



PHINIA
PARTNERSHIP
PROGRAM



WHAT IS 3P ?

Two-way partnership between our Supplier and PHINIA

Improve our collaboration, transparency, and **trust**

Provides specific advantages and commitments from PHINIA, based on supplier **performance** and **collaboration**

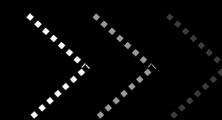


Supplier performance is based on tangible criteria—the Supplier Balanced Scorecard—but also based on **intimacy** with our plants and **strategic fit with our company**

The best-performing suppliers are eligible for the top level with increasing benefits

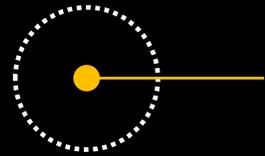
Program rollout in April 2024

TAKING OUR PARTNERSHIP TO THE NEXT LEVEL!

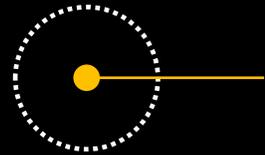




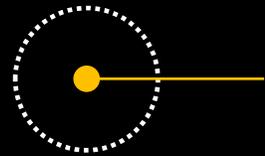
THIS IS WHAT WE ARE LOOKING FOR



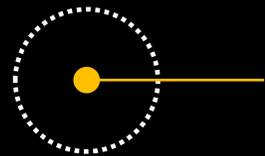
Creating an intrinsic motivation for suppliers to improve and be recognized as a **GOLD** supplier — Balanced Scorecard & Relationship score



Proactively propose value added initiatives for PHINIA in **VA/VE** and **Lean**



Capable and willing to **invest into ICE** technologies and footprint



Benefit from a **long-term sustainable** business relationship and positive attitude



LEVELS AND CRITERIA



Carbon

- ➔ **Approved Suppliers with PHINIA standard contracts including FWA & Consignment stock**
- ➔ **Supplier Scorecard (C grade or higher)**
- ➔ **Passed Assessment Audit according to PHINIA's Supplier Manual requirements**
- ➔ **Right staffing to support technology advancements**
- ➔ **Proactive risk mitigation behaviors**

Stainless Steel

- ➔ **Carbon level +**
- ➔ **Supplier Scorecard (B grade or higher)**
- ➔ **Culture of transparency, upfront discussions about all aspects of the business**
- ➔ **High collaboration with PHINIA for cost reduction with overall value proposition**
- ➔ **Business behaviors fully aligned to our strategies and values. Reliability as a fair business partner in Fuel, CV & AFM.**
- ➔ **Ready to invest into our global ICE business**

GOLD

- ➔ **Stainless Steel level +**
- ➔ **Supplier Scorecard (A grade)**
- ➔ **Strategic fit to our company and investing into our future in ICE and beyond**
- ➔ **ESG long term program commitments**
- ➔ **Adding value to our market offerings**
- ➔ **Vendor-aligned structures operate consistent with PHINIA's GOLD operating model**



BENEFITS PROVIDED



Carbon

- ➔ Long-term continuation of business with PHINIA
- ➔ Eligible to PHINIA RFQs

Stainless Steel

- ➔ Guarantee to PHINIA RFQs
- ➔ Access to GSM Sponsor - GSM Leadership Member -
- ➔ Target suppliers for collaboration with PHINIA Advanced R&D
- ➔ Business extension until end of program life and Aftermarket
- ➔ Eligible for ➔ **optimICE**
- ➔ Extended business share opportunities

Gold

- ➔ Access to Executive Sponsor - PHINIA Executive Leadership member - Investing into Business Alignment Events (BAEs)
- ➔ Access to PHINIA specialists to consult for future business needs, e.g. H2 capabilities, aero certifications etc.
- ➔ Last call benefit during Sourcing Events
- ➔ Unrestricted business share opportunities

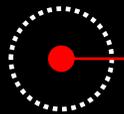


ELIGIBILITY AND RATING



All our Direct Material suppliers are welcome to enter into our 3P program as long as our companies are connected through a strong contractual relationship including FWA / ISC / Risk Mitigation Stock Agreements and sufficient supplier performance

⇒ The Level will be determined annually and granted for 2 years



Balanced Scorecard Level (BSC)

- ⇒ Quality, Cost, Delivery, Launch, Sustainability



GOLD Level

- ⇒ BSC level A + Top 1/3rd Relationship Rating



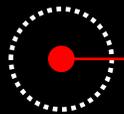
Stainless Steel

- ⇒ BSC level B + Mid 1/3rd Relationship Rating



Carbon

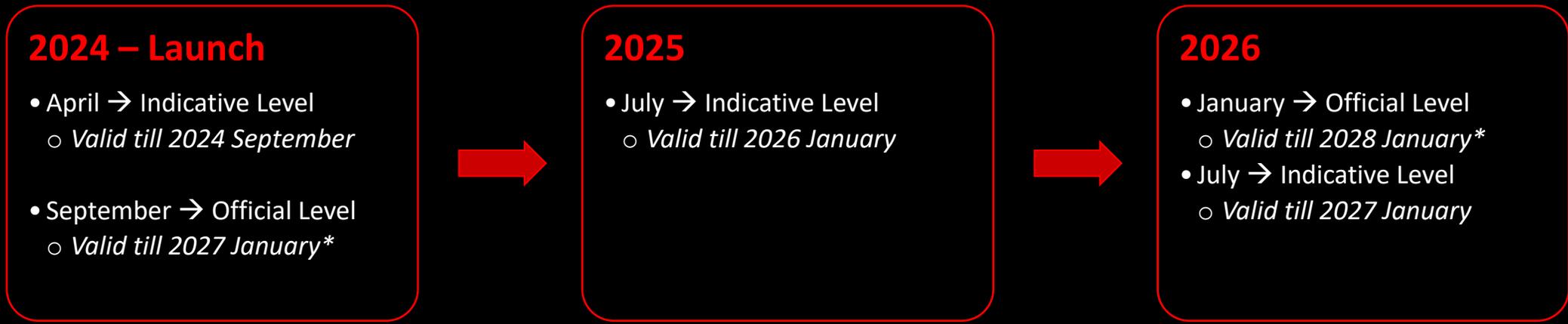
- ⇒ BSC level C + Bottom 1/3rd Relationship Rating



Relationship Criteria

- ⇒ Contractual relationship
- ⇒ Strategic fit to PHINIA
- ⇒ Supplier investment strategy & capabilities

EVALUATION PERIOD



**The official level will be granted for 2 years, with one exception. If the evaluation justifies an upgrade, the level of supplier rating will be upgraded.*

