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## SUPPLY CHAIN PROTOCOL SUPPLIER / WABCO

This Supply Chain Protocol is applicable to all Suppliers delivering to any WABCO Entity. It defines the inbound Supply Chain aspects and responsibilities of WABCO and its Suppliers.

### Signatories :

- Acknowledge the document " Supply Chain Protocol Supplier / WABCO ", all its attached documents and visible documents on internet site WABCO.
- Commit themselves to observe and fulfil all the conditions of the " Supply Chain Protocol Supplier / WABCO ", all its attached documents and visible documents on internet site WABCO.
- Commit that changes to the content of this protocol have to be acknowledged by both parties in written, before any change takes place.

This present Protocol cancels and replaces all the preceding ones.

### Hereafter signatories :

SUPPLIER	WABCO
Corporate name :	Corporate name :
Representative name :	Representative name :
Position :	Position :
Date :	Date :
Signature :	Signature :

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## A. GENERAL POINTS

### **A.I. Purposes of the protocol**

#### ***A.I.1. Present logistic objectives and general information of WABCO to its Suppliers***

##### *A.I.1.1. Logistic objectives WABCO for Suppliers*

Logistic objectives are as follows :

First objective : Delivery performance of Supplier = 95% on time / 100% on site. Specific supplier targets are subject of the supplier development plan fixed between Wabco s' sourcing organization and the supplier and will be reviewed regularly.

2nd objective : Materials Management Operations Guidelines (MMOG made by ODETTE / AIAG => Logistic evaluation) = Level A expected. Formulary available [WWW.WABCO-AUTO.COM](http://WWW.WABCO-AUTO.COM) (-> Select I am : Supplier -> Click on the link : MMOG (ODETTE / AIAG Logistic Evaluation)).

##### *A.I.1.2. WABCO Logistic general points for Suppliers*

Delivery Performance of Supplier : The delivery performance of a Supplier is measured in terms of on time and on site deliveries to WABCO.

- On time for WABCO means : All parts are delivered on due date or due date minus 1 day / All parts delivered after due date are considered late / All parts delivered before due date minus 1 day are considered as too early = not on time / For parts in Consignment Stock, on time delivery means all parts are delivered on due date or earlier.
- On site for WABCO means : All parts delivered on due date or before (For parts in Consignment Stock, on time delivery = on site delivery).

A monthly analysis of the Delivery Performance will be communicated to the Supplier for evaluation and improvement actions.

Logistic evaluation Supplier : The objective of this document is to propose a common document of evaluation of logistics being able to be used at the same time by the suppliers, WABCO and WABCO's customers throughout the entire life cycle of a product, since the first stages of its development until its end of lifetime. This document can be used by each partner of the logistic chain for self-evaluation purposes or between partners for an audit. It provides a detailed evaluation of the performance and logistic aptitude of a site.

Responsibilities of Supplier : Supplier is responsible for the quality of all services provided. Action plans are to be coordinated by the Supplier and to be sent to WABCO.

- Supply chain, upstream : Supplier is responsible to follow up and to improve relationship to their supplier and WABCO recommend by using MMOG or equivalent. Supplier is responsible for providing fast and correct information to their subcontractors concerning the demand for components based on the delivery instructions received by WABCO.
- Supply chain, downstream : If the Supplier should not be able to fulfil WABCO's requirement, the Supplier is obliged to inform all concerned internal as well as the WABCO departments involved immediately. Supplier shall continuously improve their own performance in Logistics by using MMOG internally.

#### ***A.I.2. Define and /or to validate the processes to be set up at the Suppliers***

All suppliers need to have in place 3 indicators and preventive / curative action plan for the following measurements :

- Performance of deliveries to WABCO (preferably as calculated by WABCO). Measurement Indicator existing at the supplier: Yes  No

If yes : Specify measurement method / formulary :

If not : Date of installation and measurement method used :

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- Follow-up of exceptional transports to WABCO. Follow-up process exists at the supplier : Yes   
No

If yes : Specify type of follow-up :

If not : Date of installation and mode of measurement used :

- Follow-up of incidents of deliveries to WABCO. Follow-up process exists at the supplier : Yes   
No

If yes : Specify type of follow-up :

If not : Date of installation and mode of measurement used :

### ***A.I.3. Define, validate and follow the protocol set up between a Supplier and WABCO***

#### *A.I.3.1. Define the protocol*

This protocol is created or modified by WABCO in the presence of the Supplier and agreed upon and signed by both Parties.

#### *A.I.3.2. Validate the protocol*

The validation is carried out jointly by the Supplier and WABCO and signed by both Parties.

#### *A.I.3.3. Follow the protocol*

Annual tacit renewal of the contract by the Supplier and WABCO, except in the case of major evolution of the demands ( $\pm 30\%$ ) **or** non respect of the protocol **or** end of lifetime of a product.

Below, follow-up phases of the protocol made between the supplier and WABCO :

Date	Supplier representative	WABCO representative

### **A.II. Protocol Limits**

- It covers only logistic aspects
- It is applicable for new products and all existing or current products, after negotiation and update of the data

## **B. SPECIFICITIES**

### **B.I. Communication Suppliers / WABCO**

#### ***B.I.1. Contact list Supplier***

WABCO requires from the Supplier a daily contact available, reliable and flexible in logistics, quality and commercial functions within the agreed frames. The designated contact persons from Suppliers must communicate in English. Each daily contact must have a substitute (For absences, holidays, unavailability,...). Finally, the hierarchical superior responsible for these daily contact partners must be identified in order to manage quickly all critical situations. Contact list of the Supplier is attached as [APPENDIX 1](#).

#### ***B.I.2. Contact list WABCO***

Contact list WABCO available [WWW.WABCO-AUTO.COM](http://WWW.WABCO-AUTO.COM) (-> Select I am : Supplier -> Click on the link : Contact list WABCO and select the researched WABCO site).

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## **B.II. Parts concerned and associated logistic parameters / Packaging and labelling definition**

### ***B.II.1. Parts concerned and associated logistic parameters***

Memorandum : All communication between WABCO and the Supplier must be done referring to WABCO references.

Parts and associated logistic parameters (Minimum lot size, rounding value, planning time fence, delivery frequency, mode of ordering, safety stock @ supplier, kanban replenishment lead time,...) are detailed in **APPENDIX 2**.

A synopsis of the product flow and information flow (WABCO order management site, Production site, Shipment site,...) must be completed **APPENDIX 3**.

### ***B.II.2. Packaging and labelling definition***

For each product, a packaging is defined by WABCO. In any case the Supplier has to follow WABCO requirements which are specified in the internet site [WWW.WABCO-AUTO.COM](http://WWW.WABCO-AUTO.COM) (-> Select I am : Supplier -> Click on the link : Packaging and Labelling requirements Manual for all WABCO Suppliers). In most cases a packing instruction is established and validated by WABCO and the Supplier. 3 types of packing are used for WABCO :

- 1 – Disposable packaging for serial parts
- 2 – Returnable packaging for serial parts
- 3 – Substitution Packaging (if disruption in supply for standard packaging)

For the 2nd type, Specifications are listed in **APPENDIX 4** (Address of the storage platform for packaging, address of the washing platform for packaging, address of the forwarder making the disposal packaging available to the supplier,...).

For the 3rd type, it is defined in the serial packing instruction (Disposable or returnable). The possible inherent costs generated by the use of a substitution packaging will be borne by the supplier, if the responsibility is determined to be his alone. In all cases, packaging, whatever it is, will not exceed 12 kg when it must be handled manually (Information specified in the packing instruction).

## **B.III. Expression of the needs**

### ***B.III.1. Communication means used***

- The mean of communication used between the Supplier and WABCO is:  Fax or  EDI or  Others :
- Frequency of order sending :
  - Within the framework of the fax :
  - Specify the fax number receiving WABCO needs :
  - Specify the date of installation of EDI at the supplier, if not give the reason not to install EDI :
- with EDI :
  - Specify the co-ordinates of the person in charge of this activity at the Supplier and at WABCO :

	Name	Surname	Phone	E-mail	Language
<b>WABCO</b>	MOLL	Karsten	00495119221716	<a href="mailto:Karsten.moll@wabco-auto.com">Karsten.moll@wabco-auto.com</a>	German - English
<b>Supplier</b>					

- Describe the type of messages transmitted by WABCO :  Delins  Delfor  Deljit  Others => Which ? :
- Describe the type of messages required by WABCO :  Aviexp  Desadv  Others => Which ? :

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### ***B.III.2. Dates of deliveries***

Our orders are expressed in delivery date on site to WABCO. Unless otherwise specified. Orders are in :  Call-off mechanism  Kanban mechanism.

### ***B.III.3. Forecast***

WABCO will provide Supplier with a long term forecast (12 months) by EDI or other accepted means of integrated business communication. Supplier must check his capacity against our forecast and inform WABCO in case of any difficulties.

Supplier is responsible to share the latest updated information to all subcontractors concerned within an appropriate and reasonable short time period.

### ***B.III.4. Frozen period***

Frozen period can be agreed on part number level (Details [APPENDIX 2](#)) with the Supplier. Any change within that period will be done after mutual agreement.

### ***B.III.5. Agreement of flexibility and capacity***

To meet WABCO's flexibility aim, the Supplier commits to respect changing delivery dates and quantities in case of program or customer order changes. Any risk of non-conformity shall be communicated without delay. The Supplier should ensure capacities to absorb an extra quantity that WABCO can request as follows : Within two weeks : +10% / Within four weeks : +15% / Within eight weeks : +20% / After eight weeks : +25%.

Supplier and WABCO agree to implement and maintain a program that shall result in increasing flexibility eventually leading towards documentless ordering. Failure to implement such a plan will constitute grounds for re-negotiation or termination by WABCO of the purchase agreement.

WABCO reserves the right to claim compensation for the costs that are incurred due to late deliveries when ordered according to flexibility agreement.

### ***B.III.6. Management of holiday closures***

The Supplier is expected to follow the scheduled delivery dates at any time. During closure periods at the Supplier, The Supplier is expected to organize deliveries at any time and to be reachable for any change of delivery schedules.

To provide WABCO at least 6 months in advance before Supplier closure periods (For example : Summer, end of the year, and so on), refer to the calendar [APPENDIX 5](#) of your shipment site and production site.

## **B.IV. Transport**

### ***B.IV.1. normal Transport***

- 1 - Incoterm :  EXW (Ex works)  CPT (Carried paid to)  Others Precise :  
 2 - Transport is chartered by :  The supplier  WABCO  
 3 - Contact list of forwarder:

Contact type	Name	Address	Representative	Phone	E-mail	Language
Daily						
Substitute Contact						

4 - Time Supplier transport / WABCO :            hours /            days

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## ***B.IV.2. Responsibilities Supplier/ WABCO on normal transport***

### ***B.V.2.1. Logistic aspect***

Whatever the Incoterms, the Supplier remains responsible from the request for pick-up the goods until the delivery on our site, and will have to also carry out the follow-up of delivery.

If the choice of forwarder is SCHENKER (Partner WABCO), WABCO will follow at each end of month the performances of its forwarder and it will intervene in the event of non respect of the contract to establish the corrective actions and improvements. The Supplier has to book shipments with SCHENKER via WEBCOS one day before collection up to 3 pm – [WWW.WABCO-AUTO.COM](http://WWW.WABCO-AUTO.COM) (-> Select I am : Supplier -> Click on the link : Webcos – Booking on line).

The Supplier has to send to WABCO at each shipment a shipping notification containing parts loaded. The sending of this document has to be done by fax : or by e-mail preferably : @wabco-auto.com / @wabco-auto.com. For suppliers equipped with EDI shipping notification must be sent using this mean. Information collected will be used to detect missing components.

### ***B.V.2.2. Quality aspect***

The supplier can be requested to compensate a part of the price of his goods and cannot decline his responsibility in the event of destruction or for damages on the goods in transit if his own negligence can be demonstrated – this penalty is however limited.

The forwarder is responsible according to conditions defined by convention CMR (letter of international transport). the responsibility is limited to 10 Euro per kg (8,33 special Euro of right on international rates of exchange) and according to the regulation in force on national routing (conveying receipt).

However, the responsibility of the conveyor is committed when precise and detailed reserves are made again on the original of the transport document presented at the time of the delivery (Freight bill or delivery order).

These reserves must be confirmed to the conveyor by registered mail :

- For international transport, within 8 consecutive working days after the delivery
- For national transport, within 48 Hours (working days) consecutive to the delivery.

### ***B.V.2.3. Cost aspect :***

Within the framework of a transport "carriage-paid", the Supplier must manage the payment of the complete service of its forwarder including in terms of the time of routing so that the material is delivered in time at WABCO.

Within the framework of a transport "ex-works", WABCO must manage the payment of the complete service of the forwarder including in terms of the time of routing.

## ***B.IV.3. Express Transport***

1 - If transport is chartered by WABCO :

Contact type	Name	Address	Contact Person	Tél.	E-mail	Language
Daily						
Substitute contact						

Response time : / Lead time is : hours / Price for information is: EUR for kms.

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2 - If transport is chartered by the Suppliers :

Contact type	Name	Address	Contact Person	Phone	E-mail	Language
Daily						
Substitute Contact						

Response time : / Lead time is : hours / Price for information is: EUR for kms.

Within the framework of a special/exceptional request from WABCO for supplementary supplies in order to prevent a line stoppage, WABCO will define with the Supplier the adequate operating mode to prevent line stoppage (depending on the urgency). WABCO will take responsibility for all the exceptional expenses engaged for this purpose.

In the case of a failure of the Supplier to deliver normally requested goods, with a risk of line stoppages for WABCO, the supplier will define with WABCO the adequate operating mode to prevent the line stoppage. The supplier will take full responsibility in this case for all the exceptional expenses engaged for this purpose.

#### ***B.IV.4. Documents to be sent with material/goods***

- Delivery note  Quantity :
- Invoice  Quantity :
- Customs Documents  Precise :
- Others  Precise :

#### **B.V. Securing reliability**

WABCO requires suppliers to have contingency plan in order to secure deliveries of parts to WABCO.

#### **B.VI. Management of incidents**

##### ***B.VI.1. Exchange of information***

WABCO and the supplier agree to use all the means of communication (Telephone confirmed by fax, telephone confirmed by mail...) in the event of failure of the envisaged mode. Whoever detects a dysfunction or threat of such, will warn the other party immediately, by all the suitable means.

An indication must be given about the duration of the problem.

##### ***B.VI.2. Uncertainty or impossibility to respect the commitment***

- If the Supplier is not able to fulfil the demand from WABCO, the Supplier is obliged to inform WABCO without delay to discuss solutions and avoiding the risk of disruptions in the Supply Chain. The discussion has to be confirmed in writing.
- The supplier deals with the extra costs in the event of non-observance of the delivery schedule from WABCO

##### ***B.VI.3. Partial deliveries***

The supplier will be permitted to make partial deliveries only after having informed in writing and to have received the agreement of WABCO.

##### ***B.VI.4. Deliveries in advance***

WABCO is allowed to send back to the Suppliers any material delivered in advance, the cost of this will be borne by the Supplier (ex works WABCO).

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### ***B.VI.5. Non respect of packaging and /or the identification***

The supplier must warn WABCO of any use of a substitution packing or a modification of labelling, before forwarding.

### ***B.VI.6. Incident in transport***

- The Supplier is responsible for the follow-up of transport, he must inform WABCO in the event of any incident within the hour of having discovered the incident.
- The provisional shipping documents used in the case of a temporary interruption of the normal information system of the supplier, will be replaced by final documents as soon as the system is up and running again. The final documents will have to carry the same reference as the provisional documents.

### ***B.VI.7. Incident in reception***

- It is the responsibility of the receiver to point out within 48 hours any anomaly noted on the delivery condition or missing parts, and to make reserves written on the documents of transport towards the person receiving benefits of transport. He will inform the shipper also immediately.
- WABCO will retain the right not to unload the truck in the event of deteriorated parcels.

### ***B.VI.8. Surpluses or products not in conformance***

- In the event of delivery of surpluses (excess) or of non conforming products, the recipient will inform the Supplier within 48 hours, contact a representative within quality or logistics, depending on the nature of the incident.
- The cost of the return of non conforming goods (quality and/or logistics) is the responsibility of the supplier.

## **B.VII. Modification and end of life of the components**

- WABCO commit to transmit to the supplier with a maximum of anticipation, a notice of modification or extinction of the components thus enabling a healthy management of the modification or the end of lifetime of the said part.
- The means to assure this will be then negotiated between WABCO and the supplier (Stock spare part, duration of the replacement...) and will be the subject of a new protocol.