

Warranty Reimbursement Agreement

This Warranty Reimbursement Agreement (“WRA”) is entered into on [...insert date....] by WABCO India, company number: 1000, with its registered office at Illrd Main Road, Ambattur Industrial Estate, Chennai-600 058 (“WABCO”) and [...insert details of supplier.....] (“Supplier”).

1. Scope of Agreement

WABCO aims to constantly improve customer satisfaction both in terms of the quality of Products and warranty conditions granted. Supplier shares this aim and is committed to doing its best to substantially reduce warranty costs. This WRA more specifically outlines certain obligations for Supplier which may also be set out in more general terms in the Master Purchase Agreement between WABCO and Supplier.

2. Suitability for expected use

Without limiting its obligations pursuant to the Master Supply Agreement, Supplier, in its capacity of expert in the development and/or manufacturing of the Products, as the case may be, shall ensure it has obtained all information on the intended use, application and environment according to the specification of the Products.

3. Reimbursement

Without prejudice to WABCO’s other rights and remedies, Supplier shall reimburse WABCO for certain categories of costs in accordance with the following:

Reimbursement Categories & Method of Evaluation

Activity Type on invoice	Description of Activities	Cost Driver	Calculation
SORT	Sorting action because of mixed or non conforming material (at WABCO locations, customer locations or at consignment locations).	People	Sorting time * no. of persons * activity rate
REWK	Rework action because of deviated material	People	Rework time * no. of persons * activity rate
EXPD	Special transport because of wrong delivery	Freight cost	Invoice value of forwarder charged to WABCO
MACH	Sorting action or production stop because of defects detected during internal processing (e.g. material with porosities, lack of adhesion of paint because of residues)	Lost machining capacity	Lost machining time / device * activity rate * number of reworked WABCO-Assemblies
ASSY	Sorting action or production stop because of defects detected during internal assembly processes (e.g. defective material was assembled and had to be disassembled again)	Lost assembly line capacity	Lost assembly time / device * activity rate * number of reworked WABCO-Assemblies
CUST	Customer complaint caused by supplier	WABCO Warranty Cost	Invoice value of customer recharged to WABCO
MTR1	Returned or scrapped Material, which cannot be used	Material purchase price	Number or returned or scrapped materials * purchase price
MTR2	WABCO produced devices or subassemblies not saleable due to defect detected during processing of material (including materials which had to be scrapped due to "one-time-assembly only" requirement)	Material standard price	Number of destroyed WABCO materials * purchase price + overhead
OTHE	Other cost not clustered in the above (e.g. sorting performed by external agent, invoicing to WABCO or reassembly of devices at weekends, special testing, external analysis...)	Misc.	Full amounts basing on external or internal documents which are to be provided to supplier on demand.

Note:

Activity Type
Activity Rate

On the invoice or debit note presented the recorded costs will be clustered by the listed activity types
Activity rates are depending on the country and area the activity had to be done by WABCO

4. Recall Process

Without limiting the general obligations of Supplier under the Master Supply Agreement, Supplier agrees to participate at its own expenses in the process where WABCO decides to carry out a recall. Such process includes but is not limited to:

- Upon request, Supplier shall provide a technical solution for the Products, which have caused the recall or which are related to the cause thereof.
- The establishment by the parties of a process to correct or replace all the existing stock of Products concerned, for instance located at production plants (storage and assemblies in process), in the spare parts warehouses, distribution networks and on vehicles (including those awaiting delivery).
- The establishment by the parties of a rework process for correction and/or replacement of Products on vehicles delivered to customers.

5. Miscellaneous

Except as amended herein, this WRA shall incorporate by reference all supply terms and conditions mutually agreed to between the parties. All capitalized terms used herein and not otherwise defined shall have the meanings set forth in such supply terms and conditions. This WRA shall be governed by the laws of India. The application of the Vienna Convention on International sales of Goods (CISG) is specifically excluded by the parties. Any disputes arising between the parties shall be submitted to the exclusive jurisdiction of the Indian Arbitration and Conciliation Act,1996. WABCO has entered into this Agreement for itself and for its subsidiaries and affiliates.

IN WITNESS WHEREOF, the parties have caused this WRA to be executed by their duly authorized representatives with the intent to be legally bound as of the date specified above, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged.

WABCO India – Ambattur Plant

[Supplier Name]

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____