

 **PHINIA**

3P

**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**



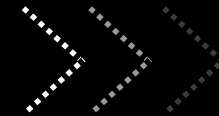
Supplier performance is based on tangible criteria—the Supplier Balanced Scorecard—but also based on **intimacy** with our plants and **strategic fit with our company**

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

Supplier Levels:

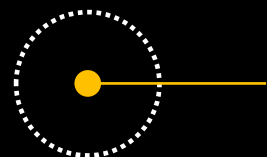
GOLD | Stainless Steel | Carbon

TAKING OUR PARTNERSHIP TO THE NEXT LEVEL!

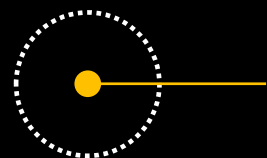




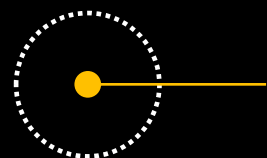
THIS IS WHAT WE ARE LOOKING FOR



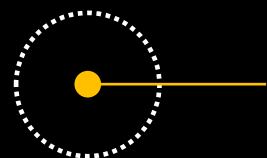
Creating an intrinsic motivation for suppliers to improve and be recognized as a **GOLD** supplier — Balanced Scorecard & Relationship score



Proactively propose value added initiatives for PHINIA in **VA/VE, Lean or Products**



Capable and willing to **invest into PHINIA** and PHINIA products



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



STRATEGIC JOURNEY



2023

2024

2025

2026



July
Official spin off of
company (PHINIA)



November
First **3P** Ceremony
(Michigan)



September
Extension to
Aftermarket Suppliers
via Virtual Supplier Day



September
3P Evolution Coming
@ PHINIA Partner Event



November
Launch of **3P** to Direct
Material Suppliers
@ PHINIA Supplier Day

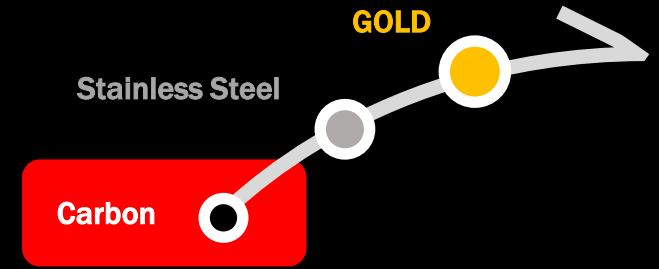


CRITERIA & BENEFITS





CARBON LEVEL CRITERIA & BENEFITS



Criteria

- **Approved Suppliers** with PHINIA standard contracts
 - **Direct Material** – Framework & Consignment Stock Agreements
 - **Aftermarket** – Master Supply & Consignment Stock Agreements
- Supplier Scorecard (C grade or higher)
- **Passed Assessment Audit** according to PHINIA's Supplier Manual requirements
- Right staffing to support PHINIA technology advancements
- Proactive risk mitigation behaviors

AFTERMARKET SUPPLIERS ONLY

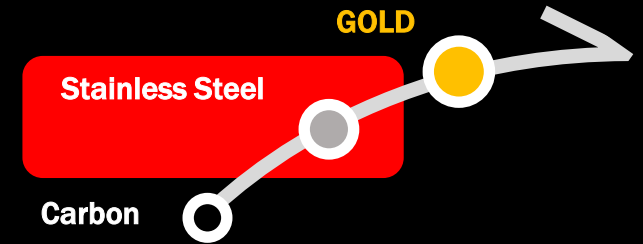
- New To Range (NTR) and first to market
- Access to all supplier SKUs

Benefits

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



STAINLESS STEEL LEVEL CRITERIA & BENEFITS



Criteria

- 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, Commercial Vehicle, and Aftermarket.
- Ready to **invest into** our global **ICE** business

AFTERMARKET SUPPLIERS ONLY

- Covering NPI and first to market products

Benefits

- **Guarantee to PHINIA RFQs**
- **Access to PHINIA Sponsor** – GSM Leadership Member
- **Business extension** until end of program life and Aftermarket
- Eligible for **optimICE**
- Extended business share opportunities

DIRECT MATERIAL SUPPLIERS ONLY

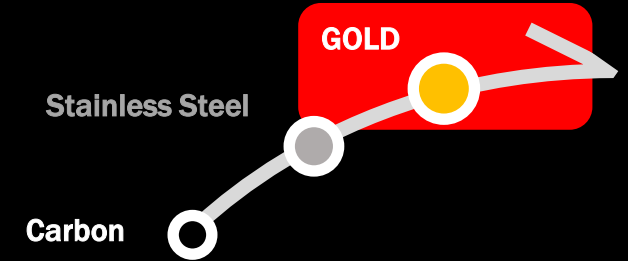
- Target for **collaboration** with PHINIA Advanced R&D

AFTERMARKET SUPPLIERS ONLY

- Accelerated product validation
- **PHINIA on site strategic business reviews**
- OE research access for relevant development
- Regulation watch updates (ESG & regulation updates)



GOLD LEVEL CRITERIA & BENEFITS



Criteria

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

AFTERMARKET SUPPLIERS ONLY

- High level of business integration
 - Aligned to PHINA footprint needs
 - Competitive vs private labeling
 - Contract Manufacturing or Joint Ventures
 - Supporting PHINA AFM strategy through exclusivity agreement
- Adding value to our market offerings

Benefits

- **Access to Executive Sponsor** – PHINIA Executive Leadership member - Investing into Business Alignment Events (BAEs)
- Access to **PHINIA specialists** to consult for future business needs, capabilities, development, etc.
- Last call benefit during Sourcing Events
- Unrestricted business share opportunities

AFTERMARKET SUPPLIERS ONLY

- **Premium access to NTR RFQs**
- Strategic Partnership Growth Plan
- Unlimited OE research data access
- Industry & market trends and development insights
- Granting Exclusivity per country depending on level of business integration

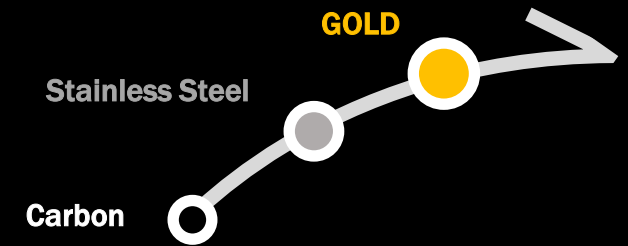


ELIGIBILITY & RATINGS



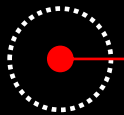


ALL SUPPLIERS



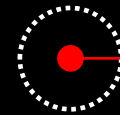
All Suppliers are welcome to enter into our 3P program provided our companies are connected through a strong contractual relationship (such as: Framework or Master Supply Agreement and Consignment Stock Agreement) and sufficient supplier performance

The Partnership Level will be determined annually and granted for **2 years**.



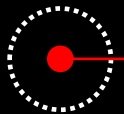
Balanced Scorecard Level (BSC)

- Quality, Commercial, Delivery, Launch, Sustainability



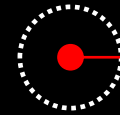
GOLD Level

- BSC Level A + Top 1/3rd Relationship Rating



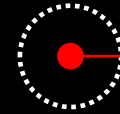
Relationship Criteria

- Contractual Relationship
- Strategic Fit To PHINIA
- Supplier Investment Strategy & Capabilities



Stainless Steel

- BSC Level B + Mid 1/3rd Relationship Rating



Carbon

- BSC Level C + Bottom 1/3rd Relationship Rating

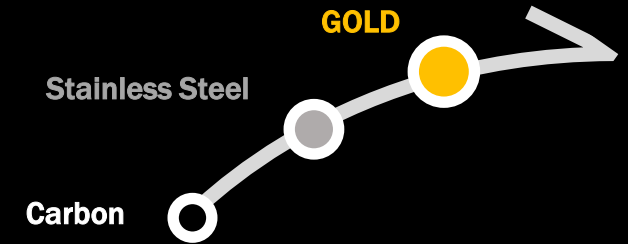


EVALUATION PERIOD





EVALUATION PERIOD



The official partnership level will be granted for **2 years**.

However, if during the next evaluation period the supplier meets the criteria for a partnership level upgrade, the supplier can move to the higher partnership level



Delphi

