

28<sup>th</sup> January, 2020

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Listing Department  
BSE Limited  
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The Manager  
Listing Department  
National Stock Exchange of India Ltd  
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Scrip code: WABCOINDIA  
Fax No.022 265982337 / 38  
[cmlist@nse.co.in](mailto:cmlist@nse.co.in)

Dear Sir,

**Sub: Related Party Agreements**

WABCO as part of the global reorganisation has formed the new global headquarters company in Bern, Switzerland. WABCO Global GmbH (WABCO Global) took over the global HQ functions from WABCO Europe BVBA, (WABCO Europe) which will now house the headquarters of the recently formed EMEA region. Additionally, WABCO Global is becoming the Principal Manufacturer of new Autonomous, Connected and Electric products (ACE Products) and will act as a master distributor for cross-regional sales of existing WABCO products.

The reorganization enables WABCO to accelerate the global technology strategy and provide greater clarity in business results reporting as it improves the ability to distinguish between the global versus regional costs and revenues, therefore enhancing accountability and performance across WABCO.

The reorganisation means that WABCO Global

- a. becomes the sole master distributor of WABCO India (WIN) products sold cross-regionally within the WABCO Group (Related-party cross regional sales)
- b. licenses new ACE technology to WIN and to enable WIN develop and manufacture in future ACE Products for the Indian market.

WABCO Global has taken over the development and funding of the ACE Products, starting from 2019, whereas WABCO Europe remains the center of excellence and owner of Intellectual Property regarding WABCO's existing products (Classic Products).

In order to ensure that WABCO India (WIN) continues to possess full access to all Intellectual Property required to further manufacture Classic Products and ACE Products, and that WABCO Global becomes the sole master distributor of WIN products sold cross-regionally within the WABCO Group (Related-party cross regional sales) the following agreements were approved by the Audit committee of the Directors at the meeting held today.

- a. Contract manufacturing agreement with WABCO Global effective 1<sup>st</sup> July 2020 - Pursuant to this, all the existing agreements with other WABCO Entities (related parties) for Contract manufacturing would stand revoked with effect from 1<sup>st</sup> July 2020.
- b. Agreement concerning IP rights of ACE Products with WABCO Global sold by WIN to third parties effective 1<sup>st</sup> April 2020
- c. Restatement of agreement concerning IP rights of Classic Products with WABCO Europe sold by WABCO India to third parties effective 1<sup>st</sup> April 2020

The agreements are in the ordinary course of business and the terms are on arms-length basis.

There would be no additional outflow for WIN as

- a. The current Intercompany sales made to different entities would now be made to one entity i.e. WABCO Global GMBH
- b. The Royalty currently paid to WABCO Europe BVBA @ 4% on Net Sales (Total Sales (Less) Intercompany sales (Less) Intercompany purchases) would now be split into two parts
  - (i) Royalty @ of 4% for ACE Products would be paid to WABCO Global GMBH
  - (ii) Royalty @ of 4% for Classic Products would be paid to WABCO Europe BVBA

Kindly acknowledge receipt.

Thanking You,

For **WABCO India Limited**



**M C Gokul**

Company Secretary

Encl: a/a