

CLIENT ALERTS

What Are Your Terms With Stellantis Now That It Has Withdrawn Its 2022 North American Terms?

Client Alert

5.19.2022

In late 2021 Stellantis issued new Contract terms, including Global Terms and highly controversial North American Terms. On May 16, Stellantis backed down, withdrew the North American Terms, and replaced them with its prior 2021 FCA Terms (the “2021 Terms”), while keeping in place the Global Terms. This Alert attempts to provide an overview of how the withdrawal of the North American Terms and substitution of the 2021 Terms affects your contracts with Stellantis. (Note also that this withdrawal makes Butzel’s January 18, 2022 Client Alert addressing the impact of the North American Terms obsolete.)

The answer is unclear for several reasons.

The now withdrawn North American Terms stated that they would control if the Global Terms and North American Terms were inconsistent or in conflict. Now that the North American Terms have been withdrawn, there is nothing in either the Global Terms or the 2021 Terms that answer the priority question. This is a very important question, as significant overlap exists between the Global Terms and the 2021 Terms. The following discussion assumes that Stellantis intends the 2021 Terms to control if there is conflict or inconsistency.

Even if Stellantis clarifies this point, uncertainty will remain. The 2021 Terms and the Global Terms were not designed to be used together. Simply replacing the North American terms with the 2021 Terms is a kludge of ill-fitting parts. Further, conflicts and inconsistencies are often apparent only under specific and concrete facts. Thus, we recommend that, in assessing rights and obligations *vis-à-vis* Stellantis, both documents should be considered for potential conflicts and inconsistencies.

Related People

Cynthia J. Haffey
Shareholder

Sheldon H. Klein
Shareholder

Daniel R.W. Rustmann
Shareholder

CLIENT ALERTS

In addition, Stellantis had earlier assured suppliers that the Global Terms and North American Terms would apply only to new RFQs issued on and after January 1, 2022, and not to existing business. Stellantis has not yet given the same assurances following withdrawal of the Global Terms. The attached discussion assumes that the new Global Terms still will apply only to RFQs issued on and after January 1, 2022.

The attached analysis focuses on the significant provisions of the Global Terms that likely will apply. It does not attempt to summarize the FCA 2021 Terms.

With modest changes, those terms have been in place for many years. They are summarized in the OESA Terms and Conditions Comparative Analysis published by OESA and authored by Butzel. Of course, members of Butzel's Global Automotive team would be pleased to answer any other questions you have about the 2021 Terms or any other Stellantis terms.

With the above cautions, the attached **Analysis** summarizes the material provisions of the Global Terms that likely will apply to future awards.

Cynthia Haffey

313.983.7434
haffey@butzel.com

Sheldon Klein

248.258.1414
klein@butzel.com

Daniel Rustmann

313.225.7067
rustmann@butzel.com