

Reference: 00614\_21\_00708  
 STELLANTIS converged document

# GLOBAL WARRANTY TERMS

## 2021 Version

Owner entity: GPSC/SQD

Date	Version N°	Description
December 2021	OR	First issue of document.

### Regions:

Europe Enlarged	North America	South America	India & Asia Pacific	China	Middle East & Africa
Yes	Yes	Yes	Yes	Yes	Yes

The only official version of this document is the one managed internally by Stellantis.

*If in doubt about the validity of this document, please contact your Buyer at the Stellantis Purchasing Division.*

# CONTENTS

<b>1</b>	<b>GENERAL SCOPE.....</b>	<b>3</b>
<b>2</b>	<b>DEFINITIONS.....</b>	<b>3</b>
<b>3</b>	<b>CLAIMABLE COSTS .....</b>	<b>5</b>
3.1	Parts related costs .....	5
3.2	Labour costs .....	5
3.3	Miscellaneous costs.....	6
<b>4</b>	<b>ORDINARY WARRANTY.....</b>	<b>6</b>
4.1	General.....	6
4.2	Determination of the Technical Factor .....	6
4.2.1	Definitions of Technical Factors .....	6
4.2.2	Part Analysis .....	6
4.2.3	Unilateral loss or destruction of the Supply .....	7
4.2.4	Calculation Example of a Calculated Technical Factor .....	7
4.2.5	Application of a Technical Factor .....	8
4.2.6	Process timing.....	8
4.3	Financial Contribution .....	8
<b>5</b>	<b>CURATIVE ACTION.....</b>	<b>9</b>
5.1	General.....	9
5.2	Financial Contribution .....	9
<b>6</b>	<b>CAMPAIGNS.....</b>	<b>9</b>
6.1	General.....	9
6.2	Financial Contribution .....	10
<b>7</b>	<b>DISPUTES.....</b>	<b>10</b>

Buyer and its Buyer Final Client share the objective to meet the expectations of the end customers with regard to the quality and reliability of their vehicles, whilst seeking permanent improvement of their Products.

These Warranty Terms apply to all Supplies purchased by Buyer and/or its Buyer Final Client in accordance with the Contract and/or the General Terms and Conditions (GTC). Seller hereby expresses his agreement with, and understanding of, the Warranty Terms and commits to their implementation.

## **1 GENERAL SCOPE**

The Warranty Terms apply to any Supply purchased by Buyer and/or its Buyer Final Client, beginning with its Commercial Allocation.

The Warranty Terms do not deal with compensation for damages to persons and/or to properties and does not affect Buyer's right to claim compensation in relation therewith in compliance with the applicable law. Any third party to whom Buyer sells a product in which the Goods have been incorporated will be entitled to make such a claim against Seller.

If and where several technical solutions to resolve the Non-conformance are available to Buyer at the time the implementation decision is taken by Buyer, taking primarily into account the end customer's interest, same quality, efficiency, sustainability, performance results and timeline for implementation, Buyer would give preference to the most overall cost-effective solution.

Buyer retains all rights and remedies set forth in Paragraph 21 of GTC.

## **2 DEFINITIONS**

Terms with first capital letter will have the meanings given to them below, in the GTC and/or in the Contract. For the interpretation of this document, in case of contradiction between the definitions below and the definitions mentioned in the GTC or the Contract, the definitions below shall prevail.

### **Campaign**

shall have the meaning set forth in article 6 below.

### **Claimable Costs**

means the costs that may be claimed by Buyer from Seller, as defined in article 3 below

### **Commercial Allocation**

means a vehicle no longer controlled by the assembly plant.

### **Consequential Part(s)**

- Part(s) replaced during the Repair included on the repair claim; and/or
- Other Parts, software and consumables included on the claim to complete the repair

### **Curative Action**

shall have the meaning set forth in article 5 below.

### **Disputed Status**

means the status of the Supply allocated by Seller to a part analysis category and for which Buyer has disagreed.

### **Group of Supplies**

means a set of Supplies belonging to the same Parameters setting, i.e. to which the same Technical Factor applies.

**GTC**

means the Global General Terms and Conditions (Direct Material – General Terms and Conditions<sup>1</sup>) as referred to in the Contract.

**Implementation Procedure**

means the procedures to implement the Warranty Terms and may include unique procedures or definitions specific to a region. In case of conflict, the terms of the Implementation Procedure shall prevail over any terms or conditions contained in any other documentation. The foregoing notwithstanding, Buyer retains all recovery rights as set forth in Section 21 of GTC.

**Investigation Procedure**

means the series of technical tests and analyses required to demonstrate conformance of the Representative Sample to Section 10 of the GTCs. Seller and Buyer agree to enhance and update this Investigation Procedure on the basis of the experience they acquire.

**Non-conformance**

shall have meaning set forth in Section 10 of the GTCs.

**Parameters**

means the characteristics used to identify the warranty claims applicable to each Group of Supplies; an example of parameters may include, but is not limited to:

- the geographical collecting area,
- the geographical regions where the Technical Factor applies,
- the frequency or size of the batches to be transmitted,
- the number of parts included in the Representative Sample,

Additional information on Parameters can be found in the Implementation Procedures.

**Parts Return Centre(s) / Quality Engineering Center(s)**

means the location(s) where Supplies returned under warranty are made available to Seller by Buyer, or from which they are shipped.

**Party**

means either the Buyer or the Seller.

**Product**

means a vehicle or a service part or an equipment or a software or an accessory or a product being made up of one or several Supplies.

**Repair**

means any work performed on a vehicle in order to repair, correct, replace or service any warrantable complaint according to the GTC or complete any declared Curative Action or Campaign.

**Representative Sample**

means a collection of Supplies resulting from warranty claims, which belong to the same Group of Supplies and which are used to determine the Technical Factor (TF). Additional information on Representative Sample can be found in the Implementation Procedures.

**Seller**

means the Party which sells Supplies to Buyer as identified in the Contract.

**Seller Analysis**

means the technical analysis of each Supply belonging to the Representative Sample; it is to be carried out by Seller in compliance with the Investigation Procedure.

---

<sup>1</sup> Document can be accessed to via PSA website at: <http://b2b.psa-peugeot-citroen.com>

**Supply**

means any Good, software, device, system, component, material, assembly, subassembly, or any industrial operation performed on a Good, software, device, system, component, assembly or subassembly, delivered by Seller for production or as a service part.

**Technical Factor ("TF")**

means the percentage that is applied to Claimable Costs to be reimbursed by Seller.

**Ordinary Warranty Period**

means the duration of the warranty provided by Seller to Buyer for the Goods will begin on the date of receipt of the Goods by Buyer and end on the later of: (a) the date of expiration of any warranty period provided under applicable Law for the Goods; (b) expiration of any warranty applicable to the goods provided by Buyer to Buyer's end customer for the vehicle into which the goods are incorporated; or (c) the expiration of any specific warranty period provided in the Purchase Agreement if any.

**Warranty Terms**

means this document and any documents which is referred to in this document.

### **3 CLAIMABLE COSTS**

Claimable Costs are costs that the Buyers and/or Buyer Final Client have incurred, or have reimbursed to their dealers, or reasonably assess to incur and/or reimburse to their dealers.

A general explanation of costs is as follows:

#### **3.1 Parts related costs**

These parts related costs include each of the following:

- a. **The purchasing costs** for the replacement Supplies, as well as,
- b. **The purchasing costs** for the Consequential Parts replaced or used to repair the Products, as well as,
- c. **Handling and carriage costs**, for the above-mentioned parts. They include:
  - i. **Overheads and financial costs** for the purchase, storage, handling and delivery logistics of service parts;
  - ii. **Landing costs** (transport, customs duties, taxes, etc.) reimbursed to the export networks;
  - iii. **Management Costs** reimbursed to the network, for purchase and management of the service parts required to repair the vehicle.

#### **3.2 Labour costs**

They account for the labour required by the dealer in order to complete the repair. Labour costs are calculated according to local economic conditions, multiplying the labour time by the warranty labour rate of each repairer. Times to be taken into account include, when applicable:

- i. The time required by the dealer to take charge of the end customer vehicle that suffered the incident and to process the warranty claim;
- ii. The required diagnosis time to identify the cause of the customer complaint or as required for any declared Campaign;
- iii. The repair time, according to scheduled times, when the repair is catalogued. If not, the repair time is equal to the real spent time, this includes time for software updates and/or installations;
- iv. Any checking and/or testing times as recommended, for relevant repairs.

### 3.3 Miscellaneous costs

- i. Costs of road-side service and towing to the authorized dealer, rental or loaner vehicles, or repairer able to carry out the repairs and related costs;
- ii. Costs of vehicle loan and other assistance (including costs relating to « assistance call » in the event of a breakdown, a roadside assistance or a vehicle towing/pickup, « road assistance » costs including roadside assistance, but also transport costs which shall mean taxi, train, hotel and air fares in order to complete the client's journey, and miscellaneous costs agreed by the Parties), whenever duly justified by the effective immobilisation of the end customer, and with the exclusion of personal convenience;
- iii. In the case of a Campaign or Curative Action, specific costs:
  - refundable to the dealer when performing warranty in countries where such legal or commercial provision exists;
  - related to its communication, implementation, and to keep track of its achievement (technical and/or administrative).

Specific details describing the calculation of these costs may be located in the Implementation Procedures.

Justification of these costs shall be provided to Seller upon request.

## 4 ORDINARY WARRANTY

### 4.1 General

This article is applicable for all warranty claims within the Ordinary Warranty Period except those related to Article 5 and 6 below.

### 4.2 Determination of the Technical Factor

#### 4.2.1 Definitions of Technical Factors

**Initial:** the (hereafter "Initial Technical Factor") is the percentage of Seller responsibility that is applied until a Calculated Technical Factor is completed.

**Calculated:** the (hereafter "Calculated Technical Factor") is the percentage of Seller responsibility that is determined by the analysis of the Representative Sample. For the avoidance of doubt, an updated Calculated Technical Factor can be determined based on the analysis of a new Representative Sample.

**Carryover:** the (hereafter "Carryover Technical Factor") is the percentage of Seller responsibility applied when Buyer and Seller agree to continue to apply a Technical Factor percentage from a prior year in place of returning and analysing a Representative Sample

#### 4.2.2 Part Analysis

Buyer shall coordinate the return of the Representative Sample through its Part Return Centre(s) or their equivalent. Seller shall be responsible for transportation and/or transportation costs of returned Supply to Seller's facilities for the analysis consistent with the Investigation Procedure. Seller shall manage the analysis of the Representative Sample consistent with the Investigation Procedure and identify the applicable Part Analysis Categories for each Supply.

### Part Analysis Categories:

- a. **Non-Conforming Supply**, confirmed through the Investigation Procedure implementation as incorporating a Non-conformance within the Supply; regardless of the root cause owner
- b. **No Trouble Found (NTF) / Trouble Not Found (TNF)**, the end customer complaint could not be reproduced; Non-conformance could not be identified
- c. **Consequential Damage to the Supply**, means the damage to the Supply was caused by another part or software or the surrounding system provided by another Seller or by Seller itself; in this later case, the “Non-Conforming Supply” category will be applicable

The number of parts to be returned for a Representative Sample and the allotted time to collect Representative Sample may be defined in the Parameters. In case the expected number of parts would not be collected during the allotted time, the Technical Factor should be defined based on the available parts, except if the Parties agree to extend the allotted time in order to complete the Representative Sample. Requests to modify the Parameters, modify the Representative Sample, or for a new Representative Sample, along with additional details, may be found in the Implementation Procedures.

Buyer reserves its right to challenge the analysis results of Seller, in particular if Seller has failed to perform reasonably extensive Seller Analysis required to reproduce the end customer complaint.

The Part Analysis Categories shall have the following weighting factors for the Calculated Technical Factor:

Category	Weighting Factor
Non-conforming Supply	0.5
No Trouble Found / Trouble Not Found	0.25
Consequential Damage to the Supply	0.25

### 4.2.3 Unilateral loss or destruction of the Supply

If any Party loses or destroys any Supply from the Representative Sample, before the Technical Factor has been agreed between the Parties, without the prior written approval of the other Party, then this lost or destroyed Supply will be allocated as follows:

- i. In case Seller loses or destroys that Supply, it shall be considered as a Non-conforming Supply.
- ii. In case Buyer loses or destroys that Supply, it shall be considered as a NTF/TNF Supply.

Partial damage of a Supply, not related to the Non-conformance and not impeding its analysis, shall not be considered as destroyed, and this Supply shall be analysed, in connection with said Non-conformance. More details may be found in the Implementation Procedures.

### 4.2.4 Calculation Example of a Calculated Technical Factor

For an exemplary of a Calculated Technical Factor, the following completed Representative Sample would yield the following results and final Calculated Technical Factor:

Analysis Result	Number of Supply	Weight	Factor Contribution
<b>Non-conforming Supply</b>	15	0.5	7,5 / 25
<b>No Trouble Found / Trouble Not Found</b>	3	0.25	0.75 / 25
<b>Consequential Damage to the Supply</b>	7	0.25	1.75 / 25
<b>Total</b>	25	-	10 / 25 = 0.40

In that example, Calculated Technical Factor is 40%, leading to invoicing the Seller of 40% of the Claimable Costs described in Article 3.

#### 4.2.5 Application of a Technical Factor

The Initial Technical Factor as defined in Article 4.2.1 shall be applied to all claims defined within a Group of Supplies until the Calculated Technical Factor is completed. Upon completion of the Calculated Technical Factor, the Calculated Technical Factor shall be applied to upcoming warranty claims. If the Parties have agreed to apply a Carryover Technical Factor, the Carryover Technical Factor shall be applied to upcoming invoices.

If a modification to the Parameters, the Representative Sample, or a new Representative Sample has been approved by the Buyer, the invoicing will continue without modification until the new Calculated Technical Factor has been determined.

#### 4.2.6 Process timing

The Seller shall provide the Seller's Analysis to Buyer within the timeframe described in the Implementation Procedures. Failure to do so will result in those Supplies of the Representative Sample being considered as Non-conforming Supplies for the contribution to the new Technical Factor. Such allotted time may be modified before its deadline, if the Parties jointly agree to do so.

Buyer has an allotted period of 30 (thirty) calendar days from receipt of Seller Analysis with the three categories (refer to §4.2.1), to reply and justify any reclassifications as Disputed Status. Should Buyer fail to do so, the new Technical Factor will be computed with the categories allocation proposed by the Seller. Please refer to the Implementation Procedures for more details.

#### 4.3 Financial Contribution

Seller's financial contribution to the costs incurred by Buyer and/or Buyer Final Client is allocated according to the following formula:

$$\text{Seller's contribution} = \text{Claimable Costs} \times \text{Technical Factor}$$

Consequently, Seller shall reimburse Buyer up to a maximum of fifty percent (50%) of Claimable Costs incurred by Buyer and/or its Buyer Final Client. An equal financial contribution between Buyer and Seller will be implemented with an Initial Technical Factor of fifty percent (50%) until a calculated Technical Factor based on a sample analysis is determined.



## **5 CURATIVE ACTION**

### **5.1 General**

Curative Action (hereafter "Curative Action") includes actions to address field issues with the Supply except those related to Article 6.

Buyer and/or its Buyer Final Client may declare a Curative Action for a Supply for which Buyer believes Seller to be responsible, when the field issue with the Supply:

- may negatively impact Buyer or Buyer Final Client brand, or
- exhibits a rate of occurrence with Seller responsibility that exceeds the quality commitments level jointly agreed in the Contract between Buyer and Seller.

Buyer and/or its Buyer Final Client may extend the warranty coverage it offers the end customer for the Supply as part of the Curative Action.

Buyer shall inform the Seller within a reasonable time of a Curative Action during the Ordinary Warranty Period or afterwards for which Seller may be responsible.

### **5.2 Financial Contribution**

For warranty claims both within Ordinary Warranty Period and extended warranty coverage granted by Buyer to its end customer related to the Curative Action, the financial contribution owed by Seller to Buyer shall be calculated as defined in Article 6.

## **6 CAMPAIGNS**

### **6.1 General**

Campaigns (hereafter "Campaigns") include any proactive actions initiated to address issues with the Supply or which may occur with the Supply. Campaigns may be declared during or after Ordinary Warranty Period. Campaigns may require notification to relevant authorities.

Campaigns commonly consist of, but are not limited to:

- Recall: to address safety or regulatory non-compliance which includes notification of the end customer and dealer
- Customer Notice: to address a field performance issue or potential field performance issue not covered under Recall which includes notification of the end customer and dealer
- Dealer Notice: to address a field performance issue or potential field performance issue not covered under Recall or Customer Notice which includes notification of the dealer
- Campaign Without Notice: including, but not limited to, Over The Air campaign

Corrective actions developed for a Campaign may include repairs at dealerships, repairs away from dealerships, over the air software transmissions, or other actions.

For any required repair time which is not listed amongst the standard repair times, Buyer shall provide to Seller, at Seller's request, the supporting information used to develop the repair time for the Campaign corrective action.

Regardless of the Party which may be responsible for the Non-conformance or regulatory non-compliance, Buyer and/or its Buyer Final Client has sole authority to declare and perform any Campaigns except for declarations arising from administrative or judicial actions or where the Seller has a regulatory obligation.

## 6.2 Financial Contribution

Descriptions of the Claimable Costs for Campaigns are in Chapter 3 and may be amended in the applicable section of the Implementation Procedures.

- (i) As directed by Buyer, whenever Buyer considers that Seller is responsible (a) for a Non-conformance affecting the Supply, or (b) upon request from legal, administrative or judicial authorities, or (c) for safety issue, the Parties will start to investigate the Seller's potential liability through joint technical meetings and discuss evidences in order to determine Seller's level of liability. The Seller shall cooperate with the investigation and share all information requested by the Buyer. Once an agreement is found on Seller's liability, Seller shall indemnify Buyer accordingly.
- (ii) If an agreement is not found on Seller's liability, in a spirit of cooperation during the investigation, whenever Buyer objectively and factually considers that Seller is responsible for a Campaign, the Buyer may, at its discretion, send to Seller an invoice equal to fifty percent (50%) of the estimated Claimable Costs of the Campaign fairly assessed by Buyer ("Advance Payment"). Such invoice shall be paid by bank transfer by Seller within 45 (forty-five) days from issuance date.

Upon Parties agreement of Seller's liability and Seller has reimbursed Buyer the Advance Payment, the total estimated Claimable Costs determined to be the Seller's liability shall be calculated. The difference, if any, between the Advance Payment and agreed upon Seller's liability shall be determined. The Parties agree to pay, by bank transfer within 45 (forty-five) days, the difference determined between the Advance Payment and Seller's agreed liability.

Upon Parties agreement of Seller's liability and Seller has not reimbursed Buyer the Advance Payment, unless otherwise agreed, the Seller shall reimburse the Buyer such Claimable Costs as borne and duly justified for that Campaign. More details may be found in the Implementations Procedures.

In case of late payment by either Party entitled to the reimbursement, the other Party may apply, from the day after the deadline, a penalty, applicable on the overdue amount, in the form of an interest corresponding to the interest rate allowed under applicable law. In case Buyer is to receive the difference pursuant to the above detailed principles, Buyer has the right to setoff against or to recoup from any amounts due to Seller from Buyer.

## 7 DISPUTES

Seller shall raise any disputes within 30 (thirty) calendar days following invoice notification. Any disputes must be supported with due argument and evidence. The disputes may in no case call into question the Technical Factor or Seller's liability determined by the Parties.

Should Seller's claim be deemed valid by Buyer, Seller shall reimburse to Buyer the undisputed portion of the invoice. The disputed portion of the invoice will be suspended and the Parties will work in good faith to resolve the dispute within a reasonable period of time.

\*  
\* \*