



July 13, 2023

Re: Canada Port Risk

Dear Adient Supplier:

Adient is aware of an on-going dockworkers strike disrupting operations at more than 30 ports and 49 terminals across British Columbia, Canada, including Vancouver and Prince Rupert, which began on July 1, 2023. Due to the significant duration and scope of this labor dispute, Adient has reasonable grounds to be insecure regarding its impact on the ability of Adient suppliers to fulfill Adient's orders in full and on time. To the extent this dispute affects your ability to perform your obligations to Adient, Adient sends this notification pursuant to its responsibility to its customers, partners, and other stakeholders to preserve and protect its business.

As you know, as an Adient supplier, you supply products to Adient pursuant to purchase orders governed by Adient's Terms and Conditions of Purchase available at www.adient.com/terms (the "Terms"). A labor dispute, such as the one affecting Canada's West Coast ports, is not recognized as an event that will excuse non-performance of your contractual obligations owed to Adient as a supplier. Indeed the Terms expressly stipulate that a "change in cost or availability of materials or components based on . . . any labor strike or other labor disruption applicable to Seller or any of its subcontractors or suppliers, will not excuse Seller's performance (under theories of force majeure, commercial impracticability or otherwise), and Seller assumes these risks."

The products that you supply are used to manufacture just-in-time products for Adient's customers. Adient's Terms require you to provide 100% on-time delivery to meet Adient's release schedules. Any disruption in normal production and delivery will cause immediate and irreparable harm to Adient and its customers, including the shutdown of Adient's and its customers' assembly plants, and may result in significant liability to you, including monetary damages. Accordingly you are hereby advised to take at your expense all necessary actions to mitigate harm to Adient and its customers due to port congestion and delays brought about by the labor dispute, including avoiding any delivery disruptions by diverting shipments to other ports that are unaffected by the labor dispute and/or expediting deliveries via air freight.

Given Adient's reasonable insecurity arising from the Canadian port risk, Adient must therefore demand that you promptly provide Adient with adequate written assurances regarding your ability to supply ordered products, including by delivering all ordered products in full and on time. Finally under the Terms, you are required to keep Adient apprised of any actual or anticipated disruptions to deliveries as well as the efforts you are taking to mitigate risk and harm to Adient.

Please contact your Adient buyer or impacted Adient plant if you have any questions regarding this matter. Adient reserves all of its rights under the Terms, applicable orders, applicable law, and otherwise, including the right to terminate and the right to claim damages.

Sincerely,

A handwritten signature in black ink, appearing to read "Razzaaq McConner".

Razzaaq McConner
Vice President Purchasing - Americas