Core Return Guidelines for Manufacturers North America









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1. DOCUMENT OVERVIEW

The purpose of this document is to:

- Define the WABCO process for core returns to ZF as part of the core deposit program.
- Clarify the process of returning used products for WABCO customers in the original equipment service program.
- Help customers clean their workshops of WABCO used products, cores and, through remanufacturing activities, contribute to environmental sustainability.
- Protect customers from potential safety issues resulting from non-authorized parties repairing or remanufacturing WABCO parts.



2. CORE RETURN POLICY

REMANUFACTURED PRODUCT AND CORE POLICIES

Core Invoicing, Core Eligibilities and Banks

- The core deposit is credited to individual bought OE, service exchange, and re-manufactured products.
- Only cores returned that meet the ZF Core Acceptance Criteria and ZF Core Return Guideline are acceptable for credit.
- All core transactions will be invoiced and reported in units by Core Groups. A Core Group may consist of one or more Part Numbers. Core units or values cannot be transferred between Core Groups.
- Cores must be returned within 12 months of purchase. The core deposit is valid for the period of 12 months
 counting from the date of purchase (date of invoicing). After this period, core deposit will not be paid back even if
 products are returned.
- If a customer returns more used products than bought, the core deposit will be not refunded for the additional returned cores (i.e. the delta). The delta will appear in the WABCO IT system and can be redeemed for core deposit refunds against new purchases of the same product for an additional 12 months counting from the date of receipt of the additional returned cores.
- Core returns will be applied to the oldest core eligibility within the core group. Returned cores will be valued based
 on original purchase order. Core prices are subject to change, any change will be subject to 30-day advance
 notification.
- All core returns will be processed within 4 weeks from the pickup request.
- By returning any used product to ZF under this program, the customer hereby gives up any ownership interest in the
 core and under no circumstances will ZF return any core/used product back to the customer, regardless of whether
 a returned core is ultimately eligible for a core deposit refund or not.
- Shipment of cores to our Core Return Center constitutes acceptance of the above terms.
- All returns notifications must be done in RLMS online tool (signon.corereturn.center)
- In order to create new account in RLMS please contact with WABCO Core Manager: Email address: corereturn.cvcsna@zf.com
- For returns meeting the minimum weight requirements of 500lbs, cores are picked up by ZF transport. All neccessary documents automatically created when the core return is scheduled in RLMS should be attached to the delivery.
- For returns that are less than the minimum weight of 500lbs, cores will be picked up by WABCO for transport once per quarter. More frequent returns should be delivered to ZF Core Return Center using the freight carrier of your choice. RLMS will provide document with unique return number which should be attached to the delivery.

Returning Cores and Shipping

Ship cores to the following address:

SRC Logistics Inc.

2607 N. Mulrov

Strafford, MO 65757

Dock Doors: 30-32

Contact to WABCO Core Manager:

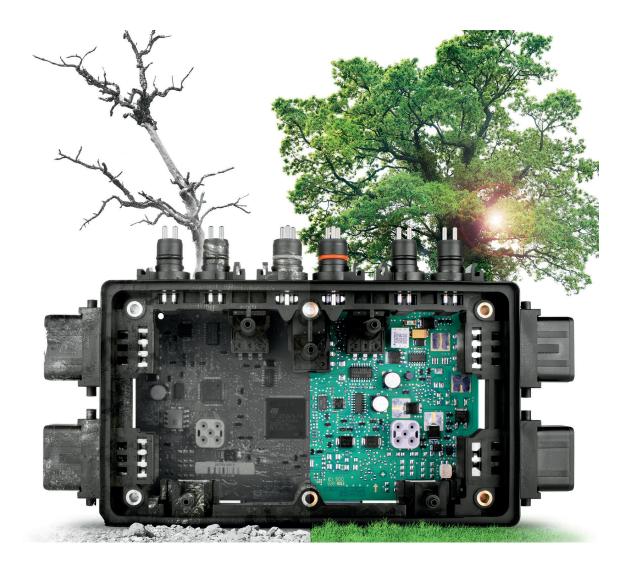
e-mail address: corereturn.cvcsna@zf.com

3. INSTRUCTIONS

3.1. USED PRODUCTS (CORES) QUALITY EXPECTATIONS

Used product release requires only a visual inspection, and is based on four simple criteria:

- Used products returned should have the Original Equipment (OE) part number. In case the original tag is missing the part will be booked according to its family type. Competitor and outdated products are accepted.
- Used products must be complete, fully assembled. Burned products or any used products broken, damaged or destroyed by incorrect use when dismantling, handling or transportation will not be accepted.
 For example: Covers cannot be dented or cracked (they must be airtight), ports and threads cannot be destroyed, pins cannot be bent or broken.
- Used products must be drained from oil, cooling liquid, etc.
- There has been no prior attempt at rebuilding the component.
- Rust that occurs on exterior surface of components is acceptable. Interior surfaces and components can only have light flash rust. Heavy rust due to improper storage is not acceptable. The transportation and receiving company are not responsible for shipping damages due to improper packaging.



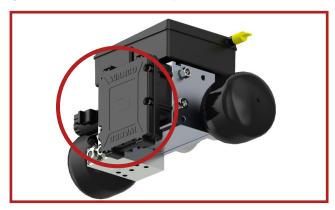
3.2. USED PRODUCTS NOT ACCEPTED

■ Air compressor with vented crankcases

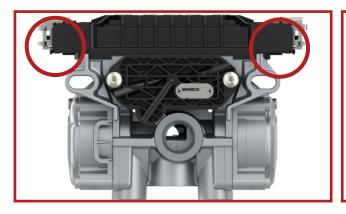


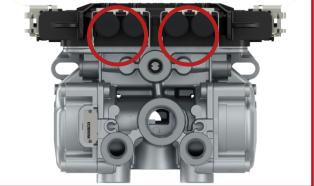


■ Hydraulic Power Brake (HPB) without ECU



■ ECU with scratched or damaged connecting ports





3.3. PACKAGING GUIDELINE

- Original WABCO boxes should be used whenever possible.
- Customers are to choose the applicable packaging system individually.
- It is the customer's responsibility to ensure WABCO used products are packaged in such a way so as to avoid damage in transit and to comply with transportation and environmental regulations. To that end, we advise as follows:
- It is critical that the shipment not pose any risk of contamination to the environment.
- Products should be free of all liquids and suitable plastic bags (min 200 μm) should be used where necessary to avoid residual leakage or other contamination.
- Used products and cores should be neatly arranged, such that similar products are grouped together, facing the same way, and arranged so as to avoid shifting during transport.
- Layers should be separated by cardboard to avoid any mechanical damage. It is especially important when using
 own packaging that the container be filled completely or packed in such a way so as to avoid any free space.
 Such free space may pose a hazard during handling.
- The correct packaging method should secure the product during transportation.
- Additional layer should also be used as a lid to close the box. Contents should not rise above the top edge because the box must be stackable (1+1) for transportation reasons.
- Each packaging unit should be secured with a minimum of four straps.
- Examples of best practices







Shipping used products in a chaotic way as illustrated increases the risk of both mechanical damage as well as classification of the shipment as waste



WABCO REMAN SOLUTIONS, THE ECONOMICAL AND ECOLOGICAL CHOICE



- Giving quality parts a new life
- Remanufacturing parts to their original performance
- Offering the same warranty as new products
- Reducing raw material and energy consumption
- Remanufacturing assures to competitive prices
- Assuring ZF standards all WABCO Reman Solutions products are only released to the market after having passed our stringent quality control tests

About ZF Friedrichshafen AG

ZF is a global technology company and supplies systems for passenger cars, commercial vehicles and industrial technology, enabling the next generation of mobility. ZF allows vehicles to see, think and act. In the four technology domains Vehicle Motion Control, Integrated Safety, Automated Driving, and Electric Mobility, ZF offers comprehensive solutions for established vehicle manufacturers and newly emerging transport and mobility service providers. ZF electrifies different kinds of vehicles. With its products, the company contributes to reducing emissions and protecting the climate.

ZF, which acquired WABCO Holdings Inc. on May 29, 2020, now has 162,000 employees worldwide with approximately 260 locations in 41 countries. In 2019, the two then-independent companies achieved sales of €36.5 billion (ZF) and \$3.4 billion (WABCO).

For more information, visit: www.zf.com/cv

