



OESA Model Terms and Conditions

Summary Report to OESA Annual Outlook Conference and General Meeting of Members

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Model Terms and Conditions Background

- **Project was developed to address Buyer and Seller issues related to PO Terms and Conditions**
- **Phase I was a “comparative analysis” of OEM NA PO Terms and Conditions**
- **Phase II was “Model Terms and Conditions” to provide language acceptable to both buyers and sellers**



Model Terms and Conditions

- **Phase II was initiated in September 2002**
 - 48 people (Corporate Counsel, Sales & Marketing, Purchasing supplier executives)**
 - Six teams examined the various provisions, made recommendations and drafted language**
 - Test used for each provision was “Is this fair? Could I accept this as either the buyer OR as the seller?”**



Model Terms and Conditions

- **The six teams presented their recommended language to an Integration Committee in January 2003 which integrated the language and developed a single document**
- **The law firm of Dykema Gossett provided tremendous assistance**



Model Terms and Conditions

Current Status:

- **OESA encourages suppliers to consider adoption of parts of the terms and conditions – to the extent that they are able**
- **OESA will open a dialogue with the OEMs regarding the model terms**
- **A supplier industry workshop is scheduled for late January, 2004**