrysler Tooling, and any sub-components, raw materials, and racks provided to Seller by Chrysler in connection with Seller's performance of this Order (the "Bailed Property") is, and will at all times remain, the sole and exclusive property of, and is being held by Seller as a bailee at will for, Chrysler. (ii) Seller will take possession of the Bailed Property and keep such Bailed Property in its possession or control free from any loss or damage and safely stored apart from Seller's property marked to identify all Bailed Property in such location as the property of Chrysler in a manner satisfactory to Chrysler. (iii) Seller acknowledges that title to all such Bailed Property remains in Chrysler, and that the Bailed Property will be subject to the direction and control of Chrysler. Seller has no rights or interest in any Bailed Property except to use such Bailed Property as directed by Chrysler and Seller cannot grant any rights or interest to any person including but not limited to an affiliate of Seller or a third party. (iv) Seller has no right to retain possession of any Bailed Property after receipt of a written demand, which may be given to Seller by Chrysler at any time, for return of the Bailed Property. (v) Seller will not permit any act to be done to the Bailed Property which is not necessary for the performance of this Order. (vi) If this Order is terminated for any reason, Chrysler will have the right to enter upon Seller's premises and remove all of the Bailed Property without recourse to any legal proceeding. (vii) Seller will notify all of its secured and judgment creditors that it is processing Chrysler's Bailed Property. Such notification will be given in a form, manner and at times reasonably acceptable to Chrysler. To the extent permitted by law, Seller will not allow any liens (consensual or otherwise), security interests, encumbrances or claims of any nature to be imposed on the Bailed Property through Seller or as a result of Seller's actions. If a lien, security interest, encumbrance, or claim of any nature is imposed on the Bailed Property through Seller or as a result of Seller's actions, Seller will, to the extent permitted by law, immediately take all actions necessary to remove such lien, security interest, encumbrance, or claim. (viii) Seller will follow Chrysler's instructions regarding the Bailed Property, including without limitation incorporating Bailed Property in processed goods and shipping processed goods as Chrysler may direct. (ix) Seller will provide Chrysler with reports periodically or as Chrysler may, in its sole discretion, otherwise direct regarding the amount and status of the Bailed Property in Seller's possession or control.

11. INSURANCE AND INDEMNIFICATION.

(a) Insurance. Seller will obtain and continuously maintain in force during the Term (i) statutory worker's compensation insurance, (ii) employer's liability insurance, (iii) commercial general liability insurance, including contractual liability and products and completed operations liability, (iv) automobile liability insurance, including owned, hired and non-owned liability, (v) crime insurance, including employee theft, and (vi) all-risk property insurance covering Seller's property, including Tooling and Unpaid Tooling and all Chrysler property, raw materials and finished products, including Bailed Property and Chrysler Tooling, while in Seller's possession or in Seller's care, custody and control, all in amounts and coverages sufficient to cover all claims hereunder. Unless Chrysler instructs otherwise in writing, coverage for specific above-referenced categories of insurance will be not less than the following: \$1,000,000 in employer's liability insurance; \$5,000,000 in commercial general liability insurance; and \$5,000,000 in automobile liability insurance. Such policies will name Chrysler as an additional insured thereunder; be primary and not excess over or contributory with any other valid, applicable, and collectible insurance in force for or maintained by Chrysler; and provide that the insurer will give Chrysler thirty days prior written notice of cancellation or material change in coverage. Seller waives, and Seller will cause its insurers to waive, any right of subrogation or other recovery against Chrysler or its subsidiaries, including their respective employees, officers, directors, agents or representatives. Chrysler may require Seller to furnish evidence of the foregoing insurance, but Chrysler's failure to request evidence of insurance will in no event relieve Seller of its obligation under this Clause 11. Seller will be financially responsible for any of Seller's premiums, deductibles, retentions, self-insurance, co-insurance, uninsured



amounts, or any amounts in excess of policy limits. Seller may satisfy the insurance requirements under this Clause 11 through a combination of self-insurance and catastrophic excess insurance.

(b) Indemnification. Seller will defend, indemnify, and hold Chrysler and its subsidiaries, including their respective employees, officers, directors, agents or representatives harmless against all claims, suits, actions or proceedings (“Claims”) and pay (i) all liabilities, losses, damages (including without limitation judgments, amounts paid in settlement and other recoveries), (ii) fees and expenses (including without limitation fees of counsel and experts) and (iii) other costs (collectively, “Expenses”) in connection with any breach or nonperformance by Seller of the Order, or for injury or death of any person and damage or loss of any property allegedly or actually resulting from or arising out of any act, omission or negligent work of Seller or its employees, agents, or subcontractors in connection with performing the Order, either on Chrysler's property or in the course of their employment (including without limitation, Expenses arising out of, or in connection with, vehicle recall and customer satisfaction campaigns, provided however that if Chrysler and Seller agree upon an Authority Definition Plan (“ADP”) for goods supplied under the Order setting forth at a minimum an allocation of responsibility for design-related defects in the goods, then Seller's indemnification obligation for campaign Expenses will be determined based on the ADP).

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12. CHANGES.

(a) Chrysler may, at any time, make changes in the Order (including, without limitation, changes to the term of the Order described in Clause 38 hereof). Any claim by Seller for a change in price adjustment based on costs actually incurred, or to be incurred, as a result of the change must be asserted in writing within ten (10) days from date of receipt by Seller of Chrysler's notification of any change. Chrysler will have the right to verify all claims hereunder by auditing relevant records, facilities, work or materials of Seller. Seller agrees to proceed with the Order as changed under this Clause 12. (b) All engineering changes, whether initiated by Chrysler or Seller, will be processed pursuant to Chrysler practices in effect at the time of the change using the Chrysler "Change Notice (CN)" system, or its successors. On or before the date seven (7) days after Chrysler has provided Seller with a documented solution (currently referred to as an “alternative selection” in the CN system), including applicable design requirements, Seller will provide Chrysler with all price changes (calculated as set forth below) and timing requirements to implement such solution; provided, however, Chrysler may, in its reasonable discretion, determine to extend such seven (7) day response period in circumstances where the complexity of the solution merits a longer response period. In addition, once Chrysler and Seller have agreed to the price and milestone date changes (currently referred to as the completion of “SPIN” in the CN system), Seller shall have 24 hours to input data into the CN system reflecting the agreed upon changes for Chrysler's approval. All Chrysler approved engineering changes to the part specification will be promptly implemented by Seller as directed by Chrysler. Price changes for Chrysler approved engineering changes are to be based solely on the design cost variance from the superseded design and must be substantiated with appropriate documentation satisfactory to Chrysler. (c) Seller certifies the location(s) from which it will ship the goods covered by the Order are as specified in the Order. If Seller at any time intends to change such location(s), Seller must notify Chrysler prior to the change so that the effect of such change can be evaluated, and negotiated as necessary, for its effect on transit time, packaging methods, and any other significant impact on Chrysler. If Seller does not notify Chrysler of any increased transportation charges in advance of a change in shipping point(s), Seller will be responsible for such costs. Seller may not change manufacturing locations without first receiving Chrysler's written approval. d) No changes in the Order or these General Terms and Conditions, other than those changes in price and transportation charges as provided in Clause 12, will be made.



13. PARTS; SERVICE.

(a) Seller will make and sell to Chrysler ~~parts~~subcomponents (i.e., serviceable components to support service operations) for the goods covered in the Order for Chrysler's service, after-market, and warranty requirements for ten years (fifteen years for goods which Chrysler clearly identifies as "safety items" prior to issuance of the Order either through the source package process or its substantive equivalent) or for such longer time as may be required by Chrysler (and agreed to by Seller in connection with the applicable Request for Proposal prior to the commencement of initial volume production) after the end of the duration of the applicable vehicle production program (the "Service Part Coverage Period"). Any change in this time period requirement will not be considered by Chrysler until the goods have reached the end of their retention period (e.g., service life). While the goods that are covered by the Order are still used in production of vehicles for Chrysler, the aggregate of the prices for the ~~parts~~subcomponents for Chrysler's service, after-market, and warranty requirements will be no greater than the price in the Order for their respective corresponding production goods plus costs actually incurred by Seller for special packaging. Neither Seller nor its sub-suppliers may sell any obsolete or surplus goods covered in the Order to third parties without Chrysler's written consent. (b) For at least the first three years after a good is no longer used in production of vehicles for Chrysler, the aggregate of the prices of the ~~parts~~subcomponents for Chrysler's service, after-market, and warranty requirements will be no greater than the price last stated in the Order for their respective corresponding production goods plus costs actually incurred by Seller for special packaging. (c) After three years from the end of the duration of the applicable vehicle production program, the aggregate of the prices of the ~~parts~~subcomponents for Chrysler's service, after-market, and warranty requirements will be no greater than the price last stated in the Order for their respective corresponding production goods, plus or minus (i) any changes in the cost of materials since the end of the duration of the applicable vehicle production program, plus (ii) a volume-related price adjustment reflecting the actual increase in the cost per part of producing fewer ~~parts~~subcomponents, plus (iii) a set-up charge reflecting the actual cost of preparation for the part production run, plus (iv) any additional costs actually incurred for special packaging. All of the foregoing components of the price will be documented to Chrysler's reasonable satisfaction, including, but not limited to, set-up detail, machine productivity, scrap allowance, labor inefficiencies and excess raw material requirements. ~~(d) If the parts (d) Chrysler has no obligation to change minimum order quantities, lead times or similar commercial terms throughout the Service Part Coverage Period. (e) Where Seller sells Chrysler service subcomponents to third parties while purchasing such items on Chrysler's behalf (e.g., remanufactured and/or "kitted" goods), Seller must sell such subcomponents to such third parties at the same price at which it sells them to Chrysler, with the same level of technical support (e.g., testing) provided by Seller as if Chrysler had furnished such subcomponents directly to Seller. This authorization by Chrysler to effectuate such third party sales is premised on the understanding that such third parties have agreed to use such subcomponents solely for Chrysler/Mopar production. Chrysler's permission to sell and/or its imposition of requirements under this subparagraph may be withdrawn, at any time, at Chrysler's discretion. (f) If the subcomponents are manufactured in a country other than the country in which the goods are delivered to Chrysler, Seller will mark the parts subcomponents shipped for Chrysler's service, after-market, and warranty requirements "Made in (country of origin)." (g) Seller will comply with all Chrysler vehicle service requirements as documented on the Chrysler Global-Supplier Portal website on the date of the Order or any amendment to the Order. (h) Seller will, at its expense, comply with all Mopar APQP policies and project requirements including but not limited to utilizing a third party APQP provider.~~

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14. PAYMENT; CHRYSLER'S COMMITMENTS; CLAIMS ADJUSTMENT.

(a) Payment terms are as set forth in the Order. Seller will promptly submit correct and complete invoices or other agreed billing communications with appropriate supporting documentation and other information reasonably required by Chrysler (collectively, the "Invoice") after delivery of goods and performance of services, and the payment period



set forth in the Order will not commence until Chrysler has received a correct and complete Invoice which meets all of Chrysler's applicable requirements. Chrysler will use commercially reasonable efforts to assist Seller in correcting any invoice that has been rejected as incomplete or otherwise incorrect. (b) Chrysler is committed to paying Seller the amounts which are due to Seller pursuant to the terms of the Order and these General Terms and Conditions, and to provide Seller with periodic information concerning its financial condition and ability to fulfill its payment obligations. (c) Chrysler may at any time and without notice deduct, set-off, or recoup Seller's claims for money due or to become due from Chrysler against any claims that Chrysler has or may have arising out of this or any other transaction between Chrysler and Seller. (d) The "Chrysler Parties" (defined as Chrysler, Chrysler Canada Inc., and Chrysler de Mexico S.A. de CV) assign to each other the right to payment from Seller and each of its affiliates, and the Chrysler Parties are entitled to collect each amount owed from Seller to the Chrysler Parties. (e) Upon Seller's request, Chrysler will substantiate the basis for any deduction, set-off, or recoupment within fifteen (15) days of such request or within such other period as may be agreed upon by the Parties.

15. CUSTOMS; EXPORTS.

(a) Seller will promptly notify Chrysler in writing of material or components used by Seller in filling this Order, which Seller purchases in a country other than the country in which the goods are delivered to Chrysler and any duty included in the purchase price of the goods. Seller will furnish Chrysler with any documentation and information necessary to establish the country of origin, comply with the destination country's rules of origin requirements, ~~and~~ any special trade programs, ~~and content reporting.~~ (b) The rights to and benefits of any duty drawback, including rights developed by substitution and rights which may be acquired from Seller's suppliers and export credits, to the extent transferable to Chrysler, are the property of Chrysler. Seller will provide all documentation and information and take any necessary steps to obtain refunds or to drawback any duty, taxes or fees paid, and to receive export credits from, the government of the country of origin or export country. (c) The responsibility for customs duty and customs brokers' fees will be determined in accordance with the delivery point and transportation code stated in the Order. If Chrysler is responsible for customs duties, it will be responsible for normal duties only. Seller will be responsible for any special duties, including but not limited to, marking, anti-dumping and countervailing duties, to the extent permitted under the law of the country of importation. (d) Seller will provide Chrysler with all documentation and information required by law or regulation or otherwise necessary to determine admissibility, timely release, customs clearance and entry, and the proper minimum duty to be paid upon the importation of the goods into the destination country. (e) Seller will advise Chrysler if the importation ~~or exportation~~ of the goods requires an import ~~or export~~ license and will assist Chrysler in obtaining any such license. (f) Seller warrants that the information regarding the import or export of the goods supplied to Chrysler is true and correct, and that all sales covered by this Order will be made at not less than fair value under the anti-dumping laws of the countries to which the goods are exported. (g) Seller must comply with all pertinent requirements of U.S. Customs and Border Protection's supply chain security program known as C-TPAT or a local security program recognized by U.S. Customs and C-TPAT. Seller must provide proof of participation by responding to the annual risk assessment survey initiated by Chrysler. Seller must seal international shipments with a high security seal that meets C-TPAT standards and the seal number must be included on the Seller's ASN. h) Seller and Chrysler recognize that export control regulations may limit or prohibit the transfer of items to foreign nationals, including foreign nationals in the United States. The goods, services and/or technical data (collectively "Items") delivered under this Order may be subject to U.S., foreign and other applicable export control laws and regulations (collectively "Export Control Laws"), including, but not limited to, the International Traffic in Arms Regulations or the Export Administration Regulations (collectively "U.S. Export Laws") and/or (Export Control List(s)). Seller and Chrysler will comply with all U.S. and other country's applicable Export Control Laws and shall not export, re-export or transfer items without first obtaining all required licenses and approvals. Any penalty, fine, expense (including reasonable attorneys' fees) or liability incurred by Chrysler as a result of violation(s) of U.S. or foreign export control laws and regulations, or this clause, by the Seller, will be promptly reimbursed by Seller. Items that are identified during the course of this Order will be handled in the following manner: (1) the sending party will



[notify the other party of the Item's export classification prior to any shipment or transmission; \(2\) the party receiving notice under \(1\) above shall have an opportunity to accept or reject the delivery of the Item prior to shipment or transfer by the sending party; \(3\) Chrysler and Seller will make reasonable efforts to cooperate in obtaining required licensing and implementing required internal controls for the involved Items; \(4\) rejection of an Item will not constitute a breach of this agreement; and \(5\) Chrysler and Seller will assess the impact of the Item's rejection to determine if the Order can continue. Any notice regarding export controls will be in writing and sent to the Chrysler Corporate Customs Department. Compliance with these laws and regulations includes, but is not limited to, abiding by U.S. sanctions, embargoes and prohibitions on transactions with restricted parties. This includes, but is not limited to, the prohibition on the transfer of commodities, materials, software and technology \(i.e., all Items\) subject to this agreement, to U.S. sanctioned countries \(e.g., Iran, Syria, North Korea, Sudan, and Cuba\).](#)

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16. USE OF CHRYSLER'S NAME.

Seller will not, without the prior written consent of Chrysler, in any manner publish the fact that Seller has furnished or contracted to furnish Chrysler goods and/or services, or use the name or trademarks of Chrysler, its products, or any of its affiliated companies in Seller's advertising or other publication. Seller will not place its, or any third party's trademark or other designation on the good if the good bears a Chrysler trademark or an identifying mark specified by Chrysler, or if the good is peculiar to Chrysler's design (a "Marked Part"). Seller warrants that (i) it will sell each Marked Part, and similar goods, only to Chrysler and (ii) it will not sell any Marked Part or similar goods to third parties without Chrysler's prior written consent. Seller acknowledges that any sale by Seller of a Marked Part in violation of this Clause 16 is a willful violation of Chrysler's trademark rights. Any goods manufactured by Seller based on Chrysler's drawings, specifications, or other information disclosed to Seller by Chrysler in connection with the Order may not be used for Seller's own use or sold to any third parties without Chrysler's prior express written authorization; provided, however, this prohibition will not apply to goods manufactured by Seller based on Seller's designs using tooling other than Chrysler Tooling, Unpaid Tooling which could become Chrysler Tooling pursuant to Clause 10 of these General Terms and Conditions, or any intellectual property, knowledge, or know how subject to a non-exclusive, world-wide, paid-up, irrevocable and perpetual license to which Chrysler is entitled under Clause 10 hereof, unless the manufacture of such goods would result in a breach by Seller of Clause 17 of these General Terms and Conditions. Seller will mark goods supplied to Chrysler in accordance with Chrysler's published marking standards.

17. INFORMATION DISCLOSED; DATA RIGHTS; [TRADEMARKS.](#)

(a) "Chrysler Data" means

(i) all information and data that Chrysler makes available to Seller in connection with the performance of the Order, including without limitation performance standards, product characteristics, specifications, drawings, descriptions, samples, designs, manufacturing data and other information, and (ii) any and all data (excluding Seller-provided data regarding its internal costs of producing goods or services that it provides to Chrysler under the Order) that is entered into or processed by Seller directly or indirectly using any system that Seller owns or controls directly or indirectly for the purpose of performing Seller's obligations under the Order; provided, however, with respect to any and all data encompassed by any intellectual property conceived, developed, or acquired by Seller in the course of performing work under the Order, the rights to such data (whether ownership or license) shall be determined by the rights to the intellectual property of which such data is a part as set forth in the applicable supplemental clause or clauses referenced in the Order. (b) Chrysler owns and retains all of its right, title and interest in Chrysler Data, including any Chrysler patents, patent applications, copyrights, trade secrets, trademarks, trade dress, and any other proprietary rights in Chrysler Data, and in any derivative or improvement of any Chrysler Data made by Chrysler or by Seller as Work Product. Unless expressly provided in the Order or otherwise agreed to in a writing signed by Chrysler,



no rights or license is granted under the Order to use Chrysler Data other than the right for Seller to use Chrysler Data as required to perform Seller's obligations under this Order. Seller will not use or disclose Chrysler Data for any other purpose. Seller will handle all Chrysler Data in such a manner to insure that it is not used for any purpose detrimental to the interests of Chrysler. Seller may not disclose Chrysler Data to any third party without Chrysler's prior written consent. ~~(c) Upon Chrysler's request, Seller agrees to transfer to Chrysler or to destroy all Chrysler Data in any form.~~ ~~(d) Seller agrees to immediately discontinue any use of Chrysler Data and/or items bearing designated Chrysler-owned trademarks or logos upon Chrysler's request or at the termination of the Order and agrees to do one or more of the following at Chrysler's option: (1) destroy any such item and present to Chrysler an affidavit of destruction; (2) return to Chrysler any such item; or (3) remove and destroy any Chrysler-owned trademark or logo from any such item and present to Chrysler an affidavit of removal and destruction.~~ (c) Any rights that Seller may have to disclose, manufacture, use or distribute goods or services developed under or related to this Order in each case are subject to Seller's obligations concerning Chrysler Data set forth in ~~sub-sections (a), (b) and (c)~~ of this Clause 17.

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18. PATENTS; NONINFRINGEMENT WARRANTY AND INDEMNITY.

No rights are granted to Seller under any Chrysler patents except as may be necessary to fulfill Seller's obligations under the Order. Seller represents and warrants that any good or service provided under the Order or any work product resulting from any services performed by Seller under the Order ("Work Product"), including use of any Work Product for its intended purpose or making, having made, selling, offering to sell, importing, or using any good made by using the Work Product for its intended purpose, will not infringe any Intellectual Property of any third party. Seller agrees to investigate, defend, indemnify and hold harmless Chrysler, its affiliated companies, their respective customers, distributors and dealers, and their respective customers, against any and all Claims made against any of them that any good or service or any Work Product, including use of any Work Product for its intended purpose or making, having made, selling, offering to sell, importing, or using any good made by using the Work Product for its intended purpose, infringes any Intellectual Property of any third party. Seller will pay all Expenses that are incurred or sustained by reason of any such Claim.

19. ASSIGNMENT.

The Order may not be assigned or delegated, in whole or in part, without Chrysler's prior written consent, including, but not limited to, the subcontracting of work to be performed hereunder or the transfer of Chrysler Tooling to third parties for the performance of work hereunder, and any attempted assignment or delegation in violation of this Clause 19 will be void and of no legal effect.

20. FINANCIAL REPORTING.

- (a) Seller will promptly furnish to Chrysler any information regarding the Seller's operations, business affairs and financial condition or such other information as Chrysler may reasonably request in addition to the information about Seller to be provided periodically as set forth in section (b) below.
- (b) Seller will furnish directly to Chrysler, or to Chrysler's designated third party service provider for collecting and processing supplier financial information, in the format designated by Chrysler:
 - 1. Quarterly Financial Statements. Within the earlier of (i) sixty (60) days after the close of each quarterly accounting period of Seller and (ii) the date the statements described herein are due (after the expiration of any automatic grace period) to any federal regulatory agency under applicable law, the balance sheet of Seller, as of the end of such period, the related statements



of income and retained earnings, and statements of cash flow for such period, each prepared on a basis consistent with Seller's past practices and certified by an officer of Seller as representing fairly in all material respects the financial position, results of operation, and cash flows for the periods covered by such statements.

2. Annual Financial Statements. Within the earlier of (i) one hundred twenty (120) days after the close of each fiscal year of Seller and (ii) the date the statements described herein are due (after the expiration of any automatic grace period) to any federal regulatory agency under applicable law, the balance sheet of Seller as of the end of such fiscal year, and the related statements of income and retained earnings and statements of cash flows for such fiscal year, setting forth comparative figures for the preceding fiscal year and certified by an officer of Seller as representing fairly in all material respects the financial position, results of operation, and cash flows for the periods covered by such statements, and, if an audit is performed, audited by independent certified public accountants and including a copy of such auditor's report thereon.
3. Notice of Events of Default. If a default or an event of default has occurred and is continuing under any contract to which Seller is a party, the effect of which could be reasonably anticipated to have a material adverse impact on Seller's financial condition or its ability to perform its obligations under the Order, then Seller will furnish notice of such default or event of default to Chrysler.
4. Annual Information Survey. Once each calendar year, Seller will provide Chrysler with its responses to Chrysler's Annual Information Survey including but not limited to the Automotive Sales Mix Template and the Manufacturing Sales Mix Template.
5. Updates to Supplier Information. Seller must update the information provided on Chrysler's Supplier Information System not less than once each quarter of Seller's calendar year.
6. Change in Control. Seller must disclose to Chrysler a change in control under which another person or company acquires beneficial ownership of thirty five percent (35%) or more of the outstanding voting stock or voting rights of Seller within fifteen (15) days of the disclosure to Seller of any such event.

(c) Chrysler agrees to use commercially reasonable efforts to keep Seller's Confidential Information from disclosure to (i) individuals or businesses outside of Chrysler ~~except for~~ other than the present or future parent, subsidiary, or affiliate entities of Chrysler or its parent entity (excepting any such present or future entities which, in their core business, are Tier 1 automotive suppliers and/or direct competitors of Seller), as well as Chrysler's advisors, consultants, and service providers ~~to Chrysler~~ who need to know and who are subject to a confidentiality obligation regarding Seller's Confidential Information, and (ii) Chrysler employees who do not need access to such information. Such Confidential Information may be used by Chrysler for any reason related to or in connection with its risk management functions. "Confidential Information" as used in this Clause means information provided to Chrysler pursuant to Clause 20(b) above that is either (i) Seller's information concerning its operations, systems, services, personnel, financial affairs, marketing, investment performance and investment, research, development efforts, (ii) information received from third parties by Seller under a confidentiality obligation, or (iii) any other information relating to the business of the Seller not made public directly or indirectly by Seller. Notwithstanding the



foregoing, nothing herein shall prevent Chrysler, if Chrysler becomes compelled to disclose Confidential Information by a legal authority having competent jurisdiction over Seller or Chrysler (by special deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process; each such process, a "demand"), from responding to such demand without Seller's prior written consent; provided, however, that Chrysler will have given Seller written notice of any such demand promptly after the receipt thereof. In any event, the term "Confidential Information" does not include information (A) which was or becomes generally available to the public, other than as a result of a wrongful disclosure by Chrysler; (B) which Chrysler was aware of prior to its disclosure to Chrysler by Seller; (C) which Chrysler learns of from a third party under no applicable obligation of confidentiality to Seller; or (D) which Chrysler obtains in connection with any subsequent court, arbitration or other legal proceedings.

(d) Seller may, with Chrysler's written consent (which will not be unreasonably withheld) comply with the reporting requirements set forth in this Clause 20 by delivering parent-level financial information.

[\[Click here to return to chart\]](#)

21. CANCELLATION FOR DEFAULT.

(a) Chrysler may cancel the whole or part of this Order without liability, except for payment due for goods and services delivered and accepted, and may exercise any of its legal rights, including without limitation its remedies under Clause 23 of these General Terms and Conditions, upon the occurrence of any of the following specified events (each an "Event of Default"):

(1) Seller fails to timely deliver goods or perform services and Seller fails to give Chrysler a remediation plan within one day of Chrysler's notice to Seller of such failure, obtain Chrysler's acceptance of such plan, and perform such plan to Chrysler's satisfaction; or

(2) Seller violates any other provision in, fails to meet any other requirements contained in, or fails to perform any other provision under the Order at the time specified therein and to the extent such other failure is capable of being cured, fails to so cure such failure within thirty (30) days after such Event of Default; or

(3) Seller (i) becomes insolvent or generally fails to pay, or admits in writing its inability to pay, its debts as they become due, or (ii) voluntarily commences any proceeding or files any petition under any bankruptcy, insolvency or similar law or seeking dissolution, liquidation or reorganization or the appointment of a receiver, trustee, custodian, conservator or liquidator for itself or a substantial portion of its property, assets or business or (iii) takes corporate action for the purpose of effecting any of the foregoing in (i) or (ii) above; an order for relief is entered in a case under the Bankruptcy Code in which Seller is a debtor; or involuntary proceedings are or an involuntary petition is commenced or filed against Seller under any bankruptcy, insolvency or similar law, unless any such petition is dismissed within forty-five (45) days; or

(4) Seller repudiates the Order (absent a legal right to do so,) in writing, including via e-mail, takes any action evidencing its intention not to perform (including threatening non-delivery of goods), or omits to take any action required to be performed by Seller, which is necessary for Seller to timely deliver goods and services under the Order; or



(5) Seller fails to pay any trade payables or other accounts payable owed to Chrysler, or its subsidiaries or affiliates, incurred in the ordinary course of such Seller's business that are not reasonably disputed and have been outstanding for more than sixty (60) days after the date such payable is due.

(b) Seller may terminate this Order due to Chrysler's material breach of the Order that is not remedied within thirty (30) days of Seller's notice to Chrysler of the material breach.

(c) Upon Seller's receipt of any notice of termination under this Clause 21, Seller will stop work on the date and to the extent specified in such notice and terminate all orders and subcontracts that relate to the terminated Order or the applicable terminated portion thereof.

(d) If a Court of competent jurisdiction determines that any purported termination by Chrysler under this Clause 21 was made without legally sufficient cause, then the purported termination will be a termination subject to Clause 22 of these General Terms and Conditions, and Seller's remedies, if any, will be limited to those set forth in Clause 22.

22. TERMINATION AT CHRYSLER'S OPTION.

(a) Upon giving Seller written notice of termination at Chrysler's option, Chrysler may terminate this Order in whole or in part at any time, and for any business reason (including, without limitation, Seller's non-competitiveness as defined in Clause 32 hereof); provided, however, Chrysler may not terminate the Order pursuant to this Clause 22 for Seller's cost competitive deficiencies unless Seller has had notice and opportunity to cure such deficiencies pursuant to Clause 32 hereof. (b) Upon Seller's receipt of any notice of termination at Chrysler's option, Seller will, within fifteen (15) days thereafter (during which time Chrysler will review any request by Seller for reconsideration of the termination notice, but Chrysler will be under no obligation to change its decision), stop work at such time and to the extent specified in such notice, terminate all orders and subcontracts that relate to the terminated Order or the applicable terminated portion thereof, and cooperate reasonably with Chrysler in wind-down related functions. Within sixty (60) days after the effective date of such termination, Seller will submit all claims resulting from such termination. Seller may not include in its claim (i) selling, general or administrative costs, (ii) interest costs or the cost of capital, (iii) lost profit or lost opportunity costs, (iv) fixed overhead absorption, (v) capital equipment, (vi) facility costs, (vii) plant modification costs, (viii) labor assignment costs, including without limitation severance costs or labor inefficiencies, (ix) training costs, and (x) other costs related to obtaining the Order. In the case of Tooling for which Chrysler has issued an Order that has not been completed, Seller's claim may include substantiated actual costs incurred for direct labor, direct material, and applied factory overhead, but must be reduced by the amount of the scrap value of the not yet completed Tooling. Chrysler will have the right to verify such claims by auditing the relevant records, facilities, work or materials of Seller and/or its subcontractors. Chrysler will pay Seller for finished work accepted by Chrysler as well as for the documented cost to Seller of work in process and raw material allocable to the terminated work which is not in excess of any prior Chrysler authorization. Payment of a valid claim made under this Clause 22 will constitute Chrysler's only liability for termination hereunder with title and right of possession to all delivered goods and services vesting in Chrysler immediately upon Chrysler's tender of such payment. The provisions of this Clause 22 will not apply to any cancellation by Chrysler for default by Seller or for any other cause recognized by law or specified by this Order. If a dispute arises regarding the amount of such costs to which Seller is entitled hereunder, then the dispute will be finally resolved in accordance with Clause 26 below, and, to the extent that the termination is only a partial termination of the Order, Chrysler will not be in material breach of the Order for failing to pay the amount of costs claimed by Seller prior to conclusion of an adjudication or arbitration pursuant to Clause 26 hereof.



23. REMEDIES.

(a) Upon the occurrence of any Event of Default as described in Clause 21 hereof, Chrysler will have the right to cancel or terminate in whole or part the Order, take possession of and title to all or any part of any work performed by Seller under this Order upon written notice to Seller, and take any other action permitted under applicable law. Chrysler will also have the right to take immediate possession of any and all of Chrysler Tooling (as defined in Clause 10 hereof) at any time without payments of any kind to Seller. Should Chrysler elect to exercise such right, Seller must cooperate with Chrysler in Chrysler's taking possession of Chrysler Tooling, including allowing access to Seller's facilities.

(b) If Chrysler exercises its right to terminate or cancel the Order in whole for the occurrence of an Event of Default by Seller under Clause 21 hereof, then:

(i) Seller grants to Chrysler a non-exclusive, world-wide, paid-up, irrevocable license under any intellectual property of Seller that is incorporated into or used to make or design the goods or Work Product, to make, have made, sell, offer for sale, import or export or modify such goods or Work Product. The license granted to Chrysler under this Clause 23(a)(i) will remain in effect for the life of the applicable vehicle program(s) in which such goods or Work Product are utilized (now or in the future), including any service parts therefor;

(ii) In addition, upon written request from Chrysler, Seller will provide the following for such goods or Work Product: (A) any design aides, including without limitation, any computer aided design data and design aides, (B) specifications, (C) bills of material, (D) Seller information for any purchased components used in such goods or Work Product, and (E) manufacturing process information regarding such goods or Work Product; and

(iii) To the extent Chrysler may have paid for prototype tooling for the goods or Work Product under a separate purchase order or other agreement, then in order to ensure that Chrysler could make full beneficial use of the rights provided in this Clause 23, Seller will provide the following for such goods and Work Product: (a) any prototype tools (e.g. dies and molds), including without limitation, any computer aided design data for such prototype tools, and (b) in each case as applicable, the specifications, bills of material, Seller information for any purchased components used in such prototype tools, and manufacturing process information regarding such prototype tools.

(c) In addition to all other rights and remedies, Chrysler may, upon fourteen (14) days' written notice to Seller of actual or threatened recurring non-performance concerning capacity or quality, engage (or require that Seller engage) a third party acceptable to Chrysler for the purpose of supporting Seller's remediation of such capacity or quality deficiencies. Seller will pay all costs associated with such remediation efforts, and will reimburse Chrysler for any reasonable costs incurred by Chrysler hereunder, which may be recovered by means of Chrysler's rights of setoff, recoupment, or deduction under Clause 14 hereof.

(d) ~~(e)~~ Chrysler's rights and remedies herein reserved to Chrysler are cumulative and in addition to any other rights and remedies available at law or equity. No waiver of any breach of (i) any provision of this Order, or (ii) any agreed-upon cure remediation plan arising under these General Terms and Conditions, will constitute a waiver of any other breach or a waiver of such provision.

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24. REQUIRED COMPLIANCE.

(a) In providing goods or services hereunder, Seller and its subcontractors will comply with ~~(a)~~ any and all applicable global, federal, state, provincial and local law ~~(including Canadian, Mexican or other foreign laws),~~



regulations, executive orders and other rules of law as in effect at any time during the Term; and (bii) any and all Chrysler policies ([including CS-9003 and sustainability guidelines](#)) addressing such legal requirements. [Seller will provide and maintain an Environmental Management System that complies with ISO 14001.](#) In particular and without limitation, Seller and its subcontractors will not act in any fashion or take any action that will render Chrysler liable for a violation of the U.S. Foreign Corrupt Practices Act (“FCPA”), which prohibits the offering, giving or promising to offer or give, directly or indirectly, money or anything of value to any official of a government, governmental entity, political party or instrumentality to assist it or Chrysler in obtaining or retaining business or to gain an unfair business advantage. Seller further represents that neither it nor any of its subcontractors will utilize ~~slave, prisoner, child, or any other form of forced or involuntary~~ [forced, compulsory, or child](#) labor in connection with the supply of goods or [the](#) provision of services under this Order. Chrysler may request Seller from time to time to certify in writing its compliance (and that of its subcontractors) with the foregoing, and Seller will comply with each such request.

[\(b\) In addition, to the extent applicable for the goods or services provided hereunder, Seller will comply with all applicable Environmental Requirements that apply to Hazardous Materials. Environmental Requirements includes without limitation all global, federal, state, provincial, and local laws, rules and regulations pertaining to the protection of human health, safety, wildlife or the environment. Hazardous Materials includes, without limitation, any material or substance that is regulated by an Environmental Requirement. In particular and without limitation, Seller will comply with all applicable global regulations regarding the registration, restriction, prohibition, and/or recyclability of chemicals, including without limitation those identified in the Global Automotive Declarable Substance List and Chrysler’s CS-9003. Seller will defend, indemnify, and hold Chrysler harmless from and against any claims, losses, damages, costs and expenses resulting from or arising out of any failure to comply with any Environmental Requirement. Seller specifically certifies that all goods sold to Chrysler which are required to be registered on an official inventory maintained by the pertinent governmental jurisdiction have been registered in full compliance with applicable law, and Seller will provide immediate notice to Chrysler of any use restrictions, reporting requirements, or other obligations imposed with respect to such goods.](#)

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25. SUPPLIER DIVERSITY PROGRAM.

Chrysler has an established supplier development program to develop and maintain a qualified diverse supply base. Chrysler actively seeks diverse suppliers and encourages Seller to use diverse suppliers. A diverse supplier is a business establishment which meets one or more of the following criteria: (a) a small business, as defined in Title 15, Section 632 of the United States Code and related regulations; (b) a small business owned and controlled by socially disadvantaged individuals (at least fifty-one percent (51) percent of the business is owned and controlled by one or more socially and economically disadvantaged individuals and the management and daily business operations are controlled by one or more such individuals); (c) a business that is at least fifty-one percent (51) percent owned by a woman or women who also control and operate the business; (d) a small business that obtains HUBZone (Historically Underutilized Business Zone) certification (maintains a principal office in a HUBZone, at least fifty-one percent (51) percent of the business is owned and controlled by one or more U.S. citizens, and at least thirty-five percent (35%) of its employees reside in a HUBZone); (e) a business that is at least fifty-one percent (51) percent owned by a service-disabled veteran (an individual who has served in the U.S. armed forces and has received an honorable discharge documented by DD Form 214, Certificate of Release of Discharge from Active Duty) or veterans who also control and operate the business; (f) a business that is at least fifty-one percent (51) percent owned by a veteran or veterans who also control and operate the business; or (g) other categories of diverse businesses as Chrysler may include in its diversity supplier development program. Seller will report monthly to Chrysler in accordance with Chrysler’s diversity supplier development program requirements, on the content provided by any



such suppliers for the goods or services purchased hereunder as well as the basis for claiming that such content was provided by such a supplier.

26. DISPUTE RESOLUTION; GOVERNING LAW.

(a) The Order and all transactions between Chrysler and Seller will be governed by and construed in accordance with the laws of Michigan as if entirely performed therein. In the case of Chrysler Canada Inc., this Order between Chrysler Canada Inc. and Seller will be governed by and construed in accordance with the laws of the province of Ontario, Canada as if entirely performed therein. The 1980 United Nations Convention on Contracts for the International Sale of Goods is not intended to and does not apply to the Order or any transactions pursuant hereto, and Chrysler and Seller specifically waive its application to the Order or any transactions pursuant hereto.

(b) For all disputes arising out of the Order, Seller irrevocably consents to the personal jurisdiction of the state and federal courts in and for Oakland County, Michigan, USA, and irrevocably waives any claim it may have that any proceedings brought in such courts have been brought in an inconvenient forum. Any suit regarding or relating to this Order may only be brought in the state or federal court in and for Oakland County, Michigan, USA, which are the exclusive venue for any such suit.

(c) Any dispute arising out of or in connection with the Order or these General Terms and Conditions (other than Chrysler's rights to injunctive relief, enforcement of Seller's delivery obligations, enforcement of Chrysler's rights and remedies under Clause 32 hereof, and possession of Tooling, Unpaid Tooling, or other Bailed Property), or any other dispute in connection with the Order relating to warranty defects, defects in delivered goods or services, or product recalls of delivered goods or services including disputes regarding reimbursement for recall expenses, may, by agreement in writing of both Parties, be referred to and finally resolved by binding arbitration under the Rules of Arbitration of the International Chamber of Commerce ("ICC"), which Rules of Arbitration are incorporated herein by reference.

(i) The number of arbitrators will be three (3). Chrysler and Seller will each appoint one (1) arbitrator. Chrysler and Seller will attempt to agree on the appointment of the third arbitrator, who shall serve as chairperson of the arbitral tribunal. If such agreement is not reached within thirty (30) days of the Parties' referral to arbitration, the third arbitrator will be appointed by the ICC according to the Rules.

(ii) The place of arbitration will be Detroit, Michigan, U.S.A. in the case of disputes between two North American-based entities, or Geneva, Switzerland in any other case.

(iii) The arbitral proceedings shall be conducted in the English language.

27. ELECTRONIC COMMUNICATION.

Chrysler may prescribe any aspect of electronic communication between Seller and Chrysler, and Seller will follow each of Chrysler's prescriptions regarding any of those aspects.

28. COMPLIANCE WITH APPLICABLE REQUIREMENTS; FORMULA AND INFORMATION DISCLOSURE.

(a) Seller will comply with all Chrysler requirements then in effect regarding [\(i\) the handling, transportation, labeling, processing, use or registration, notification, prohibition, use, disposal or recyclability](#) of the goods, containers and packing, including without limitation, the formulation and use of raw materials and other substances in the goods ("Environmental, Health and Safety Requirements"), [and \(ii\) disclosures on the content and origins of such raw materials and substances, including conflict mineral disclosures and chemical and/or substance of concern](#)



disclosures (collectively, "Disclosure Requirements"). ~~Upon Chrysler's request,~~ Seller promptly will provide to Chrysler, in such form and detail ~~that as directed by Chrysler may direct,~~ (i) the formula or list of all ingredients in the goods, (ii) the amount of all ingredients and the percentage of each ingredient in the goods, ~~and~~ (iii) an updated formula or list of ingredients promptly upon any change from that provided to Chrysler, and (iv) a list of the countries of origin for each ingredient contained in the goods; provided, however, Chrysler may require such information from Seller only to the extent necessary to enable Chrysler to comply with applicable law. Upon Chrysler's request, Seller promptly will certify to Chrysler that Seller is in compliance with all Environmental, Health and Safety Requirements and Disclosure Requirements. (b) Prior to and with shipment of the goods, Seller will furnish to Chrysler (i) sufficient warning and notice in writing (including placing appropriate labels on the goods, containers, or packaging) of any material that is an ingredient or a part of any of the goods that is or could become hazardous so as to warrant special handling instructions as may be necessary to advise carriers, Chrysler and their respective employees of how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the goods, containers and packing shipped to Chrysler, (ii) together with such special handling instructions for such materials.

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29. RIGHT TO AUDIT.

Seller grants to Chrysler access to all of Seller's information, including, but not limited to, books, records, payroll data, receipts, correspondence, chemical data in connection with Seller's obligations under Clause 28 hereof, and other electronic and non-electronic documents relating to the goods or services to be provided under the Order, Chrysler Tooling and Unpaid Tooling, Seller's obligations under the Order, any payment made to Seller, or any claim made by Seller, as reasonably required for the purpose of auditing or verifying Seller's performance of its obligations under this Order and its charges therefor. Seller will preserve this information and these documents for a period of four (4) years after the final payment is made under this Order. Seller will segregate its information and documents as directed by Chrysler, and otherwise cooperate with Chrysler to facilitate the audit or verification process. In addition, Chrysler has the right to visually inspect and audit any facility or process relating to the goods or services to be provided under the Order, including those relating to production quality. Seller acknowledges that Chrysler has the right to audit and make copies of all pertinent documents, data and other information relating to any of Seller's subcontractor's or supplier's obligations under the Order. Upon Chrysler's request, Seller will permit Chrysler to visually inspect and audit any such Seller's subcontractor's or supplier's facilities or processes relating to the goods or services to be provided under the Order. The provisions of this Clause 29 are not intended to expand Chrysler's possessory or ownership interests in ~~either Party's~~ the property of either Chrysler or Seller beyond those set forth elsewhere in the Order or these General Terms and Conditions. The information conveyed to Chrysler under this Clause 29 will be "Confidential Information" within the meaning of Clause 20 hereof.

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30. ASSIGNMENT OF ANTITRUST CLAIMS.

Upon Chrysler's request (which Chrysler may make, in its discretion, provided it has a material interest in any claim described herein), Seller will execute a written assignment of all right, title, and interest in and to all causes of actions under any applicable antitrust laws arising out of or relating to Seller's purchase of raw materials or ingredients used in goods sold or resold to Chrysler. If Chrysler recovers damages on account of any such assigned claim, and a portion of such damages is reasonably allocable to Seller, Chrysler will, net of its attorneys' fees in liquidating the claim, return such allocable amount to Seller.



31. SURVIVAL.

The provisions of these General Terms and Conditions of the Order intended by their terms to survive termination, cancellation or expiration of the Order will survive any termination, cancellation or expiration of the Order, including without limitation Clauses 2, 5, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 20, 21, 23, 26, 29, 30, 33, 34, 39, and 40.

32. COMPETITIVENESS.

Seller will at all times be and remain competitive with respect to each good or service supplied to Chrysler pursuant to the Order on a total cost basis taking into account each of the following attributes: cost, quality, delivery, reliability of supply, technology, financial stability, and performance of obligations under the Order. Chrysler reserves the right, at any time during the term of the Order, to market test any good or services to be supplied under the Order to determine the competitiveness of the Supplier of a good or a service. To be "competitive" means to be (i) equal to or better than all other suppliers and potential suppliers of that good or service in as many of the listed attributes as any other supplier or potential supplier of similar goods or services, judged on a total cost basis, and (ii) in support of all Chrysler requirements set forth in the Order to the extent that another qualified and cost-competitive supplier supports those requirements. Cost competitiveness comparisons will take into account applicable engineering, research, and development costs. If Seller is uncompetitive with respect to attributes other than cost, Chrysler may terminate the Order pursuant to Clause 22 of these General Terms and Conditions. If Seller is not cost competitive with respect to a good or service, Chrysler may notify Seller of its non-competitiveness by specifying the cost competitive deficiency in a written notice (the "Cure Notice"). Chrysler agrees not to deliver a Cure Notice within twelve (12) months of the commencement of volume production. Upon notification, Seller must cure such deficiency by (i) submitting to Chrysler within thirty (30) days of such notice of non-competitiveness a plan acceptable to Chrysler for the remediation of the non-competitiveness as soon as practicable, and (ii) if Chrysler, in its reasonable discretion, accepts the plan, using Seller's reasonable best efforts to perform the plan. Seller's plan will identify the actions needed to remediate its deficiency with respect to cost competitiveness and an aggressive timeline for the completion of each such action. Chrysler will notify Seller of its acceptance or rejection of Seller's remediation plan within thirty (30) days of receipt of such plan. Chrysler must accept a plan from Seller which is more likely than not to promptly remediate a cost competitive deficiency. However, Chrysler will be entitled to use its discretion in evaluating both the probability of success and the promptness of any such plan. In the event Chrysler delivers a Cure Notice to Seller under this Clause 32, Chrysler may not terminate the Order pursuant to Clause 22 of these General Terms and Conditions unless (i) Seller does not submit a remediation plan; (ii) Chrysler rejects Seller's remediation plan; (iii) Seller fails to perform any material requirement of its remediation plan, or fails to meet any of the deadlines set forth therein; or (iv) upon the completion of Seller's remediation plan, Seller remains uncompetitive with respect to cost.

33. EQUITABLE RELIEF.

Seller acknowledges that a material breach of its obligation to supply goods in accordance with Clause 3 of the Order or to transfer Chrysler Tooling, Unpaid Tooling, or other Bailed Property to Chrysler in accordance with Clause 10 of the Order, would cause irreparable damage to Chrysler, including without limitation potential damage to Chrysler's relationships with its customers, suppliers, labor unions, lenders, and prospective future customers, the exact amount of which would be difficult to ascertain, and that the remedies at law and monetary damages for any such breach would be inadequate. Accordingly, in the event of any action taken or threatened by Seller hereunder that, if taken, would constitute a material breach of its obligations under Clause 3 or Clause 10 of the Order, Chrysler and its successors and assigns are entitled to injunctive or other equitable relief and/or a decree for specific performance, without the posting of any bond or other security, in addition to any other remedies it may have for damages or otherwise. Seller may not take any action or position inconsistent with this acknowledgement, and Chrysler will be entitled to recover its attorney fees and costs in connection with the enforcement of this Clause 33.



34. NOTICE.

Notices must be in writing. E-mail notification will be sufficient and acceptable written notice. Any e-mail notice sent will be deemed to have been received on the second business day after such notice was sent (if not first rejected by automatic response). Any written notice sent using any other manner will be deemed to have been received upon the earlier of (i) actual receipt by the party to whom the notice is directed, and (ii) the second business day after delivery, in the case of U.S. and Canadian deliveries, or the fifth business day after delivery for all other deliveries. Any notice to Chrysler must be sent to its head of Production Purchasing.

35. SEVERABILITY.

If any term of the Order is invalid or unenforceable under any law, regulation, executive order or other rule of law, such term will be deemed to be reformed or deleted, as the case may be, but only to the extent necessary to comply with such law, regulation, order or rule, and the remaining provisions of the Order will remain in full force and effect.

36. COST SAVINGS PROGRAMS.

Seller will provide to Chrysler, in writing by October 1 for each upcoming year during the term of the Order, Seller's plan for implementing cost savings and productivity improvements to reduce Seller's costs in accordance with the then-current Chrysler cost savings program.

37. SELLER'S CONTRACTS WITH ITS SUPPLIERS AND SUBCONTRACTORS.

(a) Seller will ensure that its suppliers and subcontractors for any goods or services to be provided under the Order comply with the obligations, and provide Chrysler with no less than the rights, specified in Clauses 17, 24, and 28 of these General Terms and Conditions. Seller will also use commercially reasonable efforts to ensure that such suppliers and subcontractors comply with the obligations, and provide Chrysler with no less than the rights, specified in Clauses 16 and 39 of these General Terms and Conditions. (b) If Chrysler directs Seller in a writing signed by an officer of Chrysler to use a supplier or subcontractor regarding the goods or services to be provided under the Order, then (i) Chrysler will be responsible for negotiating the prices charged Seller by such supplier or subcontractor, (ii) Seller will be responsible for every other aspect of the supply relationship between Seller and such supplier or subcontractor, and (iii) Seller agrees to enforce the rights arising out of its agreement with such supplier or subcontractor for the benefit of Chrysler, or upon Chrysler's request, will assign to Chrysler Seller's rights under such agreement for the benefit of Chrysler.

38. TERM.

This Order is a contract for a definite term. The term of the Order is stated on the first page of the Order ("Term"). If the Term is for less than the duration of the applicable vehicle production program, at Chrysler's option, the Term may be extended for an additional model year with advance notice to Seller equal to the longer of ninety (90) days or the lead time set forth in the Order (either by Chrysler's notifying Seller of the extension or by Chrysler's issuance of part releases for some or all of the goods identified in the Order for a future model year), with the Order being extended for each good for which Seller receives a release or other appropriate communication extending this Order for such additional model year.

39. DISPOSAL OF SCRAP.

Any goods, assemblies, subassemblies, or materials related to this Order which are disposed of by Seller in any manner other than through sale to Chrysler under the terms of the Order are scrap ("Scrap") and must be mutilated or otherwise rendered unusable for anything other than material content. If the goods, assemblies, subassemblies, or materials are the subject of a cancellation claim, mutilation must occur only after audit inspection and receipt of disposal instructions from Chrysler. Chrysler has the right to examine all pertinent documents, data and other information relating to the mutilation of any and all Scrap. In addition, Chrysler has the right to visually inspect and



audit any facility or process relating to the mutilation of Scrap. Seller must maintain all relevant documents, data and other written information relating to its obligations to mutilate Scrap under the Order for at least four (4) years following the later of last delivery of the goods or final payment under the Order. Such documents, data and written information relating to Seller's obligations to mutilate Scrap will be made available to Chrysler upon Chrysler's request.

40. CHRYSLER COMPUTER NETWORK; ACCESS CONFIDENTIALITY.

(a) If Chrysler grants Seller access to Chrysler's computer network, Seller understands that the access extends only to those employees of Seller who have a need for the access to perform work for Chrysler. Seller must inform its employees that the data files they review are confidential and must not be communicated to others nor used for any purpose other than performing Chrysler's work.

(b) Chrysler does not grant any intellectual property right including, but not limited to, trade secret, patent or copyright, by granting Seller access to Chrysler's computer network. No right to use Chrysler-owned or leased hardware, facilities or software application programs, including by way of example but not of limitation, communication software or software design programs, may be inferred from Chrysler's granting access to its computer network to Seller.

(c) Chrysler may terminate Seller's access to Chrysler's computer network in Chrysler's sole discretion. Upon termination of Seller's access privileges, Seller must return any copy of data file obtained from Chrysler's computer network or any information obtained from the data file that Seller possesses. Seller's confidentiality obligation with respect to each datum of information obtained from Chrysler survives termination of its access privileges and continues until the data becomes public knowledge.

(d) Seller must inform Chrysler whenever Seller suspects that data obtained from Chrysler's computer network has been wrongfully released to a third party or that an unauthorized third party has accessed Chrysler's computer network. Seller must defend, indemnify, and hold Chrysler harmless from the wrongful disclosure of any information obtained from Chrysler's computer network.

(e) Seller assumes all risk of accessing Chrysler's computer network. Chrysler makes no warranty, either express or implied, regarding its computer network, including implied warranties of merchantability and fitness for a particular purpose. Chrysler's computer network and data files may contain errors or viruses. Chrysler is not liable for any damage arising from Seller's use of Chrysler's computer network including, but not limited to, loss of profit, use, goodwill, work stoppage, computer failure or malfunction, interruption of business, or any direct, indirect, special, exemplary, incidental or consequential damage arising out of the use or performance of Chrysler's network.

[Click here to return to chart]

40. ~~41.~~ TAXES.

(a) The goods purchased hereunder are for resale or for an exempt purpose and are exempt from state and local sales or use taxes. Chrysler's Office of Tax Affairs-office will provide an appropriate Certificate of Exemption upon Seller's written request. The following direct payment permit numbers are applicable for the states indicated:

Illinois (Belvidere Assembly Plant).....5572-5570 (Valid 9/2/12 – 7/1/15)
Indiana (Kokomo Casting Plant)..... TID-Loc #0136356540-002
Indiana (Kokomo Transmission Plant).....TID-Loc #0136356540-001



[Indiana \(Tipton Transmission Plant\).....TID-Loc #0136356540-005](#)
[Indiana \(IN Transmission Plant\).....TID-Loc #0136356540-003](#)
[Michigan \(Chrysler Group LLC\).....ME-0167670](#)
[Michigan \(GEMA LLC\).....20-0232860](#)
[Michigan \(CG Transport LLC\).....ME-0167777](#)
~~Indiana.....004259238-902-7~~
[Michigan \(CG Auto Transport\).....45-5062723](#)
~~Ohio (Toledo Machining).....98-000294001753 Plant).....98-002923~~
~~Ohio (Toledo Assembly).....98-000843 Complex).....98-002921~~
[Michigan \(Chrysler Group LLC\).....38-2673623](#)
[Wisconsin.....008-1026854886-06](#)

(b) ~~Canada Federal Sales Tax License number is W-527. Chrysler certifies that the goods are ordered for resale. Ontario Sales Tax permit number is 57190003 G.~~ [For shipments to locations in Canada, this Order is subject to the goods and services tax \(GST\) and in the harmonized provinces, the harmonized sales tax \(HST\) and the Quebec sales tax \(QST\), where applicable, however is exempt from provincial sales tax;](#)

British Columbia vendor number	1000-9880
Saskatchewan vendor number	1602309
Manitoba vendor number	100963941MT0003

[The GST/HST and the QST amount must appear on all invoices as a separate line item and the GST/HST and QST numbers must appear on all invoices. Failure to comply with this requirement may result in delay in payment and return of invoice to Seller.](#)

