

WABCO Holdings Inc.  
Form DEF 14A  
April 15, 2016  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

**Proxy Statement Pursuant to Section 14(a) of the**

**Securities Exchange Act of 1934**

Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

Check the appropriate box:

☐ Preliminary Proxy Statement

☐ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

☒ Definitive Proxy Statement

☐ Definitive Additional Materials

☐ Soliciting Material under §240.14a-12

**WABCO Holdings Inc.**

(Name of registrant as specified in its charter)

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☒ No fee required.

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(1) Title of each class of securities to which the transaction applies:

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**WABCO Holdings Inc.**

Notice of Annual Meeting  
of Shareholders and  
Proxy Statement

May 26, 2016

McDermott Will & Emery  
340 Madison Avenue,

New York,

NY 10173-1922

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**Global Headquarters**

*Chaussée de la Hulpe 166*

*1170 Brussels*

*Belgium*

*Phone +32.2.663.98.00*

**Jacques Esculier**

Chairman and Chief Executive Officer

April 15, 2016

Dear Shareholder:

I invite you to the Annual Meeting of Shareholders of WABCO Holdings Inc. This year's meeting will be held on Thursday, May 26, 2016, at 10:00 a.m. at the New York offices of McDermott Will & Emery, 340 Madison Avenue, New York, NY 10173-1922.

Our directors and representatives of our senior management will attend the meeting. We will consider the items of business listed in the attached formal notice of meeting and proxy statement. Our 2015 Annual Report accompanies this proxy statement.

Your vote is very important, regardless of the number of shares you hold. Whether or not you plan to attend the meeting in person, please cast your vote, as instructed in the Notice Regarding Internet Availability of Proxy Materials or proxy card, over the Internet or by telephone, as promptly as possible. If you received only a Notice Regarding Internet Availability of Proxy Materials in the mail or by electronic mail, you may also request a paper proxy card to submit your vote by mail, if you prefer. However, we encourage you to vote over the Internet because it is convenient and will save printing costs and postage fees, as well as natural resources.

On behalf of the management team and your Board of Directors, thank you for your continued support and interest in WABCO Holdings Inc.

Sincerely,

Jacques Esculier

*Chairman and Chief Executive Officer*

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# **WABCO Holdings Inc.**

## **Notice of 2016 Annual Meeting of Shareholders**

### **and Proxy Statement**

To the Shareholders of

WABCO Holdings Inc.:

The Annual Meeting of Shareholders of WABCO Holdings Inc. will be held at the New York offices of McDermott Will & Emery, 340 Madison Avenue, New York, NY 10173-1922, on Thursday, May 26, 2016, at 10:00 a.m. to consider and vote upon the following proposals:

1. Election of three directors to Class III with terms expiring at the 2019 Annual Meeting of Shareholders.
2. Ratification of the appointment of Ernst & Young Bedrijfsrevisoren BCVBA/Reviseurs d'Entreprises SCCRL ( Ernst & Young Belgium ) as the company's independent registered public accounting firm for the year ending December 31, 2016.
3. Advisory approval of the company's executive compensation ( Say-on-Pay ).

We may also transact any other business as may properly come before the meeting and any adjournments or postponements thereof.

Shareholders of record of the company's common stock as of the close of business on March 31, 2016 are entitled to receive notice of the Annual Meeting of Shareholders and to vote. Shareholders who hold shares in street name may vote through their brokers, banks or other nominees.

Regardless of the number of shares you own, please vote. All shareholders of record can vote (i) over the Internet, (ii) by toll-free telephone (please see the proxy card for instructions), (iii) by written proxy by signing and dating the proxy card and returning it, or (iv) by attending the Annual Meeting of Shareholders in person. These various options for voting are described in the Notice Regarding Internet Availability of Proxy Materials and on the proxy card.

We encourage you to receive all proxy materials in the future electronically to help us save printing costs and postage fees, as well as natural resources in producing and distributing these materials. If you wish to receive these materials electronically next year, please follow the instructions on the proxy card.

By order of the Board of Directors,

Lisa J. Brown

*V.P. Legal and Company Secretary*

Brussels, Belgium

April 15, 2016

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**ABOUT THE ANNUAL MEETING OF SHAREHOLDERS**

*Why have I received these materials?* The Board of Directors is soliciting proxies for use at the Annual Meeting of Shareholders of the company to be held on May 26, 2016.

*Who may vote?* You are entitled to vote if our records show you held one or more shares of the company's common stock at the close of business on March 31, 2016, which we refer to as the record date. At that time, there were 56,249,224 shares of common stock outstanding and entitled to vote. Each share will entitle you to one vote at the Annual Meeting of Shareholders. For ten days prior to the Annual Meeting of Shareholders, during normal business hours, a complete list of all shareholders on the record date will be available for examination by any shareholder at the company's offices at 2770 Research Drive, Rochester Hills, Michigan 48309-3511. The list of shareholders will also be available at the Annual Meeting of Shareholders.

*How do I vote shares registered in my name?* Under rules adopted by the U.S. Securities and Exchange Commission, we are primarily furnishing proxy materials to our shareholders on the Internet, rather than mailing paper copies of the materials (including our 2015 Annual Report to Shareholders (annual report)) to each shareholder. If you received only a Notice Regarding Internet Availability of Proxy Materials (the Notice) by mail or electronic mail, you will not receive a paper copy of these proxy materials unless you request one. Instead, the Notice will instruct you as to how you may access and review the proxy materials on the Internet. The Notice will also instruct you as to how you may access your proxy card to vote over the Internet. If you received a Notice by mail or electronic mail and would like to receive a paper copy of our proxy materials, free of charge, please follow the instructions included in the Notice.

We anticipate that the Notice will be mailed to our shareholders on or about April 15, 2016, and will be sent by electronic mail to our shareholders who have opted for such means of delivery on or about April 15, 2016. The Internet and telephone voting facilities for shareholders of record will close at 11:59 p.m., Eastern Daylight Time, on May 25, 2016.

*About the proxy statement.* The words company, WABCO, we, us and our refer to WABCO Holdings Inc., a Delaware corporation. We refer to the U.S. Securities and Exchange Commission as the SEC and the New York Stock Exchange as the NYSE. We were spun off from American Standard on July 31, 2007. We refer to this event as the Spin-off. Lastly, the words common stock, stock and shares refer to the company's common stock, par value \$.01 per share, which trades on the NYSE under the symbol WBC.

*How will the company representatives vote for me?* The company representatives, Jacques Esculier, Prashanth Mahendra-Rajah and Lisa J. Brown or anyone else they choose as their substitutes, have been chosen to vote in your place as your proxies at the Annual Meeting of Shareholders. Whether you vote by proxy card, Internet or telephone, the company representatives will vote your shares as you instruct them. If you do not indicate how you want your shares voted, the company representatives will vote as the Board recommends. If there is an interruption or adjournment of the Annual Meeting of Shareholders before the agenda is completed, the company representatives may still vote your shares when the meeting resumes. If a broker, bank or other nominee holds your common stock, they will ask you for instructions and instruct the company representatives to vote the shares held by them in accordance with your instructions.

*Can I change my vote after I have returned my proxy card or given instructions over the Internet or telephone?* Yes. After you have submitted a proxy, you may change your vote at any time before the proxy is exercised by submitting a notice of revocation or a proxy bearing a later date. Whether or not you vote using a traditional proxy card, through the Internet or by telephone, you may use any of those three methods to change your vote. Accordingly, you may change your vote either by submitting a proxy card prior to or at the Annual Meeting of Shareholders or by voting again before 11:59 p.m., Eastern Daylight Time, on May 25, 2016, the time at which the Internet and telephone voting facilities close. The later submitted vote will be recorded and the earlier vote revoked.

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*How do I vote shares held by a broker?* If a broker, bank or other nominee holds shares of common stock for your benefit, and the shares are not in your name on the company's stock transfer records, then you are considered a beneficial owner of those shares. Shares held this way are sometimes referred to as being held in street name. In that case, if you have previously elected to receive a paper copy of your proxy materials, this proxy statement and a proxy card have been sent to the broker. You may have received this proxy statement directly from your broker, together with instructions as to how to direct the broker to vote your shares. If you desire to have your vote counted, it is important that you return your voting instructions to your broker.

Rules of the NYSE determine whether proposals presented at shareholder meetings are routine or non-routine. If a proposal is routine, a broker or other entity holding shares for an owner in street or beneficial name may vote on the proposal without voting instructions from the owner. If a proposal is non-routine, the broker or other entity may vote on the proposal only if the owner has provided voting instructions. A broker non-vote occurs when the broker or other entity is unable to vote on a proposal because the proposal is non-routine and the owner does not provide instructions. Proposal 1, the proposal to elect directors, and Proposal 3, the Say-on-Pay advisory vote, are considered non-routine proposals under the rules of the NYSE. As a result, brokers or other entities holding shares for an owner in street name will not be able to vote on Proposals 1 or 3 unless such broker or entity receives voting instructions from the beneficial owner of the shares. We believe that Proposal 2, the proposal to ratify the appointment of Ernst & Young Belgium as the independent registered public accounting firm for the company for fiscal 2016, is considered a routine proposal under the rules of the NYSE. As a result, brokers or other entities holding shares for an owner in street name should be able to vote on Proposal 2, even if no voting instructions are provided by the beneficial owner of the shares. See The effect of abstentions and broker non-votes below.

*Votes required for approval.* Provided that a quorum is present, the nominees for director receiving a plurality of the votes cast at the meeting in person or by proxy will be elected. However, as discussed further in Proposal 1, we have implemented a majority voting standard in uncontested director elections which requires that incumbent directors submit an irrevocable resignation contingent upon (i) the receipt of more withheld than for votes, and (ii) the acceptance of such resignation by the Board. Approval of Proposals 2 and 3 require the affirmative vote of a majority of shares present or represented by proxy and entitled to vote at the Annual Meeting of Shareholders.

*The effect of abstentions and broker non-votes.* Abstentions are not counted as votes for or against a proposal, but are counted in determining the number of shares present or represented on a proposal for purposes of establishing a quorum. However, since approval of Proposals 2 and 3 require the affirmative vote of a majority of the shares of common stock present or represented at the Annual Meeting of Shareholders and entitled to vote, abstentions will have the same effect as a vote against those Proposals.

As discussed above under *How do I vote shares held by a broker?*, a broker non-vote occurs if you fail to vote shares held by a broker in respect of a proposal that is considered non-routine, and thus the broker cannot use its own discretion in casting the vote. If you hold your shares in street name, it is critical that you submit your proxy if you want your vote to count in the election of directors (Proposal 1) and in the Say-on-Pay advisory vote (Proposal 3). In the past, if you held your shares in street name and you did not indicate how you wanted your shares voted in the election of directors, your bank or broker was allowed to vote those shares on your behalf in the election of directors as they felt appropriate. Changes in the rules have taken away the ability of your bank or broker to vote your uninstructed shares in the election of directors on a discretionary basis. Thus, if you hold your shares in street name and you do not instruct your bank or broker how to vote in the election of directors (Proposal 1) or in the Say-on-Pay advisory vote (Proposal 3), your shares will be deemed broker non-votes and no votes will be cast on your behalf on those Proposals. In tabulating the voting results for Proposals 1 and 3, shares that constitute broker non-votes are not considered entitled to vote on those Proposals. Thus, broker non-votes will not affect the outcomes of Proposals 1 and 3. Similarly, with respect to the company's majority voting standard for Proposal 1, broker non-votes are not considered as votes for or withheld in the election of directors. Thus, broker non-votes will also not affect the outcome of Proposal 1 under the company's majority voting standard.

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*What constitutes a quorum for purposes of the Annual Meeting of Shareholders?* There is a quorum when the holders of a majority of the company's outstanding common stock are present in person or represented by proxy. Withheld votes for the election of directors, proxies marked as abstentions and broker non-votes are treated as present in determining a quorum. *Who pays for this solicitation?* The expense of preparing, printing and mailing this proxy statement and the accompanying material will be borne by WABCO Holdings Inc. Solicitation of individual shareholders may be made by mail, personal interviews, telephone, facsimile, electronic delivery or other telecommunications by officers and regular employees of the company who will receive no additional compensation for those activities. We will reimburse brokers and other nominees for their expenses in forwarding solicitation material to beneficial owners.

*What happens if other business not discussed in this proxy statement comes before the meeting?* The company does not know of any business to be presented at the Annual Meeting of Shareholders other than the three proposals in this proxy statement. If other business comes before the meeting and is proper under Delaware law, the company representatives will use their discretion in casting all of the votes they are entitled to cast.

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**BOARD RECOMMENDATIONS ON VOTING FOR PROPOSALS**

The Board's recommendation for each proposal is set forth in this proxy statement together with the description of each proposal. In summary, the Board recommends a vote:

FOR Proposal 1 to elect three Class III directors.

FOR Proposal 2 to ratify the appointment of Ernst & Young Belgium as the company's independent registered public accounting firm for the year ending December 31, 2016.

FOR Proposal 3 to approve, on an advisory basis, the compensation paid to the company's named executive officers ( " Say-on-Pay " ).

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**PROPOSAL 1 ELECTION OF DIRECTORS**

The company has three classes of directors. The number of directors is split among the three classes as equally as possible. The term of each directorship is three years so that one class of directors is elected each year. All directors are elected for three-year terms and until their successors are duly elected and qualified. The total number of directors established by resolution of the Board of Directors is nine.

At this Annual Meeting of Shareholders, the shareholders will vote to re-elect three current Class III directors: Jacques Esculier, Henry R. Keizer, and Thomas S. Gross. Mr. Keizer was appointed to the Board of Directors on July 20, 2015, and Mr. Gross was appointed to the Board of Directors on March 22, 2016. Both Mr. Keizer and Mr. Gross were identified as candidates for our board through a third party search firm. The Class III directors will have a term expiring at the 2019 Annual Meeting of Shareholders.

Our amended and restated by-laws ( "by-laws" ) provide for a majority voting standard in uncontested director elections. Our by-laws require that, in order for an incumbent director to be eligible for re-election, he or she must submit to the Board an irrevocable resignation that is contingent upon (i) the nominee's receipt of a greater number of votes withheld from his or her election than votes for his or her election (with broker non-votes not counted as a vote withheld from or for such person's election) (a "Majority Withheld Vote" ), and (ii) the acceptance of such resignation by the Board of Directors. If an incumbent nominee receives a Majority Withheld Vote, then the company's Compensation, Nominating and Governance Committee (the "CNG Committee" ) will make a recommendation to the Board on whether to accept or reject the previously submitted resignation. The Board of Directors will then act on the recommendation of the CNG Committee within 90 days after the certification of the shareholder vote, and the company will disclose the Board's decision in a Current Report on Form 8-K filed with the SEC promptly thereafter.

The Board of Directors has no reason to believe that any of the nominees will not serve if elected. If a nominee should become unavailable to serve as a director, and if the Board designates a substitute nominee, the company representatives named on the proxy card will vote for the substitute nominee designated by the Board unless you submit a proxy withholding your vote from the nominee being substituted. Under the by-laws, vacancies are filled by the Board of Directors.

**Recommendation**

**The Board of Directors unanimously recommends that shareholders vote FOR Proposal 1, the election of Jacques Esculier, Henry R. Keizer, and Thomas S. Gross, as Class III directors.**

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**DIRECTORS**

**Nominees for Election for Class III Directors Terms Expiring at the 2016 Annual Meeting of Shareholders**

***Jacques Esculier Age 56***

Director since July 2007 and Chairman since May 2009

Jacques Esculier has served as our Chief Executive Officer and Director since July 2007. Since May 2009, he has also served as our Chairman of the Board. Prior to July 2007, Mr. Esculier served as Vice President of American Standard Companies Inc. and President of its Vehicle Control Systems business, a position he had held since January 2004. Prior to holding that position, Mr. Esculier served in the capacity of Business Leader for American Standard's Trane Commercial Systems Europe, Middle East, Africa, India & Asia Region from 2002 through January 2004. Prior to joining American Standard in 2002, Mr. Esculier spent more than six years in leadership positions at AlliedSignal/Honeywell. He was Vice President and General Manager of Environmental Control and Power Systems Enterprise based in Los Angeles and Vice President of Aftermarket Services Asia Pacific based in Singapore. Mr. Esculier is a member of the Board of Directors of Pentair plc.

The Board of Directors concluded that the following experience, qualifications and skills qualified Mr. Esculier to serve as our Chairman and Chief Executive Officer: significant executive management experience gained as an executive officer at two Fortune 500 companies publicly traded on the New York Stock Exchange; strong international experience gained as an executive officer of American Standard; and financial expertise acquired as chief executive officer with the chief financial officer as a direct report and by holding several senior management positions. In summary, Mr. Esculier has multi-cultural leadership and outstanding strategic abilities to steward and sustain the company's performance as it maintains its position as an industry innovation leader while pursuing global expansion and excellence in execution.

***Henry R. Keizer Age 59***

Director since July 2015

Mr. Henry R. Keizer served from 2010 to 2012 as Deputy Chairman and Chief Operating Officer of KPMG LLP, one of the world's largest accounting and professional services firms, before retiring in 2012. Prior to that, for five years, he was Global Head of Audit at KPMGI, a consortium of more than 100 KPMG firms operating in over 140 countries. During his 35 years at KPMG, Mr. Keizer held a range of senior executive leadership roles of increasing responsibility, advising clients engaged in finance, manufacturing and technology, among other sectors.

Mr. Keizer currently serves on the board of Hertz Global Holdings, Inc., a global rental car company, and MUFG Americas Holdings Corporation, a leading financial and bank holding company. He also serves as a director of Park Indemnity Ltd., a captive insurer affiliated with KPMGI. Previously, Mr. Keizer served on the board of Montpelier Re Holdings, Ltd, a global property and casualty reinsurance company until it merged with Endurance in mid 2015, and the American Institute of Certified Public Accountants. He holds a bachelor's degree in accounting, summa cum laude, from Montclair State University, New Jersey, U.S.A.

The Board of Directors concluded that the following experience, qualifications and skills qualified Mr. Keizer to serve as a director of the company: significant executive management experience gained as Chief Operating Officer at KPMG; financial expertise acquired by holding various financial positions of increasing responsibility; strong international experience gained as Global Head of Audit at KPMGI; and board experience gained as a director of publicly-held companies.

***Thomas S. Gross Age 61***

Director since March 2016

Mr. Gross served from 2009 to 2015 as Vice Chairman and Chief Operating Officer of the Electrical Sector at Eaton Corporation plc, a global power management company, before retiring in 2015. Prior to that, at Eaton

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Corporation, he was President, Power Quality and Control Business; President, Power Quality Solutions; and Vice President, Business System. After joining Eaton in 2003, Mr. Gross gained senior executive experience through businesses that supply technological solutions globally for a range of industrial power systems and controls. Previously, Mr. Gross held senior executive positions at Danaher Corporation, a global science and technology company serving a variety of industries, and at Xycom, a technology company serving the industrial automation and control sector. He began his career at Rockwell Automation in 1977, earning increased responsibilities over two decades, and was ultimately promoted to Vice President and General Manager, Rockwell Software. Mr. Gross currently serves on the Board of RPM International Inc., a world leader in specialty coatings and sealants. Mr. Gross holds a Master of Business Administration degree from the University of Michigan and a Bachelor of Science degree from the University of Wisconsin, both located in the United States.

The Board of Directors concluded that the following experience, qualifications and skills qualified Mr. Gross to serve as director of the company: significant executive management experience gained as an executive officer at Eaton Corporation plc, Danaher Corporation and Rockwell Automation; extensive experience in finance, capital allocation, compensation, management development, and acquisitions; and board experience gained as a director of another publicly-held company.

### **Class I Directors Continuing in Office Terms Expiring at the 2017 Annual Meeting of Shareholders**

#### ***G. Peter D Aloia Age 71***

Director since July 2007

Mr. D Aloia served as Senior Vice President and Chief Financial Officer of American Standard Companies Inc., a position he held since 2000, before retiring in 2008. Before joining American Standard, Mr. D Aloia worked for Honeywell where he most recently served as Vice President Business Development. He spent 27 years with Honeywell's predecessor company, AlliedSignal, in diverse finance management positions. During his career with AlliedSignal, he served as Vice President Taxes; Vice President and Treasurer; Vice President and Controller; and Vice President and Chief Financial Officer for the Engineered Materials Sector. Early in his career, he worked as a tax attorney for the accounting firm, Arthur Young and Company. Mr. D Aloia is a director of FMC Corporation and ITT Corporation.

The Board of Directors concluded that the following experience, qualifications and skills qualified Mr. D Aloia to serve as a director of the company: significant executive management experience gained as an executive officer of two Fortune 500 companies, both publicly traded on the New York Stock Exchange; strong international experience gained as Vice President and Chief Financial Officer for American Standard; financial expertise acquired as Chief Financial Officer of American Standard and by holding diverse financial management positions with AlliedSignal and working as a tax attorney for the accounting firm, Arthur Young and Company; and board experience gained as a member of the board of directors of two publicly-held companies. In summary, Mr. D Aloia has financial management abilities, including multinational legal, tax and banking expertise, that significantly contribute to the company's success as a globally operating entity while taking full advantage of business opportunities in developed as well as emerging economies.

#### ***Juergen W. Gromer Age 71***

Director since July 2007

Dr. Gromer is the retired President and CEO of Tyco Electronics, a position that he held from April 1999 until December 31, 2007. Dr. Gromer formerly held senior management positions from 1983 to 1998 at AMP (acquired by Tyco in April 1999) including Senior Vice President of Worldwide Sales and Services, President of the Global Automotive Division, and Vice President of Central and Eastern Europe, and General Manager of AMP Germany. Dr. Gromer has over 20 years of AMP and Tyco Electronics experience, serving in a wide variety of regional and global assignments. Before working for Tyco Electronics and AMP, Dr. Gromer held management positions at ZF Friedrichshafen, ITT and Procter & Gamble. Dr. Gromer serves as a member of the

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boards of directors of TE Connectivity (formerly Tyco Electronics) and Marvell Technology Group Ltd. Dr. Gromer served as a director of RWE Rhein Ruhr AG from 2000 to 2009. He is also Chairman of the Board of the Society for Economic Development of the District Bergstrasse/Hessen, a member of the Advisory Board of Commerzbank, and a director of the American Chamber of Commerce in Germany.

The Board of Directors concluded that the following experience, qualifications and skills qualified Dr. Gromer to serve as a director of the company: significant executive management experience gained as an executive officer of a Fortune 500 company publicly traded on the New York Stock Exchange; strong international experience gained as President of Tyco Electronics; financial expertise acquired as a President of Tyco Electronics and through various senior management positions and also as a member of the Advisory Board of Commerzbank; and board experience gained as a director of publicly-held companies. In summary, Dr. Gromer has global leadership abilities, as well as deep connections with European corporate culture, and he strongly contributes to the company's strategy of geographic expansion while maintaining a leading technology and industry position in Europe.

### ***Mary L. Petrovich Age 53***

Director since November 2011

Mary Petrovich has served as the Executive Chairman of AxleTech International, a supplier of off-highway and specialty vehicle drive train systems and components, since January 2015. Prior to rejoining AxleTech as its Executive Chairman, Ms. Petrovich served as Senior Advisor to The Carlyle Group since June 2011. Ms. Petrovich was Chairman and CEO of AxleTech from 2001 to December 2011. In 2008, AxleTech International was sold to General Dynamics. Prior to AxleTech, in 2000, Ms. Petrovich was President of the Driver Controls Division of Dura Automotive, possessing management responsibility for 7,600 employees. From July 2011 to January 2014, Ms. Petrovich was a director of Modine Manufacturing Company, a global provider of thermal management technology and systems. Ms. Petrovich also serves on the board of directors of Woodward, Inc., a leading manufacturer and service provider of energy controls for global infrastructure equipment.

The Board of Directors concluded that the following experience, qualifications and skills qualified Ms. Petrovich to serve as a director of the company: extensive experience with mergers, acquisitions and the integration of acquired businesses in the automotive, off-highway and transportation industries; extensive operational experience with Six Sigma lean manufacturing techniques and supply chain management; significant experience in evaluating new business opportunities; and board experience gained as a director of publicly-held companies.

## **Class II Directors Continuing in Office Terms Expiring at the 2018 Annual Meeting of Shareholders**

### ***Michael T. Smith Age 72***

Director since July 2007

Mr. Smith served as the Chairman of the Board and Chief Executive Officer of Hughes Electronics Corporation from 1997 to 2001, before retiring in 2001. Prior to those positions, Mr. Smith had been Vice Chairman of Hughes Electronics and Chairman of the Hughes Aircraft Company. Mr. Smith joined Hughes Electronics in 1985 as Senior Vice President and Chief Financial Officer after spending nearly 20 years with General Motors in a variety of financial management positions. In 1992 he was elected Vice Chairman of Hughes Electronics and President of Hughes Missile Systems Group, and in 1995 he was elected Chairman of Hughes Aircraft Company. Mr. Smith was also a member of the Board of Directors of Alliant Techsystems until 2009 and Ingram Micro, Inc. until 2014. Mr. Smith is a member of the Board of Directors of Teledyne Technologies, Inc., FLIR Systems, Inc. and Zero Gravity Solutions, Inc.

The Board of Directors concluded that the following experience, qualifications and skills qualified Mr. Smith to serve as a director of the company: significant executive management experience gained as an executive officer of a Fortune 500 company that is publicly traded on the NYSE; strong international experience



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gained as the Chairman of the Board and Chief Executive Officer of Hughes Electronics Corporation; financial expertise acquired as Chief Financial Officer of Hughes Electronics and by holding various financial management positions with General Motors; and board experience gained as a member of the board of directors of three publicly-held companies. In summary, Mr. Smith has leadership and financial management abilities that substantially strengthen the company due to his multinational knowledge of the global automotive sector and his understanding of the strategic needs of major original equipment manufacturers.

### ***Jean-Paul L. Montupet Age 68***

Director since April 2012

Mr. Montupet served as President of Emerson Europe SA until December 2012, and had served as an Executive Vice President of Emerson Electric Co. since 1990 where he was responsible for its Industrial Automation Business. From 2002 to March 2016, Mr. Montupet served on the Board of PartnerRe Ltd., a leading global reinsurer; he served as non-Executive Chairman from 2010 to March 2016 and was also Chairman of the Nominating and Governance Committee and a member of the Risk and Finance Committee. In 2006, Mr. Montupet was elected to the board of directors of Lexmark International Inc., a leading provider of imaging products and services. In addition, Mr. Montupet is a director of IHS Inc. and Assurant, Inc.

The Board of Directors concluded that the following experience, qualifications and skills qualified Mr. Montupet to serve as director of the company: significant executive management experience gained as an executive officer at a global Fortune 500 company publicly traded on the New York Stock Exchange; strong international experience gained as an executive officer of Emerson Electric Co., a company with more than 129,000 employees and 250 manufacturing locations worldwide; financial expertise acquired as a president and as a chief financial officer and serving on the audit committees of two publicly-traded companies; strong educational background with an advanced business degree from HEC Paris, one of the top business schools in Europe; and additional experience gained as a director of another publicly-traded company listed on the NYSE and the Paris Stock Exchange.

### ***David N. ( Nick ) Reilly, CBE Age 66***

Director since December 2014

Mr. Reilly has served as Vice Chairman of erae Automotive (previously Korea Delphi Automotive Components) since 2012, a privately held company that develops, manufactures and sells automotive components in South Korea and internationally. He has also served as Chairman, Asia Pacific for MSXI Inc., and then joined the Advisory Board of MSXI, a privately held company that provides engineering and staffing services to clients mainly in the automotive industry since 2012 and as a strategic adviser to UkrAuto Corporation, a Ukrainian importer of cars that owns the largest network of manufacturing and assembling facilities, service stations and auto dealerships in Ukraine since 2012. Prior to 2012, Mr. Reilly spent 37 years with General Motors Corporation ( General Motors GM ), and held several international executive roles during that time, such as President, GM Europe from 2009 to 2012, President, GM International from 2008 to 2009 and President, GM Asia Pacific from 2006 to 2008 and President, GM Daewoo from 2001 to 2006. Prior to General Motors, Mr. Reilly worked for three years in the finance and investment community.

The Board of Directors concluded that the following experience, qualifications and skills qualified Mr. Reilly to serve as a director of the company: extensive international executive experience with General Motors, including significant experience in manufacturing, quality control, purchasing, sales and aftermarket sales of automotive equipment and significant experience in evaluating new business opportunities as a strategic adviser to three companies in the international automotive industry.

**Table of Contents****GOVERNANCE****Board Matters and Committee Membership**

Our business, property and affairs are managed under the direction of our Board of Directors. Members of our Board are kept informed of our business through discussions with our Chairman and Chief Executive Officer and other officers and employees, by reviewing materials provided to them during visits to our offices and plants and by participating in meetings of the Board and its committees.

The Board of Directors held a total of six meetings in 2015. The standing committees of the Board of Directors are the Audit Committee and the CNG Committee. All directors attended 75% or more of the combined total number of meetings of the Board of Directors and the Board committees on which they served during 2015.

The table below provides committee assignments and 2015 meeting information for each of the Board committees:

Name	Audit Committee	Compensation, Nominating and Governance Committee
G. Peter D. Aloia	X	
Juergen W. Gromer	X	
Jean-Paul L. Montupet		X*
Kenneth J. Martin	X <sup>1</sup>	
Michael T. Smith		X
Jacques Esculier		
John F. Fiedler		X <sup>2</sup>
Donald J. Stebbins		X <sup>3</sup>
Mary L. Petrovich		X <sup>4</sup>
David N. ( Nick ) Reilly	X <sup>5</sup>	
Henry R. Keizer	X* <sup>6</sup>	
2015 Meetings	7	6

\* Indicates Committee Chair

- (1) Mr. Martin served as Chair of the Audit Committee until his retirement from the Board on October 1, 2015.
- (2) Mr. Fielder served on the CNG Committee until his retirement from the Board on May 21, 2015.
- (3) Mr. Stebbins served on the CNG Committee until his resignation from the Board on March 22, 2016.
- (4) Ms. Petrovich served on the Audit Committee until the May 2015 board meeting, at which time she was reassigned to the CNG Committee.
- (5) Mr. Reilly served on the Audit Committee during 2015 and until March 22, 2016, at which time he was reassigned to the CNG Committee.
- (6) Mr. Keizer was appointed to the Audit Committee on July 20, 2015 and replaced Mr. Martin as Chair of the Audit Committee on October 1, 2015.

Mr. Gross was appointed to the Audit Committee on March 22, 2016.

**Committees of the Board*****Audit Committee***

The Audit Committee has been established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. Each member of the Audit Committee is independent as defined by the NYSE listing standards and the company's independence standards. The Audit Committee's responsibilities, as set forth in its charter, include:

reviewing the scope of internal and independent audits;



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reviewing the company's quarterly and annual financial statements and Annual Report on Form 10-K;

reviewing the adequacy of management's implementation of internal controls;

reviewing with management and the independent auditors the company's actions and activities concerning risk assessment and risk management;

reviewing the company's accounting policies and procedures and significant changes in accounting policies;

appointing the independent auditors and reviewing their independence and performance and the reasonableness of their fees; and

reviewing compliance with the company's Code of Conduct and Ethics, major litigation, compliance with environmental standards and the investment performance and funding of the company's retirement plans.

The Board of Directors has determined that Mr. Keizer, chair of the Audit Committee, is an audit committee financial expert as defined by the SEC. In addition, the Board has determined that each member of the Audit Committee is financially literate as defined by the NYSE.

### ***Compensation, Nominating and Governance Committee***

Our Board of Directors has delegated its compensation, nominating and governance functions to a single standing committee, the CNG Committee. Each member of the CNG Committee is independent as defined by the NYSE listing standards and the company's independence standards. The CNG Committee's responsibilities, as set forth in its charter, include:

identifying individuals qualified to become members of the Board and recommending to the Board director nominees to be presented at the annual meeting of shareholders as well as nominees to fill vacancies on the Board;

recommending Board committee memberships, including committee chairpersons;

considering and making recommendations concerning director nominees proposed by shareholders;

developing and recommending to the Board corporate governance principles for the company and processes for Board evaluations;

reviewing and making recommendations concerning compensation of directors;

reviewing and making recommendations concerning executive officers' salaries and employee benefit and executive compensation plans and administering certain of those plans, including the company's incentive compensation and stock incentive plans;

reviewing and approving performance goals and objectives for all executive officers, evaluating performance against objectives and based on its evaluation, approving base and incentive compensation for all executive officers except for the Chairman and Chief Executive Officer, whose base and incentive compensation is recommended by the CNG Committee and approved by the

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independent members of the Board; and

evaluating executive succession plans, the quality of management, and leadership and management development.

For a description of the CNG Committee's responsibility in determining executive compensation, see Compensation Discussion and Analysis Role of the CNG Committee in the Compensation Process in this proxy statement.

Our Board of Directors includes several directors with European and international leadership experience which we believe provides the diversity of perspective necessary for a European-based company listed in the United States with increasingly global operations and sales. While international leadership experience is

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important to our CNG Committee in considering potential director nominees, as described in **Other Matters** **Director Nominations** below, our CNG Committee will also consider judgment, age, skills, gender, ethnicity, race, culture, diversity of thought, geography and other measures to ensure that the Board as a whole reflects a range of viewpoints, backgrounds, skills, experience and expertise.

The Board has determined that all members of the Compensation Committee are **non-employee directors** (within the meaning of Rule 16b-3 under the Securities Exchange Act of 1934, as amended) and **outside directors** (within the meaning of Section 162(m) of the Internal Revenue Code).

## **Risk Oversight**

Our Board of Directors oversees risk management and risk assessment both directly and indirectly through the board committees. Board oversight is enterprise-wide, with a particular focus on five primary areas of risk: strategic, operational, financial, compliance and governance. To organize its risk oversight responsibilities, our Board of Directors reviews a comprehensive risk governance scorecard that identifies all of the material risk categories within these five primary areas and identifies a responsible person or **owner** among our senior management for managing that risk. Each risk category is then assigned to the full Board of Directors or to one or more of the board committees for primary monitoring responsibility. Both the company processes for managing the risk and the Board's (or committee's) processes for monitoring the risk are clearly set forth in the risk governance scorecard and both these processes and the delegation of responsibilities in the scorecard will be reviewed annually by our full Board of Directors.

Our Audit Committee focuses on financial risk, including internal controls, and receives regular reports from members of senior management, including our Chief Financial Officer, Controller, V.P. Legal & Company Secretary, Treasurer, Vice President, Taxes and General Auditor. Our CNG Committee focuses on the risks associated with leadership assessment, management succession planning, corporate governance and executive compensation programs and policies. Each of these committees regularly reports to the full Board of Directors. In addition, our Board of Directors oversees the company's strategic planning and receives reports at the beginning of each year regarding our annual operating plan and budget as well as our long-term planning and strategy.

## ***Risk Assessment of our Compensation Program***

In designing our compensation program for our executive officers, including our named executive officers, our CNG Committee structures such programs to balance reward and risk, while mitigating the incentive for excessive risk-taking. The possibility of excessive risk-taking is limited by the following measures:

Base salaries are fixed amounts at market competitive levels;

Annual and long-term incentive plans are based on a balanced mix of complementary general corporate financial measures and do not take into consideration any specific/individual results of business units;

Maximum payouts under our annual and long-term incentive plans are capped;

Our long-term incentive plan is comprised of a balanced portfolio of performance-based cash incentive awards, performance-based stock units ( **PSUs** ) and time-vested restricted stock units ( **RSUs** ) that vest over multiple years, or after multiple years (*i.e.*, cliff vesting for PSUs), which aligns our named executive officers' interests with our shareholders' interests;

Cash and equity incentive awards are subject to forfeiture upon termination;

Members of the CNG Committee approve the final incentive awards after reviewing the executive and corporate performance achievements and may utilize negative discretion;

The company adopted an incentive pay recoupment policy, also referred to as a clawback, that requires recovery from executive officers of any Annual Incentive Plan awards for 2012 and later years, if such compensation was received during the three-year period preceding the date of a restatement of any financial statements due to material non-compliance with the financial reporting rules;

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All of our directors and officers, including our named executive officers, are subject to stock ownership guidelines, as described below; and

Our policy is to prohibit our officers and directors from pledging, hypothecating, or otherwise encumbering our common stock as collateral for indebtedness, and we also prohibit our officers and directors from holding our common stock in a margin account, or purchasing any financial instrument or entering into any transaction that is designed to hedge or offset any decrease in the market value of our common stock (including, but not limited to, prepaid variable forward contracts, equity swaps, collars, or exchange funds).

Our CNG Committee has determined that our executive as well as employee compensation programs, policies and practices are not reasonably likely to have a material adverse effect on our company. The CNG Committee will continue to periodically oversee and monitor risk in our compensation program.

## **Compensation Committee Interlocks and Insider Participation**

None.

## **Board Attendance at the Annual Meeting of Shareholders**

In accordance with our Corporate Governance Guidelines, all directors are expected to attend the Annual Meeting of Shareholders. While the Board understands that there may be situations that prevent a director from attending, the Board strongly encourages all directors to make attendance at all annual meetings of shareholders a priority. All of our directors at the time attended the company's 2015 Annual Meeting of Shareholders.

## **Independence Standards for Board Service**

The Board of Directors has adopted a definition of director independence for non-management directors that serve on the company's Board of Directors which meet and in some areas exceed the NYSE listing standards. Each director, other than Jacques Esculier, the company's Chairman and Chief Executive Officer, satisfies the definition of director independence adopted and accordingly has no material relationship with the company (either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with the company) other than serving as a director of, and owning stock in, the company. A copy of our definition of director independence is attached to this proxy statement as Appendix A and is also available on our web site [www.wabco-auto.com](http://www.wabco-auto.com), by following the links Investor Relations Corporate Governance Definition of Director Independence. In addition, none of the company's directors and executive officers participated in any related person transactions nor were any other transactions considered by the Board in determining directors' independence. For a discussion of the company's policy on related person transactions, please see Certain Relationships or Related Person Transactions and Section 16 Reporting Compliance Certain Relationships and Related Person Transactions in this proxy statement.

## **Board Leadership Structure**

From August 2007 through May 2009, the positions of Chairman of the Board and Chief Executive Officer were held by separate people, due in part to the fact that the company was a newly independent stand-alone public company after the Spin-off, and also due to the fact that the Board was newly constituted and, in large part, unfamiliar with the Chief Executive Officer. Based in part on the strong governance structure established by our then non-executive Chairman of the Board, the Board's increasing familiarity and comfort with the Chief Executive Officer and in recognition of the potential efficiencies of having the Chief Executive Officer also serve in the role of Chairman of the Board, the Board decided to revise its structure. In 2009, our Board of Directors unanimously approved a proposal to combine the Chairman of the Board and Chief Executive Officer roles and appointed Jacques Esculier as Chairman of the Board. Michael T. Smith has served as our Lead Director since May 2012.



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As the Chairman of the Board, Mr. Esculier provides leadership to the Board and works with the Board to define its structure and activities in fulfillment of its responsibilities. Our Lead Director's duties include presiding at all meetings of the company's non-management directors and, in consultation with the Chairman of the Board, developing the agendas for the board meetings and determining the appropriate scheduling for board meetings. Our Lead Director also acts as a liaison between the company's Chairman of the Board and the company's non-management directors and assists the company's independent directors in discharging their duties to the company and its shareholders. A more detailed description of the role of our Lead Director is included in our Corporate Governance Guidelines.

### **Communication with the Company's Board of Directors**

Our Lead Director presides over all executive sessions of the non-management directors. Shareholders or other interested parties wishing to communicate with our Board of Directors can communicate with our Board of Directors by writing to: V.P. Legal and Company Secretary, c/o WABCO Holdings Inc., 2770 Research Drive, Rochester Hills, Michigan 48309-3511. Your message will not be screened or edited before it is delivered to the Lead Director. The Lead Director will determine whether to relay your message to other Board members. See "Other Matters" Director Nominations below for a description of how shareholders may submit the names of candidates for director nominees to our Board of Directors.

### **Availability of Corporate Governance Materials**

The company's Code of Conduct and Ethics and Corporate Governance Guidelines, including our definition of director independence, as well as the charters for the Audit Committee and the CNG Committee are available on our web site [www.wabco-auto.com](http://www.wabco-auto.com) under the caption "Investor Relations" Corporate Governance. The foregoing information is available in print to any shareholder who requests it. Requests should be addressed to V.P. Legal and Company Secretary, WABCO Holdings Inc., 2770 Research Drive, Rochester Hills, Michigan 48309-3511.

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**CERTAIN RELATIONSHIPS OR RELATED PERSON TRANSACTIONS AND SECTION 16**

**REPORTING COMPLIANCE**

**Certain Relationships and Related Person Transactions**

The Audit Committee of the Board of Directors has adopted a written policy governing the review and approval or ratification of related person transactions. Under the policy, a related person transaction is any transaction exceeding \$120,000 in which the company or a subsidiary, on the one hand, and an executive officer, director, holder of 5% or more of the company's voting securities or an immediate family member of such person, on the other hand, had or will have a direct or indirect material interest.

No related person transaction shall be approved or ratified if such transaction is contrary to the best interest of the company. Unless determined otherwise by the Audit Committee, any related person transaction must be on terms that are no less favorable to the company than would be obtained in a similar transaction with an unaffiliated third party under the same or similar circumstances.

Unless the Audit Committee determines otherwise, any proposed related person transaction directly between the company and an executive officer, director or immediate family member should be reviewed prior to the time the transaction is entered into. In addition, the policy provides that ordinary course transactions are not considered related person transactions, and therefore do not require approval under the company's related person transaction policy. An ordinary course transaction means a transaction that occurs between the company or any of its subsidiaries and any entity (i) for which any related person serves as an executive officer, partner, principal, member or in any similar executive or governing capacity, or (ii) in which such related person has an economic interest that does not afford such related person control over such entity, and such transaction occurs in the ordinary course of business on terms and conditions that are no less favorable to the company or, if applicable, a subsidiary than would otherwise apply to a similar transaction with an unrelated party. In addition, all immaterial relationships and transactions identified in the Instructions to Item 404(a) of Regulation S-K are incorporated into the policy, and accordingly, all such immaterial relationships or transactions are not related person transactions and do not require approval under the policy.

The V.P. Legal and Company Secretary is responsible for making the initial determination as to whether any transaction constitutes a related person or ordinary course of business transaction and for taking all reasonable steps to ensure that all related person transactions required to be disclosed pursuant to Item 404(a) of Regulation S-K are presented to the Audit Committee for pre-approval or ratification. If a related person transaction involves the V.P. Legal and Company Secretary, the Chief Financial Officer shall perform the responsibilities under the policy.

The Audit Committee reviews and assesses the adequacy of the policy annually.

**Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our directors, certain executive officers, and persons who own more than 10% of the outstanding common stock to file reports of ownership and changes in ownership with the SEC and the NYSE. SEC regulations require the company to identify anyone who failed to file a required report or filed a late report during the most recent fiscal year. To the company's knowledge, with respect to the fiscal year ended December 31, 2015, all applicable filings were timely filed.

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### **AUDIT COMMITTEE MATTERS**

#### **Audit Committee Pre-Approval Policies and Procedures**

The Audit Committee is directly responsible for the appointment, compensation, retention and oversight of the work of Ernst & Young Belgium, our independent registered public accounting firm ( independent auditor ). The independent auditor reports directly to the Audit Committee. As part of its responsibility, the Audit Committee established a policy to pre-approve all Audit Services and permissible Non-Audit Services performed by the independent auditor. In pre-approving services, the Audit Committee considers whether such services are consistent with the SEC's rules on auditor independence.

The Audit Committee also considers whether the independent auditor is best positioned to provide the most effective and efficient service, for reasons such as its understanding and knowledge of the company's business, people, culture, accounting systems, risk profile and other factors, and whether the service might enhance the company's ability to manage or control risk or improve audit quality.

The Audit Committee is mindful of the relationship between fees for Audit and permissible Non-Audit Services in deciding whether to pre-approve any such services and may determine, for each fiscal year, the appropriate relationship between the total amount of fees for Audit and Audit-Related Services and the total amount of fees for Tax Services and certain permissible Non-Audit Services classified as All Other Services. Prior to the engagement of the independent auditor for an upcoming audit/non-audit service period, defined as a twelve-month timeframe, Ernst & Young Belgium submits to the Audit Committee for approval a detailed list of services expected to be rendered during that period as well as an estimate of the associated fees for each of the following four categories of services:

**Audit Services** consist of services rendered by an external auditor for the audit of the company's annual consolidated financial statements (including tax services performed to fulfill the auditor's responsibility under generally accepted auditing standards), the audit of internal control over financial reporting performed in conjunction with the audit of the annual consolidated financial statements and reviews of financial statements included in Form 10-Qs. Audit Services includes services that generally only an external auditor can reasonably provide, such as comfort letters, statutory audits, attest services, consents and assistance with and review of documents filed with the SEC.

**Audit-Related Services** consist of assurance and related services (*e.g.*, due diligence) by an external auditor that are reasonably related to the audit or review of financial statements, including employee benefit plan audits, due diligence related to mergers and acquisitions, employee benefit plan audits, accounting consultations and audits in connection with proposed or consummated acquisitions, internal control reviews, attest services related to financial reporting that are not required by statute or regulation, audit-related litigation advisory services and consultation concerning financial accounting and reporting standards, including compliance with Section 404 of the Sarbanes-Oxley Act.

**Tax Services** consist of services performed by the independent auditor's tax personnel except those included in Audit Services above. Tax Services include those services rendered by an external auditor for tax compliance, tax consulting, tax planning, expatriate tax services, transfer pricing studies, tax planning, and tax issues related to stock compensation.

**Other Non-Audit Services** are any other permissible work that is not an Audit, Audit-Related or Tax Service and include non-audit-related litigation advisory services and administrative assistance related to expatriate services.

For each type of service, details of the service as well as estimated fees are reviewed and pre-approved by the Audit Committee as either an annual amount or specified stand-alone activity. Pre-approval of such services is used as the basis for establishing the spend level, and the Audit Committee requires the independent auditor to report detailed actual/projected fees versus the budget periodically throughout the year by category of service and by specific project.

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Circumstances may arise during the twelve-month period when it may become necessary to engage the independent auditor for additional services or additional effort not contemplated in the original pre-approval. In those instances, the Audit Committee requires specific pre-approval before engaging the independent auditor.

This review is typically done in formal Audit Committee meetings; however, the Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report any pre-approval decisions to the Audit Committee at its next scheduled meeting.

**Audit and Non-Audit Fees**

Fees billed to the company by Ernst & Young Belgium for services rendered in 2015 and 2014 were as follows:

Type of Services	2015	2014
	(in thousands)	
Audit	\$ 2,417	\$ 2,918
Audit-Related	\$ 86	\$ 58
Tax	\$ 463	\$ 501
All Other		
Total	\$ 2,966	\$ 3,477

(1) For a description of the types of services, see [Audit Committee Matters](#) [Audit Committee Pre-Approval Policies and Procedures](#), above.

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**PROPOSAL 2 RATIFICATION OF APPOINTMENT OF THE  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee of the Board of Directors has appointed Ernst & Young Belgium as the company's independent registered public accounting firm to examine the consolidated financial statements of the company for fiscal year 2016 upon terms set by the Audit Committee. The Board of Directors recommends that this appointment be ratified by the shareholders. If the appointment of Ernst & Young Belgium is not ratified by the shareholders, the Audit Committee will give consideration to the appointment of other independent registered public accounting firms.

Representatives of Ernst & Young Belgium will be present at the Annual Meeting of Shareholders, will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

**Recommendation**

**The Board of Directors unanimously recommends that shareholders vote FOR Proposal 2, the ratification of the appointment of Ernst & Young Belgium as the company's independent registered public accounting firm for the year ending December 31, 2016.**

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**REPORT OF THE AUDIT COMMITTEE**

The Audit Committee oversees the company's financial reporting process on behalf of the Board of Directors. In fulfilling its responsibilities, the committee has reviewed and discussed the audited financial statements in the Annual Report with the company's management and independent auditors.

Management has the primary responsibility for the financial statements and the reporting process including the internal controls systems, and has represented to the Audit Committee that such financial statements were prepared in accordance with generally accepted accounting principles. The independent auditors are responsible for expressing an opinion on the conformity of those audited financial statements with generally accepted accounting principles.

The Audit Committee has discussed with the independent auditor the matters required to be discussed by Auditing Standard No. 1301, Communications with Audit Committees issued by the Public Company Accounting Oversight Board. In addition, the committee has discussed with the independent auditor, the auditor's independence, including the matters in the written disclosures and letter which were received by the committee from the independent auditors, as required by Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees. The Audit Committee has also considered whether the independent auditor's provision of non-audit services to the company is compatible with maintaining the auditor's independence.

The committee discussed with the company's internal and independent auditors the overall scope and plans for their respective audits. The committee meets with the internal and independent auditors, with and without management present, to discuss the results of their examinations, their evaluations of the company's internal controls, and the overall quality of the company's financial reporting.

Based on the reviews and discussions referred to above, the committee recommended to the Board of Directors that the audited financial statements be included in the Annual Report on Form 10-K for the year ended December 31, 2015, for filing with the U.S. Securities and Exchange Commission.

*Members of the Audit Committee:*

Henry R. Keizer, Chairman

G. Peter D. Aloia

Dr. Juergen W. Gromer

David N. ( Nick ) Reilly, CBE

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### COMPENSATION DISCUSSION AND ANALYSIS

#### Executive Summary

We seek to closely align the interests of our named executive officers ( NEOs ) with the interests of our shareholders. Our compensation programs are designed to reward our NEOs for achieving short-term and long-term strategic and operational goals and increasing total shareholder returns, while at the same time avoiding incentives that encourage unnecessary or excessive risk-taking. Our NEOs' total compensation is comprised of a mix of base salary, annual cash incentive awards and long-term incentive awards that include both performance-based cash and equity awards.

For 2015, our NEOs were:

Jacques Esculier	Chairman of the Board and Chief Executive Officer ( CEO )
Prashanth Mahendra-Rajah	Chief Financial Officer
Leon Liu	President, Truck, Bus & Car Original Equipment Manufacturers Division
Nick Rens	President, Trailer Systems, Aftermarket & Off Highway Division
Daniel Sebillaut	Chief Supply Chain Officer

#### **2015 Performance<sup>1</sup>**

Fiscal 2015 was another year of solid financial performance for WABCO in a volatile and decreased global market for commercial vehicles. The company once again solidly outperformed our market globally. Specific achievements in 2015 which were also tied to target levels for variable award payouts included:

Sales/Sales Growth: WABCO reported sales of \$2.6 billion, up 6.6 percent in local currencies from 2014, while global truck and bus production decreased by 7 percent as compared to 2014. At the same time, we outperformed the overall market by increasing the levels of WABCO content per vehicle. As part of this success, WABCO increased its global aftermarket sales by 7 percent, setting a new record for annual aftermarket revenues on a currency-adjusted basis.

Performance Gross Profit Margin: WABCO reported performance gross profit margin of 31.6 percent, up from 31.0 percent a year ago.

Performance Operating Income: WABCO reported performance operating income of \$354.4 million, versus \$371.4 million in 2014. Excluding year-on-year currency transactional effects as well as non-cash pension expense, WABCO delivered in 2015 an incremental operating margin above 20 percent, which represents the ratio of increase in our performance operating income in 2015 over WABCO's growth in sales.

Performance Net Income and Performance Earnings Per Share: WABCO reported performance net income attributable to the company of \$327.4 million or \$5.62 of performance earnings per share, versus \$334.0 million or \$5.52 of performance earnings per share in 2014. In particular, WABCO's earnings of \$5.62 per share on a performance basis represent a new annual record in delivering value for our shareholders.

<sup>1</sup> The summary of our 2015 financial performance includes certain non-GAAP financial measures. Performance operating income, performance net income, performance gross profit margin and performance earnings per share are non-GAAP financial measures that exclude separation and streamlining items, acquisition-related costs and discrete, one-time tax items, as applicable. Free cash flow presents our net cash provided by operating activities less net cash used for purchases of property, plant, equipment, and computer software. These measures should be considered in addition to, not as a substitute for, GAAP measures. Management

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believes that presenting these non-GAAP measures is useful to shareholders because it enhances their understanding of how management assesses the operating performance of the company's business. See Appendix B for a reconciliation to the most comparable GAAP measures.



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**Gross Materials and Conversion Productivity:** WABCO's Operating System is our globally standardized management and manufacturing environment. Throughout 2015, it continued to enable fast, flexible responses to volatile market changes, while at the same time gaining robust productivity. WABCO's Operating System delivered \$72.5 million of materials and conversion productivity. It generated gross materials productivity of 5.5 percent and delivered a new annual record in conversion productivity in our factories of 6.5 percent.

**Free Cash Flow/Return On Invested Capital:** In 2015, WABCO converted 98 percent of performance net income into free cash flow of \$321.4 million. At the same time, we invested an additional 9.5 percent in capital expenditures year-on-year to further enhance global capabilities and infrastructure to support growth. In addition, WABCO generated a return on invested capital ( ROIC ) of 44.1 percent, yet another indicator of the company's solid performance.

In summary, 2015 marked once again a highly successful year for WABCO during which the company continued to differentiate its products and services, bringing customers value-based vehicle safety and efficiency solutions in every region of the world. WABCO's sustained differentiation yielded outstanding, industry-leading financial and operating results for yet another year. Our business successes are the direct result of our three-pillar strategy of technology leadership, globalization and excellence in execution.

### ***Pay-for-Performance***

We believe that the levels of executive pay based on our financial results are reasonable over the long term in light of our actual performance for shareholders. The following graph illustrates the trend over the last five completed fiscal years of our CEO executive compensation and our total shareholder return ( TSR ) which reflects prior-year stock performance, since equity award decisions are generally made in the first quarter. In 2015, WABCO again outperformed the commercial vehicle market. WABCO's outperformance over the five-year period has resulted in the TSR Index reaching one of its highest levels. This explains why there is greater year-over-year growth in TSR than CEO Pay over the past two years.

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	2010	2011	2012	2013	2014	2015
<b><u>CEO Pay Measure:</u></b>						
<b>Reported Pay 1-Year (FX each year)<sup>1</sup></b>		\$ 12,090	\$ 6,805	\$ 6,820	\$ 5,957	\$ 6,800
<b>% Change</b>			-44%	0%	-13%	14%
<b>Reported Pay 1-Year (excl. Special)<sup>2</sup></b>		\$ 7,090	\$ 6,805	\$ 6,820	\$ 5,957	\$ 6,800
<b>% Change</b>			-4%	0%	-13%	14%
<b><u>TSR Index Measure<sup>3</sup>:</u></b>						
<b>Prior 1-Year TSR Indexed to 2010=100</b>	100	236	168	253	362	406
<b>1-Year TSR %</b>		136.3%	-28.8%	50.2%	43.3%	12.2%

<sup>1</sup> CEO Pay (in \$000s) includes base salary and annual incentive awards earned during the applicable year, the cash-based Long-Term Incentive Plan ( cash LTIP ) award with a performance period ending in the applicable year, the fair value of restricted stock unit (RSU) and performance share unit (PSU) awards or RSU and option awards (prior to 2013) granted during the applicable year as determined under ASC Topic 718 and All Other Compensation reported for the applicable year.

<sup>2</sup> Excludes the value of the special PSU grant awarded in May 2011.

<sup>3</sup> TSR = stock price appreciation plus reinvested dividends. TSR is indexed to December 31, 2009 in the graph and table above.  
**Overview of 2015 Compensation Decisions and Actions**

We believe the decisions made by our CNG Committee and our Board of Directors in 2015 reflect our company's continued strong performance for 2015 and improvements in the global economy. The following compensation actions were taken in 2015 by the CNG Committee, or by the independent members of the Board of Directors in the case of CEO compensation actions:

**Base Salary:** In May 2015, we increased the base salaries of each of our NEOs by between 2.4% and 5.0%, including an increase of 3.0% for our Chairman and Chief Executive Officer. These salary adjustments reflect the Committee's review of market data as well as individual factors as discussed in Components of 2015 Executive Compensation Base Salary.

**Annual Incentives:** After year end, the CNG Committee approved a 2015 annual incentive plan award payout for the CEO at 135% of his target award in recognition of his leadership and greater responsibility for delivering shareholder value. Payouts for other NEOs ranged from 122.6% to 128.7% of their respective target awards. These award levels for all our NEOs reflect individual and corporate performance in all of the pre-established financial and quantitative, non-financial goals. See Components of 2015 Executive Compensation Fiscal Year 2015 Annual Incentive Plan.

**Long-Term Incentives:**

- **Cash LTIP:** After year end, the CNG Committee also approved 2013-2015 long-term incentive plan cash award payouts at 150.6% of target, which reflect our three-year cumulative performance earnings per share, three-year cumulative growth in sales and three-year average ROIC. See Components of 2015 Executive Compensation 2013-2015 Cash LTIP.

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- Performance Share Units ( PSUs ): After year end, the CNG Committee also approved 2013-2015 long-term incentive plan PSU payouts at 186.4% of target, which reflect our three-year cumulative performance earnings per share. See Components of 2015 Executive Compensation 2013-2015 Performance Share Units.

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- **Equity-Based Grants:** In February 2015, the CNG Committee made grants of equity-based incentives to the NEOs at target award levels. See Long-Term Incentive Program 2015 Annual Equity Awards.

### ***Executive Compensation Policy and Governance Highlights***

We strive to maintain strong corporate governance practices with respect to executive compensation. The following highlights how our executive compensation policies reflect our commitment in this respect:

**Balanced Performance Metrics:** We provide a balanced compensation program that emphasizes at-risk incentive pay that is earned based on successful achievement of multiple complementary performance metrics.

**Strong Risk Management:** We maintain a strong risk management program, which includes our CNG Committee's oversight of the ongoing evaluation of the relationship between our compensation programs and risk.

**No Excise Tax Gross-Ups:** We do not provide for excise tax gross-up payments under our Change of Control Severance Plan, nor do we maintain any other agreements or arrangements which would provide similar benefits.

**Recoupment Policy:** We have an incentive pay recoupment policy, also referred to as a clawback, that requires the company to recover from any current or former executive officer certain incentive pay amounts as described herein.

**Restrictive Covenants and Equity Recoupment:** All equity compensation granted after January 1, 2012 under our Amended and Restated WABCO Holdings Inc. 2009 Omnibus Incentive Plan (the Omnibus Incentive Plan) is subject to recoupment by the company in the event that a recipient breaches certain confidentiality, non-solicitation, non-competition or other contractual arrangements specified in the equity award agreements. Option gains or share value received within 12 months prior to breach of restrictive covenants will also be subject to recoupment.

**No Pledging or Hedging of Company Stock:** Our Securities Trading Policy prohibits pledging, hypothecating, or otherwise encumbering our common stock by our officers and directors as collateral for indebtedness, and we prohibit our officers and directors from holding our common stock in a margin account, or purchasing any financial instrument or entering into any short-term or speculative transaction that is designed to hedge or offset any decrease in the market value of our common stock (including, but not limited to, prepaid variable forward contracts, equity swaps, collars, or exchange funds) or trading in options in company securities (other than those granted by the company).

**Strong Stock Ownership Guidelines:** We have executive stock ownership guidelines requiring that our NEOs hold meaningful levels of our stock, as well as mandatory holding periods for stock acquired under equity awards.

**Independent Compensation Consultant:** The CNG Committee uses an independent compensation consultant.

We encourage you to read this Compensation Discussion and Analysis for a detailed discussion and analysis of our executive compensation program, including information about the 2015 compensation of our NEOs.

### **2015 Say-on-Pay Advisory Vote on Executive Compensation**

We provided shareholders a say-on-pay advisory vote on our executive compensation in May 2015 pursuant to the Dodd-Frank Act and SEC rules. At our 2015 Annual Meeting of Shareholders, shareholders expressed strong support for the compensation of our NEOs, with approximately 99% of the votes cast (disregarding abstentions) for approval of the say-on-pay advisory vote. We received similar strong support at our two prior annual meetings.



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The CNG Committee carefully evaluated the results of the 2015 annual advisory say-on-pay vote, and although the say-on-pay vote is advisory and is not binding on our Board of Directors, the CNG Committee took the strong level of approval into consideration in determining that our current compensation philosophy and objectives remain appropriate for use in determining the compensation of our NEOs.

### **Executive Compensation Philosophy; Compensation Program Objectives**

Our executive compensation program is intended to deliver competitive total compensation upon achievement of performance objectives and has been developed consistent with our strategy to attract, motivate and develop leaders who will drive the creation of shareholder value. We generally seek to compensate our executives at approximately the median level of total compensation among similarly-situated executives in our peer group when we set target compensation levels. See the section entitled "Peer Group" below for more information about our peer group.

Our compensation program generally involves a mixture of fixed and variable and cash and equity compensation programs. Variable compensation programs are balanced between short- and long-term objectives, placing a significant amount of the executive's compensation at risk based on company and individual performance.

Each of the program components is designed to drive a complementary set of behaviors and outcomes.

<b>Pay Element</b>	<b>Type of Pay</b>	<b>Key Objectives</b>
Base Salary	Fixed	Attract and retain executives over time by providing regular and continued payment in line with the executive's position, experience and responsibilities
Annual Cash Incentives	Variable	Focus our executives on short-term objectives to foster short-term growth and profitability
	At-Risk	
Long-Term Cash and Equity-Based Incentives	Variable	Create a clear line of sight and linkage to our long-term strategy, as well as to attract and retain our executives and employees. Long-term incentives consist of a mix of equity awards and cash awards. The equity awards, in the form of PSUs and RSUs, comprise the majority of long-term incentive value and are used to align our executive officers' interests with those of our shareholders. The cash LTIP awards complement the annual equity awards by focusing executives on specific long-term financial performance goals and also provide an opportunity for liquidity that does not require an executive to sell shares.
	At-Risk	
Benefits and Perquisites	Fixed	Offer competitive benefits and perquisites in light of evolving market practice, the law of the executive's country of citizenship and European Union law

Each of these elements is described in more detail below.

The CNG Committee evaluates all compensation and benefit programs and decisions in light of the total compensation package awarded to each NEO (including the impact of how these programs and decisions impact other elements of compensation). To that end, the CNG Committee annually reviews all of the components of each NEO's compensation, including base salary, target annual incentive awards, target long-term incentive awards, the value of all vested and unvested options, RSUs and PSUs, proceeds from exercised options, and other benefits and perquisites. The CNG Committee's review focuses on both the value of each NEO's total compensation assuming continuing employment, as well as the additional compensation, if any, that the NEO could be entitled to earn upon a separation from the company for voluntary reasons, involuntary reasons, or pursuant to a change of control of the company.

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### **Compensation Mix**

We believe that a significant portion of an executive's compensation should be directly linked to our performance and the creation of shareholder value. To that end, our CNG Committee has structured our executive compensation program so that a high percentage of our NEOs' total direct compensation (which includes base salary, cash incentives and equity incentives) is at risk. As illustrated and explained below for 2015, 80% of our Chief Executive Officer's total direct compensation, and, on average, 71% of our other NEOs' total direct compensation, is based on attaining performance goals or paid in the form of equity incentives.

#### ***CEO Compensation Mix***

#### ***All Other NEOs Compensation Mix***

1. The percentages attributable to cash incentives are based on the dollar amount payable upon attainment of performance goals at target.

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2. The percentages attributable to equity incentives are based on the potential fair market value at target levels of such incentives (including the fair value of RSUs and PSUs). In any given year, we may grant incentives or make award payouts that will exceed or fall below these target percentages.

We believe that our compensation program reinforces our pay-for-performance philosophy, has the flexibility to adapt to market conditions and has resulted in pay outcomes that are well-aligned with our business performance.

### **Role of the CNG Committee in the Compensation Process**

As required by its charter, our CNG Committee is responsible for developing our total compensation philosophy, recommending to our Board of Directors our executive compensation programs, including base salary levels, cash incentives, equity incentives, benefits and perquisites, and reviewing our compensation philosophy and compensation and benefits programs to determine whether they are properly coordinated and achieving their intended purposes. The CNG Committee reviews and approves the compensation of our executive officers and recommends for approval to the independent members of our Board the compensation of our Chairman and Chief Executive Officer. The CNG Committee also sets performance goals for all performance-based compensation, and reviews and certifies payouts of awards based on its evaluation of the company's performance and the executive officers' performance against such goals.

To assist the CNG Committee in meeting its responsibilities, the CNG Committee engaged Pearl Meyer ( PM ) as its independent outside compensation consultant to regularly provide executive compensation market analysis and insight, with respect to our executive officers, including our NEOs. PM only provides services to the CNG Committee with respect to executive and director compensation and does not provide any other services to the company. The CNG Committee has reviewed its relationship with PM in light of the independence factors set forth in applicable NYSE rules and concluded that its retention of PM as its compensation consultant does not raise any conflict.

### **Role of Management in the Compensation Process**

Our Chairman and Chief Executive Officer works with our Chief Human Resources Officer to make recommendations to the CNG Committee with respect to the compensation of other executive officers, including base salary levels, target annual incentive awards, target long-term incentive awards, benefits and perquisites. At the CNG Committee's request, our Chairman and Chief Executive Officer attends meetings of the CNG Committee to present his views with respect to the appropriate levels of compensation for his executive team, but is not present when his own compensation is discussed. All decisions regarding NEO compensation are ultimately made by the CNG Committee.

In addition, under our governance documents, our independent Board members are required to approve all compensatory programs, awards or payouts relating to our Chairman and Chief Executive Officer, upon recommendations from the CNG Committee.

At the direction of the CNG Committee, our human resources department provides compensation-related information to PM relating to our executive officers that PM uses as part of its development of market competitiveness analyses and recommendations for executive compensation program design.

### **Peer Group and Benchmarking**

The peer group comprises 17 companies reflecting predominantly U.S. based publicly-traded companies that operate in the same industry sector, compete with us for executive talent and have executive positions similar in breadth, complexity and global responsibility. Our peer group is reviewed annually by the CNG Committee to ensure its ongoing relevance. Companies within our peer group generally have one-third to three times our revenue, market value and enterprise value.



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The following companies are WABCO's peers for compensation benchmarking purposes in 2015:

Allison Transmission Holdings Inc.	Meritor, Inc.
American Axle & Manufacturing Holdings Inc.	Modine Manufacturing Company
Autoliv, Inc. (Non-U.S. based, for reference only)	Pall Corporation
BorgWarner Inc.	Polaris Industries Inc.
Cooper Tire & Rubber Company	Snap-On Incorporated
Donaldson Company Inc.	Tenneco Inc.
Harman International Industries, Incorporated	Valeo SA (Non-U.S. based, for reference only)
ITT Corporation	Westinghouse Air Brake Technologies Corporation
Kennametal Inc.	

Our CNG Committee monitors our peer group and may adjust it in the future as appropriate.

We generally seek to compensate our executives at approximately the median level of total compensation among similarly-situated executives in our peer group when we set compensation levels for targeted levels of performance. Our compensation philosophy emphasizes at-risk incentive pay, including long-term cash incentives and equity-based incentives. In general, our compensation philosophy with respect to long-term incentives is more comparable with U.S. best practices, so we place greater emphasis on the median values of long-term incentives of our U.S.-based peer companies when benchmarking those pay elements.

**Components of 2015 Executive Compensation**

The main features of each NEO's total compensation as of year-end 2015 are summarized in the following table:

	Base Salary	AIP target (% of base salary)	Cash LTIP target (% of base salary)	Equity LTIP target (% of base salary)
<i>Jacques Esculier</i>	\$ 1,100,000	100%	100%	200%
<i>Prashanth Mahendra-Rajah</i>	\$ 460,000	80%	45%	150%
<i>Leon Liu</i>	\$ 462,825	70%	45%	130%
<i>Nick Rens</i>	\$ 355,385	70%	45%	130%
<i>Daniel Sebillaut</i>	\$ 372,415	70%	45%	105%

The company executives, including the NEOs, are also eligible for benefits similar to those provided to other employees. In addition, they benefit from special perquisites – see footnote 4 to Summary Compensation Table.

**Base Salary**

We develop base salary guidelines for our NEOs generally at the median of our peer group companies, employing analyses developed by PM. Company management and PM may also review compensation data from various survey providers to provide additional general benchmarking context. The CNG Committee does not provide any direction on specific surveys or survey participants. However, the CNG Committee's salary decisions are based upon market data as well as the individual's responsibilities and more subjective factors, such as the CNG Committee's assessment of the officer's individual performance and expected future contributions and leadership. The CNG Committee reviews base salaries for our officers every year, but may decide not to make adjustments every year.

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Pursuant to its annual review of base salary levels, in May 2015, the CNG Committee recommended and the Board approved the following increases for our NEOs as illustrated in the following table which shows our NEOs' base salary evolution in 2014 and 2015:

Names	2014 euros	2015 euros	2014 \$	2015 \$
Jacques Esculier	846,153	1,000,000	1,100,000	1,100,000
Prashanth Mahendra-Rajah	N/A	418,182	440,000	460,000
Leon Liu	N/A	420,750	450,000	462,825
Nick Rens	307,692	323,077	400,000	355,385
Daniel Sebillaut	334,214	338,559	434,479	372,415

The difference in dollar values for Messrs. Esculier, Rens and Sebillaut's base salaries between 2014 and 2015 is also impacted by the use of an exchange rate of one euro to 1.1 U.S. dollars, which is the rate used for our 2015 Operating Plan, compared to an exchange rate of 1 euro to 1.3 U.S. dollars, which was the rate used in our 2014 operating plan and our 2015 proxy statement.

**Variable Cash Compensation**

Traditionally, we offer an annual incentive program ( AIP ) and a cash-based, three-year long-term incentive program ( Cash LTIP ) for our NEOs. Awards under both the AIP and the Cash LTIP are issued each year under the company's Omnibus Incentive Plan. The CNG Committee seeks to establish performance goals for the new AIP and Cash LTIP performance periods at its first or second meeting each year, but in no event later than March 31. Target awards under both the AIP and the Cash LTIP are fixed as a percentage of the executive's base salary. Each NEO's business manager or management agreement see Employment Matters below provides for specific target AIP and Cash LTIP award percentages.

**Annual Incentive Program**

Our AIP is based upon achievement of financial and quantitative, non-financial performance goals that are primarily derived from our annual operating plan. AIP award opportunities are typically set so that achieving the target level of performance results in a cash payment that is approximately at the median or 50<sup>th</sup> percentile of annual incentives paid by our peer group. The actual payment under an AIP award may be above the 50<sup>th</sup> percentile in years of strong performance against objectives or below the 50<sup>th</sup> percentile or zero, depending on the actual level of performance achieved. The CNG Committee and the Board of Directors review and approve our annual operating plan to ensure that the AIP goals are sufficiently challenging and set at levels consistent with internal and external market performance expectations.

**Fiscal Year 2015 Annual Incentive Plan**

In March 2015, our CNG Committee determined the maximum amounts payable to our executive officers for AIP awards for the 2015 performance year by establishing a pool equal to 10% of company earnings before interest and taxes with 35% of the pool allocated to our Chief Executive Officer at maximum, subject to any applicable limits under the Omnibus Incentive Plan, and the remainder allocated evenly among the other executive officers at maximum. The AIP pool established by the formula described above represented the maximum amount that the CNG Committee could approve for payment not the expected amount. Our CNG Committee generally exercises its discretion to pay less than the maximum amount after considering the financial and quantitative, non-financial performance goals described below.

The 2015 AIP was designed so that the achievement of financial goals received 80% weighting and the achievement of quantitative, non-financial goals received 20% weighting, which is the same weighting as in all prior AIPs since 2008. AIP payouts equal the percentage of the performance goal achieved multiplied by the participant's annual target AIP percentage. Annual target AIP percentages under this program are established for

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each participant as a percentage of base salary. Each financial and quantitative, non-financial goal may be overachieved and funded up to 200%. The resulting award amounts are then adjusted by an individual performance score ranging from 0-200%. Thus, while the maximum possible overachievement is 400% of target, the highest award we have ever paid to an NEO was 222% of target. In between threshold and maximum performance, achievement levels and payouts are interpolated using a pre-defined performance curve. Below threshold performance results in a zero payout for the specific metric.

**AIP financial goals:** The performance goals established by the CNG Committee included the following financial goals, each weighted 20%:

sales growth;

performance gross profit margin;

performance net income; and

free cash flow.

The CNG Committee believes that this mix of financial goals is complementary and well-balanced so that business tradeoffs are appropriately reflected, *e.g.*, sales growth vs. profitability, profit margin vs. additional investment, net income vs. cash flow, etc. The 80% weighting on financial goals also ensures that these key drivers of value for shareholders are the primary focus for management. Each year, the target financial goals are set based on the company's annual operating plan, which is designed to represent challenging but attainable performance levels. In setting AIP goals, the CNG Committee also considers internal and external performance expectations, the potential impact of global economic conditions on the variability of performance outcomes, the degree to which prior year results were atypical, changes in corporate tax rates and other legislation that may impact the company's business prospects and other factors that may be relevant in a specific year.

Sales growth is the total increase in company sales over prior periods. Performance gross profit margin is the ratio of gross profit as a percentage of sales using performance measures. Performance net income is GAAP net income excluding separation and streamlining items, acquisition-related costs, the European Commission fine indemnification, and discrete, one-time tax items, as applicable. Free cash flow measures net cash provided by operating activities less any amounts attributable to the purchase of property, plant, equipment and computer software and the proceeds from the disposal of property. Each of the metrics is calculated excluding the impact of foreign exchange.

**AIP quantitative, non-financial goals:** The quantitative, non-financial performance goals established by the CNG Committee related to improving gross material productivity (which measures the level of the direct material productivity, customarily expressed in terms of percentage, and delivered through supplier negotiations and cost reduction projects) and technical quality (measured by reference to product defects found on a parts per million ( ppm ) basis). These measures drive cross-functional collaboration to improve the industrialization of WABCO products and ensure that the development roadmaps and processes we have defined will be used to develop high quality products. Each specific quantitative, non-financial goal established by the CNG Committee carried an equal weighting of 10%. These measures and weightings are the same as those included in the 2014 AIP.

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**2015 AIP Results:** For the 2015 AIP, based on our annual operating plan, our CNG Committee established the following financial goals, each weighted equally, and certified in February 2016 the following achievement levels and scores:

Measure (excl the impact of foreign exchange)	Threshold	Target	Maximum	Achievement	Scoring
Sales Growth	\$ 2,445 million	\$ 2,700 million	\$ 2,955 million	\$ 2,730 million	111.7%
Gross Profit Margin	30.5%	32.0%	33.5%	31.65%	76.5%
Performance Net Income	\$ 322 million	\$ 338 million	\$ 354 million	\$ 335 million	84.1%
Free Cash Flow	70% conversion	80% conversion	90% conversion	99.4%	200%
<b>Aggregate Score For Financial Goals<sup>1</sup></b>					<b>118.1%</b>

Measure	Threshold	Target	Maximum	Achievement	Scoring
Quality ppm	60	40	20	27	165.0%
Gross Material Productivity	4.8%	5.4%	6.0%	5.5%	116.7%
<b>Aggregate Score For Quantitative, Non-Financial Goals<sup>2</sup></b>					<b>140.8%</b>

<sup>1.</sup> The achievement dollar amounts shown in this table differ from our actual achievements as shown in our executive summary, as they are based on the exchange rate prevailing when the performance targets of our AIP were established, while our reported numbers are based on the actual exchange rates for 2015.

<sup>2.</sup> The CNG Committee's certification of the achievement of the quantitative, non-financial goals included in the 2015 AIP is based on measuring quantitative results against pre-established goals. These goals have been designed to be challenging, but attainable, and over the past five years, the aggregate performance score for the quantitative, non-financial goals has ranged from 28.4% to 150.0%.

As a result, the company's aggregate performance score for the 2015 AIP (applying an 80% weighting for the financial performance goals and 20% for the quantitative, non-financial performance goals) was 122.6%, and the target award for each NEO was adjusted to reflect this percentage.

Lastly, the CNG Committee made discretionary adjustments to each executive's target award to reflect such executive's individual performance. The CNG Committee based its individual performance adjustments for each of the other NEOs on the recommendations of Mr. Esculier. Mr. Esculier's performance adjustment was determined by the CNG Committee and the independent directors as a group. The following is a summary of individual performance highlights for each NEO:

*Jacques Esculier:* Mr. Esculier demonstrated strong leadership in driving WABCO to again outperform the commercial vehicle market. In 2015, WABCO's revenues grew by 6.6% (in local currencies) in a market where truck and bus production decreased by 7% globally. Mr. Esculier also led WABCO to put in place robust strategies to mitigate the impact of increased market volatility during 2015. For example, the WABCO Operating System, our globalized standardized management environment, enabled fast and flexible responses to dramatic market trends and helped us to deliver 5.5% gross material productivity and 6.5% conversion productivity. This performance helped the company deliver a new annual record for earnings per share (EPS) of \$5.62 on a performance basis and continue to outperform the S&P Auto Parts & Equipment Index in 2015. Furthermore, Mr. Esculier was named among the top 3 ranked Best CEOs in our sector by Institutional Investor magazine for the third year in a row. Finally, under Mr. Esculier's leadership, WABCO was named by Forbes magazine as America's Best-Managed Capital Goods Company.

*Prashanth Mahendra-Rajah:* The company delivered record full year performance earnings in 2015, despite significant headwinds including adverse foreign exchange effects. Under the financial leadership of Mr. Mahendra-Rajah, the company converted 98% of performance net income into free cash flow and maintained

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a solid and flexible balance sheet that was continuously cash positive. Mr. Mahendra-Rajah implemented initiatives to achieve cost saving in operating expenses of an annualized \$25 million. These activities included the streamlining of support operations and extended shared services in best cost countries.

*Leon Liu:* As President of WABCO's Truck, Bus & Car Original Equipment Manufacturers Division, Mr. Liu's leadership contributed to the company's strong performance by driving market outperformance of 5.1% for the businesses within his remit. Due to Mr. Liu's strong leadership skills and business acumen, he has been able to identify and leverage future and current cross business unit product opportunities and, together with his team of business unit leaders, deliver an innovative and global strategic business plan enabling sustainable future growth and profitability for WABCO.

*Nick Rens:* As President of the Trailer, Aftermarket, Off-Highway and Fleet Management Solutions Division, Mr. Rens's leadership contributed to our Aftermarket Business Unit's double-digit growth in Eastern Europe, the Middle East and India. In addition, the launch of the new product range for commercial vehicle aftermarket, Provia, a product which offers quality and reliable alternatives to budget spare parts for fleets, will further ensure future aftermarket business growth. Mr. Rens has also played a key role in the ongoing integration of Transics, which has been very successful in delivering double-digit growth at a margin exceeding the objective for a second year in a row.

*Daniel Sebillaut:* Under Mr. Sebillaut's leadership, 2015 was a year of sustaining high performance within the integrated supply chain world with a specific focus on cost competitiveness improvement. This was also a year with some significant performance breakthroughs. The supply chain function delivered once again a record conversion productivity of 6.5% and material productivity of 5.5% by continuing to implement global standards across all manufacturing and logistics processes and improvement methodologies. The delivery rate again reached a record level of 95%, an important differentiator in the aftermarket. This year also marked a breakthrough safety record across all factories.

The table below shows each NEO's target annual incentive award, as adjusted by the company's achievement of the financial and quantitative, non-financial corporate goals (122.6%), and as further adjusted to reflect each NEO's individual performance evaluation.

	Annual Incentive Target	Corporate Performance	Individual Performance	Actual Annual Incentive Payment
Jacques Esculier	\$ 1,100,000	122.6%	110.11%	\$ 1,485,000
Prashanth Mahendra-Rajah	\$ 368,000	122.6%	100%	\$ 451,168
Leon Liu	\$ 323,978	122.6%	100%	\$ 397,196
Nick Rens	\$ 248,769	122.6%	100%	\$ 304,991
Daniel Sebillaut	\$ 260,691	122.6%	105%	\$ 335,587

*Fiscal Year 2016 Annual Incentive Plan*

In February 2016, our CNG Committee approved a cash AIP award opportunity based on the achievement of certain defined financial and quantitative, non-financial performance goals. The financial performance goals established by our CNG Committee are related to sales growth, gross profit margin, performance earnings before taxes and free cash flow. As in the last three years, two quantitative, non-financial performance goals, technical quality ppm and gross material productivity, were also selected that were designed to promote both quality production and material productivity. Each of the financial goals is equally weighted and together they comprise 80% of the plan funding. The two quantitative, non-financial goals are also equally weighted and comprise 20% of the plan funding. Each financial and quantitative, non-financial goal may be overachieved and funded up to 200%, and resulting award amounts will be further adjusted by an individual performance score ranging from 0-200%.

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### *AIP Clawback*

We have adopted a clawback policy that requires the company to recover from any current or former executive officer any compensation received under our AIP for 2015 and subsequent years if such compensation was received by the executive officer during the three-year period preceding the date by which the company files a restatement of any annual audited or unaudited interim financial statements due to material non-compliance with the financial reporting rules under the federal securities laws. The amount to be recovered is the difference, if any, between what such executive officer received and what such executive officer would have received had the financial measures against which payments were calculated been impacted by the accounting restatement. Under the clawback policy, our Board of Directors, based upon recommendations from the CNG Committee, will have the discretion to determine the amounts to be recouped from such executive officer. The company's clawback policy will continue to be reviewed for possible changes in order to conform with implementation of the required clawback provisions under the Dodd-Frank Act.

### *Long-Term Incentive Program*

Pursuant to the Omnibus Incentive Plan, the CNG Committee has authority to establish both equity and cash-based long-term incentive programs for our executive officers, including our NEOs. Our long-term incentive programs are designed to promote both the achievement of long-term performance goals as well as retention by linking our executive officers' wealth more closely to the performance of our stock price. Starting in 2013, our long-term programs have been designed so that approximately 70% of the value of any executive officer's long-term incentive compensation would be comprised of annual equity awards split evenly between PSUs, as discussed below, and RSUs, which vest ratably over a three-year period. The remaining 30% of the value of an executive officer's long-term incentive compensation would be comprised of the executive's target Cash LTIP award, the attainment of which is typically tied to the achievement of certain financial goals over a three-year performance period. The Cash LTIP complements the annual equity awards by focusing executives on specific long-term financial performance goals and also provides an opportunity for liquidity that does not require an executive to sell shares.

The performance goals for the Cash LTIP are established on a rolling basis and generally include three to four of the following measures: sales, revenues, earnings (before or after tax), internal rate of return, return on equity, ROIC, income, assets or earnings, earnings per share (on a fully diluted or undiluted basis), profit margin, incremental operating margin, operating expense ratios, income, cash flow, free cash flow, working capital targets, funds from operations or similar measures, capital expenditures, market share, share price, total shareholder return, appreciation in the fair market value or book value of our common stock, economic value added (net operating profit after tax minus the sum of capital multiplied by the cost of the capital), debt to equity ratios, debt levels, management of accounts and non-performing debt, acquisitions or strategic transactions, budget achievement, expense reduction or cost savings and inventory control / efficiency and costs. We also use non-GAAP performance versions of the financial measures referred to above which exclude separation and streamlining costs and discrete, one-time tax items.

Total long-term incentive award opportunities are typically set so that achieving the target level of performance results in award values approximately at the median or 50<sup>th</sup> percentile of long-term incentives offered by our U.S. peer companies. The actual realized award value may be above the 50<sup>th</sup> percentile in years of strong financial and stock performance or below the 50<sup>th</sup> percentile, depending on the actual level of performance achieved. The long-term award value for an individual executive may also vary above or below the 50<sup>th</sup> percentile based on the CNG Committee's consideration of an executive's strategic impact, performance history or retention risk.

**Table of Contents***2013-2015 Cash LTIP*

All of our NEOs participated in the 2013-2015 Cash LTIP.

Our CNG Committee awarded the 2013-2015 Cash LTIP using long-term financial performance goals relating to sales growth, performance earnings per share and ROIC that excluded the impact of certain significant off-budget events (e.g., plants closing, streamlining costs, acquisitions and other major investments, divestitures, separation-related expenses) and exchange rates.

For the 2013-2015 performance cycle, our CNG Committee set the following equally-weighted financial goals and certified, in February 2016, the following achievement levels and scores:

Cycle Measure	Minimum (0%)	Target	Maximum (200%)	Achievement	Scoring
3-Year Cumulative Sales Growth (excluding the impact of foreign exchange)	\$ 7,500 million	\$ 8,200 million	\$ 8,900 million	\$ 8,298 million	114.0%
3-Year Cumulative Performance Earnings Per Diluted Share ( EPS )	\$ 12.75	\$ 14.75	\$ 16.00	\$ 15.83	186.4%
3-Year Average ROIC	36%	43%	50%	46.61%	151.6%
<b>Aggregate Score</b>					<b>150.6%</b>

<sup>1</sup> Performance Earnings Per Diluted Share refers to earnings per diluted share, excluding separation and streamlining items, acquisition-related costs, and discrete, one-time tax items.

See footnote 3 to the Summary Compensation Table for the final award amounts paid to our NEOs under the 2013-2015 Cash LTIP.

*2016-2018 Cash LTIP*

In March 2016, our CNG Committee approved a Cash LTIP for the 2016-2018 performance cycle based on the achievement of certain defined financial performance goals consistent with its prior practice. The financial performance goals established by our CNG Committee are related to sales growth, performance earnings per share and ROIC. Each of the financial goals is equally weighted. Furthermore, our CNG Committee has discretion to upgrade or downgrade the Cash LTIP results by 25%. The CNG Committee has generally not applied upward discretion to the Cash LTIP awards. Awards under the 2016-2018 Cash LTIP will only be paid, if earned, after the end of 2018.

*2015 Annual Equity Awards*

As discussed above, annual equity awards are part of our long-term incentive program. Commencing in 2013, the company has offered an equal mix of RSUs, with time-based vesting, and PSUs, the vesting of which would occur, if at all, and at levels, depending upon the achievement of three-year cumulative performance earnings per share goals approved by the CNG Committee. The performance earnings per share goals are aligned with the company's strategic business plan, and the CNG Committee believes that investors are keenly focused on this important measure of long-term company success.

We believe PSUs:

provide more direct linkage with long-term business goals;

strengthen retention due to three-year cliff vesting; and

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are preferable to options because dilution overhang from stock options can last up to 10 years, while dilution overhang from PSUs is typically three years.



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On February 24, 2015, each of our NEOs was granted his target equity award opportunity in an equal combination of RSUs and PSUs. The value an executive ultimately realizes is directly aligned with long-term value creation for shareholders and may differ from the target opportunity. See the *Grants of Plan-Based Awards* table for a break out of the annual equity awards granted to our NEOs in 2015.

### *2013-2015 Performance Share Units*

The 2013-2015 PSU performance target was identical to the three-year cumulative performance EPS target that was used for the 2013-2015 Cash LTIP. In February 2016, our CNG Committee certified the achievement of the 2013-2015 PSU performance target at 186.4%. See the *2013-2015 Cash LTIP* section above for a description of this determination. In setting the PSU performance target, the CNG Committee considered that, taken together, the Cash LTIP and PSUs provide an appropriate balance of cash and equity rewards tied to performance EPS, which is the most common focus point for our investors.

All of our equity award agreements entered into after December 2011 permit the company to recoup equity compensation in the event a recipient breaches certain confidentiality, non-competition and other contractual arrangements during employment or within twelve months after termination of employment.

### **Executive Stock Ownership and Stock Holding Guidelines**

Our stock ownership and stock holding guidelines for our executive officers, including our NEOs, are designed to reinforce the goal of increasing WABCO equity ownership among our executive officers and other key managers and more closely align their interests with those of our shareholders. Our executive officer stock ownership and stock holding guidelines are as follows:

for the Chief Executive Officer: 6x base salary; and

for all other NEOs: 3x base salary.

Equity ownership that counts towards this ownership goal includes shares owned outright, shares beneficially owned by direct family members (spouse, dependent children), shares underlying vested and unvested time-based RSU awards, vested PSU awards, net shares acquired through stock option exercise and shares acquired on the open market. Vested and unvested stock options and unvested PSU awards do not count towards satisfying the guideline goals.

Participants, including our NEOs, had until January 1, 2016 or five years from the date of becoming an executive officer, whichever is later, to meet the stock ownership guidelines. Messrs. Esculier and Liu have already met their individual requirements. Messrs. Mahendra-Rajah, Rens and Sebillaut are also on track to comply with the guidelines based on their tenure as executive officers.

We also require our NEOs to hold our equity upon vesting of restricted stock, RSUs and PSUs and upon exercise of stock options in certain situations, as follows:

All executive officers must hold net after-tax shares received (or credited) upon vesting of restricted stock, RSUs and PSUs for a period of six months after the shares have vested. This mandatory holding requirement applies to any outstanding, unvested grants of restricted stock, RSUs, or PSUs.

All executive officers must hold net gain shares received upon exercise of vested stock options for a period of six months after the exercise if they do not yet meet the stock ownership guidelines at the time of exercise. Net gain shares are the shares remaining after payment of the option exercise price and any related taxes. This mandatory holding requirement applies to any stock option grants made after January 2011.

The minimum number of shares to be held by each officer is calculated annually on the first business day of March using the average of the stock prices of the company's common stock on the NYSE for the past year. The



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stock price for each trading day within the one-year time period will be the average of the high and low sales prices of the company's common stock on the NYSE on that date. In the event of a base salary change or a promotion to a higher executive level, the executive will have five years from the date the change was implemented to acquire additional shares needed to fulfill the stock ownership guidelines. During the first five years, the CNG Committee will review annually each executive's company stock ownership. After the initial five-year period, the CNG Committee may review these guidelines to include specific penalties for failing to adhere to the recommendations. There may be instances in which the stock ownership guidelines would place a substantial hardship on an executive or unusual circumstances prevent the executive from complying with the guidelines. These circumstances may apply to all executives in the company, such as a financial crisis impacting the entire stock market or circumstances generating unusual volatility of the company's share price, or be particular to an individual, such as a court order in the case of a divorce settlement or estate planning transactions. In such circumstances, the guidelines may be waived or modified in the sole discretion of the CNG Committee.

### **Retirement Benefits**

During 2015, Messrs. Esculier and Rens, and as of July 1, 2015, Liu and Mahendra-Rajah, participated in our Belgian benefit plans which include retirement, death, disability and medical coverage. With regard to retirement contributions, we have agreed to contribute to such plan, on an annual basis, an amount equal to 9% of Mr. Esculier's base salary and target annual incentive award, and for Messrs. Mahendra-Rajah, Liu and Rens, amounts equal to 9% of their base salary and 4.5% of their target annual incentive award.

We also have a tax-qualified 401(k) plan, in which all of our U.S. employees were eligible to participate, including Messrs. Liu and Mahendra-Rajah from January 1, 2015 until June 30, 2015. In addition, all U.S. employees whose eligible compensation exceeds limits imposed by the U.S. Internal Revenue Code participate in our Supplemental Savings Plan. Under the Supplemental Savings Plan, the company credits 3% on eligible compensation between the tax code limits and \$250,000, plus a matching contribution of up to 6% on all eligible compensation in excess of the tax code limits, based upon the employee's contribution election to the tax qualified 401(k) plan.

Mr. Sebillaud participated in 2015 in our French benefit plans which include retirement, death, disability, unemployment and medical coverage.

### **Perquisites**

We provide perquisites that we believe are reasonable, competitive with our peer group and consistent with our overall compensation philosophy. We currently offer to our executive officers, including our NEOs, financial planning, an executive health exam and an executive life insurance policy as well as tax return preparation assistance. In addition, our NEOs working outside of their home country are eligible to receive certain other perquisites, including a housing allowance, home leave, a company car and tuition reimbursement for dependent children.

### **Payments upon Severance or Change of Control**

Under the business manager agreements we have entered into with our NEOs (discussed below), certain severance benefits will be provided if their service is terminated by us without cause or if they terminate their service for good reason. We believe that severance payments to these officers are appropriate in these specified circumstances and that the amount of the severance benefits is reasonable and necessary to attract and retain superior executive talent. An estimate of the amount of severance benefits that each NEO would receive upon a termination of service as of December 31, 2015 is included in Executive Compensation Severance Benefits as of December 31, 2015 below.

Under our Change of Control Severance Plan, we also provide certain payments or other benefits to our executive officers, including our NEOs, in the event of a change of control in order to allow them to act in the

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best interests of shareholders without the distraction of potential negative repercussions of a change of control on their own position with the company. Severance benefits payable in connection with a change of control are triggered only in the event of both (i) a change of control and (ii) an NEO's loss of job or resignation on account of material diminution in terms and conditions of employment. This is sometimes referred to as a "double trigger" change of control provision. We do not provide for excise tax gross-up payments under our Change of Control Severance Plan. An estimate of the amount of change of control benefits that each NEO would receive upon a termination of service in connection with a change of control event as of December 31, 2015 is included under "Change of Control Severance Plan and Omnibus Incentive Plan" below.

## **Employment Matters**

Each of our NEOs has an employment or business manager agreement with the company or one of its subsidiaries. We restructured our service relationship with some of our named executive officers, including Messrs. Esculier, Rens and Sebillaut, effective January 1, 2012, and Messrs. Mahendra-Rajah and Liu, effective July 1, 2015, so that they qualify as "business manager" under Belgian law. The change to business manager status has significant tax advantages under local law for us.

## **Impact of Taxation on Executive Compensation**

Section 162(m) of the Internal Revenue Code generally disallows a tax deduction to public companies and their subsidiaries subject to U.S. income tax for compensation in excess of \$1,000,000 per year paid to the chief executive officer and the three highest-compensated officers other than the chief financial officer for the taxable year. Certain compensation, including "performance-based compensation," may qualify for an exemption from the deduction limit if it satisfies various technical requirements under Section 162(m). For 2015, a Belgian subsidiary of the company employed the NEOs and deducted compensation paid to them under applicable non-U.S. local law. Our CNG Committee takes into account the tax impact on the company as one factor to be considered in structuring executive compensation. As discussed above, we moved to business manager agreements for qualifying executives for greater tax efficiency under Belgian law.

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**REPORT OF THE COMPENSATION, NOMINATING AND GOVERNANCE COMMITTEE**

The Compensation, Nominating and Governance Committee of the Board of Directors has reviewed and discussed with management the Compensation Discussion and Analysis included in this proxy statement. Based on that review and discussion, the members of the Compensation, Nominating and Governance Committee identified below recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this proxy statement.

*Members of the Compensation, Nominating and*

*Governance Committee:*

Jean-Paul L. Montupet, Chairman

Mary L. Petrovich

Michael T. Smith

**Table of Contents****EXECUTIVE COMPENSATION****Summary Compensation Table**

Set forth below is information concerning the compensation earned by or paid to our NEOs for 2015, 2014 and 2013.

Name & Principal						Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Position <sup>(1)</sup>	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>(2)</sup>	Option Awards (\$)	(\$) <sup>(3)</sup>	(\$)	(\$) <sup>(4)</sup>	(\$)
<b>Jacques Esculier</b>	2015	\$ 1,110,368		\$ 2,200,047	\$ 0	\$ 2,944,508		\$ 544,816	\$ 6,799,739
Chairman and Chief	2014	\$ 1,083,000		\$ 2,177,151	\$ 0	\$ 2,119,816		\$ 577,279	\$ 5,957,246
Executive Officer	2013	\$ 1,053,000		\$ 2,080,046	\$ 0	\$ 3,072,999		\$ 613,844	\$ 6,819,889
<b>Prashanth Mahendra-Rajah</b>	2015	\$ 450,000		\$ 460,166	\$ 0	\$ 602,402		\$ 421,258	\$ 1,933,826
Chief Financial Officer	2014	\$ 276,410	\$ 250,000	\$ 750,059	\$ 0	\$ 376,618		\$ 269,640	\$ 1,922,727
<b>Leon Liu</b>	2015	\$ 456,413		\$ 540,003	\$ 0	\$ 679,398		\$ 308,160	\$ 1,983,974
President Truck, Bus & CAR	2014	\$ 417,324		\$ 490,340	\$ 0	\$ 446,394		\$ 389,621	\$ 1,743,679
OEMs	2013	\$ 375,492		\$ 420,041	\$ 0	\$ 574,639		\$ 404,475	\$ 1,774,647
<b>Nick Rens</b>	2015	\$ 346,922		\$ 420,132	\$ 0	\$ 520,222		\$ 113,697	\$ 1,400,973
President Trailer Systems, Aftermarket and Off-Highway	2014	\$ 378,981		\$ 408,482	\$ 0	\$ 388,113		\$ 119,716	\$ 1,295,292
<b>Daniel Sebillaut</b>	2015	\$ 370,025		\$ 460,166	\$ 0	\$ 580,345		\$ 142,094	\$ 1,552,630
Chief Supply Chain Officer	2014	\$ 428,151		\$ 459,542	\$ 0	\$ 435,209		\$ 216,890	\$ 1,539,792

(1) Certain amounts shown in the Summary Compensation Table, including salary, were paid in Euros and converted into U.S. dollars at the conversion rate of one euro to 1.1 U.S. dollars which is the rate used for our 2015 Operating Plan.

(2) Amounts set forth in this column represent the aggregate grant date fair value of RSUs and PSUs in accordance with FASB ASC Topic 718 and are based on the probable outcome of the applicable performance conditions and excluding the impact of forfeitures related to service vesting conditions. For these purposes, PSUs are assumed to have been settled in amounts of common stock that would occur if the company meets its performance criteria at 100% of target. Assuming the highest level of performance conditions will be achieved, the number of performance shares would be 200% of the values reported for PSUs in the Grant of Plan-Based Awards table that immediately follows the Summary Compensation Table. Reported amounts are based on our FASB ASC Topic 718 assumptions and valuation methodology described in the Notes to Consolidated Financial Statements in our Annual Report on Form 10-K for the fiscal years ended December 31, 2015, 2014 and 2013 (Note 7 ( Stock-Based Compensation ) for fiscal years 2015 and 2014 and Note 6 ( Stock-Based Compensation ) for fiscal year 2013) without regard to forfeitures.

(3) Amounts included in this column represent the cash amounts earned in respect of (a) annual performance-based cash awards made under the WABCO annual incentive plan for the 2015 annual performance period and (b) long-term performance-based cash awards earned under the WABCO long-term incentive plan for the performance period beginning on January 1, 2013 and ending on December 31, 2015. The following table shows a breakdown of the amounts awarded:

Names	Annual Incentive	Long-Term
	Payment for 2015	Incentive Payment for 2013-2015 Performance Period
Jacques Esculier	\$ 1,485,000	\$ 1,459,508
Prashanth Mahendra-Rajah	\$ 451,168	\$ 151,234
Leon Liu	\$ 397,196	\$ 282,202

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Nick Rens	\$	304,991	\$	215,230
Daniel Sebillaut	\$	335,587	\$	244,758

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- (4) The following table provides information regarding the compensation disclosed in the All Other Compensation column. This information includes identification and quantification of each perquisite and personal benefit received by each NEO, regardless of amount.

Names	Premiums for Life Insurance <sup>(1)</sup>	Defined Contribution Plan Contributions <sup>(2)</sup>	Health Care Reimbursements <sup>(3)</sup>	Perquisites and other Personal Benefits <sup>(4)</sup>	Total
Jacques Esculier	\$ 125,118	\$ 198,000	\$ 10,416	\$ 211,282	\$ 544,816
Prashanth Mahendra-Rajah	\$ 78,963	\$ 98,987	\$ 24,042	\$ 219,266	\$ 421,258
Leon Liu	\$ 5,038	\$ 98,602	\$ 23,091	\$ 181,429	\$ 308,160
Nick Rens	\$ 30,754	\$ 43,179	\$ 2,644	\$ 37,120	\$ 113,697
Daniel Sebillaut	\$ 7,838	\$ 43,687	\$ 4,818	\$ 85,751	\$ 142,094

- (1) Includes total amount of premiums paid by us for Group Life Insurance and long-term disability coverage that are not generally available to salaried employees. The company received invoices for and made payments with respect to two years' worth of such premiums in 2015. The increase in Mr. Mahendra-Rajah's contributions is attributable to a full year basis in 2015 instead of a partial year in 2014, and to his move from the U.S. to Belgium. In 2015, the company paid life insurance premiums in both the U.S. and in Belgium for Mr. Mahendra-Rajah. Going forward, Mr. Mahendra-Rajah will only be eligible for life insurance in Belgium.
- (2) Includes employer contributions to the Belgian, French and U.S. defined contribution plans including the Supplemental Savings Plan set up in the United States for Mr. Liu. Mr. Mahendra-Rajah's contributions reflect a full year basis in 2015 instead of a partial year in 2015, and his move from the U.S. to Belgium.
- (3) Includes health care reimbursements to private schemes in France for Messrs. Esculier and Sebillaut, in Belgium for Mr. Rens and in the U.S. and Belgium for Messrs. Liu and Mahendra-Rajah.
- (4) The following table includes the costs to the company of our executive perquisites as well as benefits payable under our expatriate policy. The business manager agreements for our NEOs based outside the U.S. provide for reimbursement of certain costs and expenses associated with the NEO relocating to, and living in, another country, similar to the benefits we provided under our expatriate policy for employees who are asked to relocate from their home country in connection with their work assignments. We believe that these types of benefits are appropriate for employees who accept long-term foreign assignments for the company's convenience. The level of benefits that we provide, such as the goods and services (cost-of-living) adjustment and the housing differentials, are determined based upon the advice provided to the company by outside consultants. For Mr. Liu, due to his localization to Belgium and the business manager agreement, the goods and services allowance (cost of living adjustment) is being phased out and will be extinguished by 2017. We do not provide any special benefits to our NEOs under this policy that our other expatriate employees are not eligible to receive:

Names	Financial Planning	Company Car	Housing and Utilities	Tax Allowance <sup>(1)</sup>	School Fees	Cost of Living Allowance	Home Leave <sup>(2)</sup>	Total
Jacques Esculier	\$ 0	\$ 34,069	\$ 143,998	\$ 0	\$ 33,215	\$ 0	\$ 0	\$ 211,282
Prashanth Mahendra-Rajah	\$ 2,515	\$ 26,176	\$ 89,263	\$ 0	\$ 85,129	\$ 0	\$ 16,183	\$ 219,266
Leon Liu	\$ 0	\$ 26,115	\$ 90,836	\$ 0	\$ 0	\$ 56,161	\$ 8,317	\$ 181,429
Nick Rens	\$ 11,182	\$ 25,938	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 37,120
Daniel Sebillaut	\$ 0	\$ 19,751	\$ 0	\$ 66,000	\$ 0	\$ 0	\$ 0	\$ 85,751

- (1) We compensated Mr. Sebillaut for the loss of a French tax concession due to his move to a Belgian business manager arrangement.
- (2) Amounts set forth in this column represent expenses incurred by the company for the NEO to travel back to his home country, per the company's standard international mobility policy.





**Table of Contents****Grants of Plan-Based Awards**

In 2015, the NEOs were granted annual and long-term cash incentive award opportunities, PSUs and RSUs. The columns under the Estimated Future Payouts under Non-Equity Incentive Plan Awards heading show the target and maximum amounts that were established for cash-based awards on the grant date. Actual payouts for the 2015 annual incentive are reflected in the Non-equity Incentive Compensation Plan column of the Summary Compensation Table. The columns under Estimated Future Payouts under Equity Incentive Plan Awards heading show the number of PSUs that would be earned upon achieving performance at target and at the maximum level. The All Other Stock Awards column shows the amount of RSUs granted to each NEO. We did not grant stock options during 2015.

	Type of Award	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards		Estimated Future Payouts Under Equity Incentive Plan Awards		All Other Stock Awards: Number of Shares of Stock or Units (#)	Market Price on Grant Date (\$/Sh) <sup>(5)</sup>	Grant Date Fair Value of Stock and Option Awards (\$/Sh) <sup>(6)</sup>
			Target (\$)	Maximum (\$)	Target (#)	Maximum (#)			
Jacques Esculier	Cash LTIP <sup>(1)</sup>	3/24/2015	\$ 1,100,000	\$ 2,200,000					
	AIP <sup>(2)</sup>	2/09/2015	\$ 1,100,000	\$ 3,500,000					
	PSU <sup>(3)</sup>	2/20/2015			9,452	18,904		\$ 116.38	\$ 1,100,024
	RSU <sup>(4)</sup>	2/20/2015					9,452	\$ 116.38	\$ 1,100,024
Prashanth Mahendra-Rajah	Cash LTIP <sup>(1)</sup>	3/24/2015	\$ 205,500	\$ 411,000					
	AIP <sup>(2)</sup>	2/09/2015	\$ 368,000	\$ 1,472,000					
	PSU <sup>(3)</sup>	2/20/2015			1,977	3,954		\$ 116.38	\$ 230,083
	RSU <sup>(4)</sup>	2/20/2015					1,977	\$ 116.38	\$ 230,083
Leon Liu	Cash LTIP <sup>(1)</sup>	3/24/2015	\$ 207,309	\$ 414,618					
	AIP <sup>(2)</sup>	2/09/2015	\$ 323,978	\$ 1,295,910					
	PSU <sup>(3)</sup>	2/20/2015			2,320	4,640		\$ 116.38	\$ 270,002
	RSU <sup>(4)</sup>	2/20/2015					2,320	\$ 116.38	\$ 270,002
Nick Rens	Cash LTIP <sup>(1)</sup>	3/24/2015	\$ 158,654	\$ 317,308					
	AIP <sup>(2)</sup>	2/09/2015	\$ 248,769	\$ 995,076					
	PSU <sup>(3)</sup>	2/20/2015			1,805	3,610		\$ 116.38	\$ 210,066
	RSU <sup>(4)</sup>	2/20/2015					1,805	\$ 116.38	\$ 210,066
Daniel Sebillaut	Cash LTIP <sup>(1)</sup>	3/24/2015	\$ 167,228	\$ 334,456					
	AIP <sup>(2)</sup>	2/09/2015	\$ 260,691	\$ 1,042,764					
	PSU <sup>(3)</sup>	2/20/2015			1,977	3,954		\$ 116.38	\$ 230,083
	RSU <sup>(4)</sup>	2/20/2015					1,977	\$ 116.38	\$ 230,083

(1) These cash-based awards relate to a three-year performance period, beginning on January 1, 2015 and ending on December 31, 2017. Each award was granted under the long-term incentive program for officers and key employees of WABCO and becomes payable, if at all, subject to each NEO's continued employment during such period (except in the case of death or disability) and the achievement of pre-established performance objectives established by our CNG Committee. The maximum level of award listed above is the maximum amount permitted to be paid in respect of such award under the terms of such award, which is 200% of the target award. The amounts mentioned under the target and maximum columns, respectively, are based on the base salary and LTIP targeted percentage applicable after the CNG Committee review in May 2015. There are no thresholds for these awards.

(2) These cash-based awards relate to annual incentive awards granted to our NEOs under our Omnibus Incentive Plan. Under the terms of our annual incentive program, each NEO could earn up to a maximum of 400% of his target award, if the performance goals for the period are exceeded and the individual performance score is also rated at maximum. While technically possible, we do not believe that such an award level would ever be achieved. The maximum level of award listed above is the maximum amount permitted to be paid in respect of that particular award under the terms of such award, subject to further limitations included in our Omnibus Incentive Plan. The amounts mentioned under the target and maximum columns, respectively, are based on the base salary and AIP targeted percentage applicable after the CNG Committee review in May 2015. There are no thresholds for these awards. The actual amounts that were earned in respect of these awards for 2015 are listed in the Summary Compensation Table above under the column entitled Non-Equity Incentive Plan Compensation.

(3)

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Grants of PSUs made to the NEOs as part of our annual equity awards under our Long-Term Incentive Program under the Omnibus Incentive Plan. There are no thresholds for these awards. Each grant has a three-year cliff vesting subject to the NEO's continued employment with the company or subsidiary; however, the number of units distributed will depend on the 3-year cumulative performance EPS achievement. The number of PSUs which can be earned in our plan can vary between 0 – 200% of the target units based on actual performance. Dividends are paid only on shares of common stock issued in settlement of vested PSUs. Additionally, our Omnibus Incentive Plan prohibits the payment of dividend equivalents on unvested PSUs.

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- (4) These grants of RSUs were made to the NEOs as part of our annual equity awards under our Long-Term Incentive Program under the Omnibus Incentive Plan. These grants will become vested, generally subject to the NEO's continued employment with the company or a subsidiary, in three equal installments on the first three anniversaries of the grant date. Holders of unvested RSUs may be entitled to dividend equivalents under our Omnibus Incentive Plan.
- (5) Fair market value is defined as the closing price reported on the principal national exchange on which WABCO's common stock is listed for trading on the immediately preceding business day. This is a common method to determine fair market value for the purposes of these awards, and is an accepted method of establishing such value for federal income tax purposes.
- (6) Represents the grant date fair value of PSUs and RSUs, determined in accordance with ASC Topic 718.

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth information on outstanding equity awards held by our NEOs on December 31, 2015.

Name	Option Awards				Stock Awards			
	Number of Securities Underlying Unexercised Options - Exercisable (#)	Number of Securities Underlying Unexercised Options - Unexercisable (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock - Unvested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(9)</sup>	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Yet Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested <sup>(9)</sup>
Jacques Esculier	43,178		\$ 58.85	02/14/2022				
	39,216		\$ 59.26	02/23/2021				
							9,452 <sup>(6)</sup>	\$ 966,562
							10,745 <sup>(7)</sup>	\$ 1,098,784
							15,272 <sup>(8)</sup>	\$ 1,561,715
					9,452 <sup>(2)</sup>	\$ 966,562		
					7,164 <sup>(3)</sup>	\$ 732,591		
					5,091 <sup>(4)</sup>	\$ 520,606		
Prashanth Mahendra-Rajah								
							1,977 <sup>(6)</sup>	\$ 202,168
					1,977 <sup>(2)</sup>	\$ 202,168		
					4,684 <sup>(5)</sup>	\$ 478,986		
Leon Liu	8,852		\$ 58.85	02/14/2022				
	7,299		\$ 59.26	02/23/2021				
							2,320 <sup>(6)</sup>	\$ 237,243
							2,420 <sup>(7)</sup>	\$ 247,469
							3,084 <sup>(8)</sup>	\$ 315,370
					2,320 <sup>(2)</sup>	\$ 237,243		
					1,614 <sup>(3)</sup>	\$ 165,048		
					1,028 <sup>(4)</sup>	\$ 105,123		
Nick Rens								
							1,805 <sup>(6)</sup>	\$ 184,579
							2,016 <sup>(7)</sup>	\$ 206,156
							2,570 <sup>(8)</sup>	\$ 262,808
					1,805 <sup>(2)</sup>	\$ 184,579		
					1,344 <sup>(3)</sup>	\$ 137,437		
					857 <sup>(4)</sup>	\$ 87,637		
Daniel Sebillaut	0	6,693 <sup>(1)</sup>	\$ 58.85	02/14/2022				
	5,845	0	\$ 58.40	02/01/2021				
							1,977 <sup>(6)</sup>	\$ 202,168
							2,268 <sup>(7)</sup>	\$ 231,926
							2,460 <sup>(8)</sup>	\$ 251,560
					1,977 <sup>(2)</sup>	\$ 202,168		
					1,512 <sup>(3)</sup>	\$ 154,617		
					820 <sup>(4)</sup>	\$ 83,853		

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- (1) Stock options vested at the rate of 33.3% on 2/14/2013, 2/14/2014 and 2/14/2015. These options became exercisable on 2/14/2016.
- (2) Reflects grants of RSUs related to WABCO common stock. These units vest at the rate of 33.3% per year with vesting dates of 2/20/16, 2/20/17 and 2/20/18.
- (3) Reflects grants of RSUs related to WABCO common stock. These units vest at the rate of 33.3% per year with vesting dates of 2/24/15, 2/24/16 and 2/24/17.
- (4) Reflects grants of RSUs related to WABCO common stock. These units vest at the rate of 33.3% per year with vesting dates of 2/22/14, 2/22/15 and 2/22/16.

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- (5) Reflects grants of RSUs related to WABCO common stock. These units vest at the rate of 33.3% per year with vesting dates of 6/02/15, 6/02/16 and 6/02/17.
- (6) Reflects grant of PSUs related to WABCO common stock. These units vest, if at all, on 2/20/2018, subject to the NEO's continued employment and only if the company achieves certain goals related to cumulative performance earnings per share over the three-year period ending on 2/20/2018.
- (7) Reflects grant of PSUs related to WABCO common stock. These units vest, if at all, on 2/24/2017, subject to the NEO's continued employment and only if the company achieves certain goals related to cumulative performance earnings per share over the three-year period ending on 2/24/2017.
- (8) Reflects grant of PSUs related to WABCO common stock. The performance target for these PSUs was related to our three-year cumulative performance EPS for the 2013-2015 performance cycle. In February 2016, our CNG Committee certified the achievement of the PSU performance target at 186.4%. Accordingly, on February 22, 2016, Messrs. Esculier, Liu, Rens and Sebillaut received 28,468, 5,749, 4,791 and 4,586 shares of our common stock, respectively.
- (9) Values in this column are based on the closing price of a share of our common stock on December 31, 2015, *i.e.*, \$102.26.

### Option Exercises and Stock Vested

The following table sets forth information about WABCO options that were exercised to purchase WABCO common stock in 2015 and RSUs that vested in 2015.

Names	Option Awards		Stock Awards	
	Number of shares acquired on exercise (#) <sup>(1)</sup>	Value realized on exercise (\$) <sup>(2)</sup>	Number of shares acquired on vesting (#) <sup>(3)</sup>	Value realized on vesting (\$) <sup>(4)</sup>
Jacques Esculier	139,920	\$ 11,753,658	87,834	\$ 11,339,841
Prashanth Mahendra-Rajah	0	\$ 0	2,341	\$ 294,006
Leon Liu	0	\$ 0	2,996	\$ 344,283
Nick Rens	2,303	\$ 133,652	2,436	\$ 280,263
Daniel Sebillaut	0	\$ 0	2,472	\$ 284,698

- (1) Represents the gross number of shares acquired upon exercise of vested options without deduction of any shares withheld to cover option exercise price or applicable tax obligations.
- (2) Represents the value of exercised options calculated by multiplying (i) the number of shares of WABCO's common stock to which the exercise of the option is related, by (ii) the difference between the price of a share of our stock at the time of exercise and the exercise price of the options.
- (3) Represents the gross number of shares acquired upon vesting of RSUs without deduction of any shares withheld to satisfy applicable tax obligations. For Mr. Esculier, the number reported in this column includes 73,497 shares acquired upon vesting of PSUs on May 26, 2015 without deduction of any shares withheld to satisfy applicable tax obligations. The PSUs were granted to Mr. Esculier on May 26, 2011.
- (4) Represents the value of vested RSUs calculated by multiplying the gross number of vested RSUs by the closing trading price of a share of WABCO's stock on the trading day immediately before the vesting date.

### Nonqualified Deferred Compensation

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The following table sets forth information about deferred compensation benefits accrued by our NEOs in 2015:

<b>Names</b>	<b>Executive Contributions in Last FY<sup>(1)</sup> (\$)</b>	<b>Registrant Contributions in Last FY (\$)<sup>(2)</sup></b>	<b>Aggregate Earnings in Last FY (\$)</b>	<b>Aggregate Withdrawals/ Distributions (\$)</b>	<b>Aggregate Balance at Last FYE (\$)</b>
Jacques Esculier			\$ 84		\$ 560,538
Prashanth Mahendra-Rajah			\$ 63		\$ 16,143
Leon Liu		\$ 26,967	\$ 2,447		\$ 177,556
Nick Rens	\$ 136,752		\$ 1,137		\$ 406,720
Daniel Sebillaut					



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- (1) Mr. Rens, who was employed in our Belgian subsidiary, elected to participate in a nonqualified deferred compensation plan where he contributed half of his AIP award earned for the year 2015.
- (2) Amounts reported in the Registrant Contributions in Last FY column are included in footnote 4 to the Summary Compensation Table. Mr. Liu's eligible compensation exceeds limits imposed by Section 401(a)(17) of the Internal Revenue Code ( IRS Limits ) so he participates in the company's Supplemental Savings Plan. Under the Supplemental Savings Plan, we credited 3% on eligible compensation between the IRS Limits and \$250,000, plus a matching contribution of up to 6% on eligible compensation in excess of the IRS Limits based upon the employee's contribution election under the tax qualified 401(k) plan.

### **Other Retirement Plans**

Messrs. Esculier, Liu, Mahendra-Rajah and Rens participated in our Belgian group insurance plans which include retirement in the form of a defined contribution plan. Until their localization in Belgium on July 1, 2015, Messrs. Liu and Mahendra-Rajah participated in our tax-qualified 401(k) plan.

Mr. Sebillaud participated in our French benefit plans which include retirement in the form of a defined contribution plan.

### **Potential Post-Employment Payments**

#### ***Severance Arrangements***

Messrs. Esculier, Mahendra-Rajah, Liu, Rens and Sebillaud would have been entitled to severance payments in the event their employment was involuntarily terminated by us without cause or they terminated their employment with us for good reason (as defined below) on December 31, 2015. Mr. Esculier would be paid a lump sum amount equal to two times his annual base salary at the time of termination, plus two times his then-current annual incentive target award. Messrs. Mahendra-Rajah, Liu, Rens and Sebillaud would be paid a lump sum amount equal to one and one-half times their annual base salary at the time of termination, plus one and one-half times their then-current annual incentive target award. In addition, group insurance and group medical coverage would be continued for up to 18 months (24 months, in the case of Mr. Esculier) following termination and reimbursement of financial planning services of up to \$5,000 would be provided if such expenses are submitted within one year of termination of employment.

Payment of some or all of these amounts to an executive subject to U.S. taxation on compensation income may be delayed for six months following a participant's termination, or the period over which welfare benefits are provided may be shortened, to the extent required to avoid subjecting the participant to additional taxes or accelerated income recognition under Section 409A of the Internal Revenue Code. These contractual severance benefits would be offset by any statutory entitlements to which any of the NEOs may become entitled under applicable law. The terms "good reason" and "cause" as referenced herein have the same meaning as in the Change of Control Severance Plan described below. These severance payments and benefits would not be payable in the event Messrs. Esculier, Mahendra-Rajah, Liu, Rens and Sebillaud are entitled to benefits under the Change of Control Severance Plan in connection with their termination of employment.

**Table of Contents****Severance Benefits as of December 31, 2015**

The table below illustrates the amount of severance benefits and the value of continued welfare benefits that would have been payable to each of Messrs. Esculier, Mahendra-Rajah, Liu, Rens and Sebillaut, if his employment had been terminated by the company without cause or if such officer had terminated his employment for good reason under the agreements described above on December 31, 2015 and assuming that such terminations occurred prior to the occurrence of a change of control. The actual amounts payable in the event that any of the NEOs below incurred a qualifying termination would likely be different from the amounts shown below, depending on such NEO's then-current compensation at the date of termination.

<b>Names</b>	<b>Cash Severance Benefits<sup>(1)</sup></b>	<b>Value of Continued Welfare Benefits and Financial Planning Reimbursement<sup>(2)</sup></b>	<b>Total Value of Termination Benefits Payable</b>
Jacques Esculier	\$ 4,400,000	\$ 672,068	\$ 5,072,068
Prashanth Mahendra-Rajah	\$ 1,242,000	\$ 283,867	\$ 1,525,867
Leon Liu	\$ 1,180,204	\$ 154,646	\$ 1,334,850
Nick Rens	\$ 906,231	\$ 119,865	\$ 1,026,096
Daniel Sebillaut	\$ 949,658	\$ 89,514	\$ 1,039,172

- (1) Column (1) reflects, for Mr. Esculier, two times annual base salary as of December 31, 2015, plus two times the AIP target as of December 31, 2015, and for our other NEOs, one and one-half times annual base salary as of December 31, 2015, plus one and one-half times the AIP target as of December 31, 2015.
- (2) Column (2) reflects, for Mr. Esculier, the estimated value of company-provided group insurance plan and group medical coverage for two years and reimbursement of financial planning services of up to \$5,000 for one year, and for our other NEOs, the estimated value of company-provided group insurance plan and group medical coverage for 18 months and reimbursement of financial planning services of up to \$5,000 for one year.

**Change of Control Severance Plan and Omnibus Incentive Plan**

A group of approximately twenty key executives of the company, including our current NEOs, participate in the WABCO Change of Control Severance Plan. Under the Change of Control Severance Plan, participants are entitled to severance benefits and company-paid outplacement services in the event their service with the company is involuntarily terminated by us (or any successor to us) without cause or they terminate their service with the company for good reason, in each case, within twenty-four months after the occurrence of a change of control of the company. Under these circumstances, Messrs. Esculier and Mahendra-Rajah would be paid a lump sum amount equal to three times their annual base salary at the time of termination, plus three times their then-current annual incentive target award. Messrs. Liu, Rens and Sebillaut would each be paid a lump sum amount equal to two times his respective annual base salary at the time of termination or departure, plus two times his then-current annual incentive target award. In addition, group insurance and group medical coverage will be continued for up to thirty-six months for Messrs. Esculier and Mahendra-Rajah, and twenty-four months for other executive participants, including Messrs. Liu, Rens and Sebillaut. All our NEOs are also eligible to receive reimbursement of financial planning services of up to \$5,000 if such expenses are submitted within one year of the executive's termination of service with the company. Payment of some or all of these amounts may be delayed for six months following the termination of an officer's service with the company, or the period over which welfare benefits are provided to the executives may be shortened, to the extent required to avoid subjecting the executive to additional taxes or accelerated income recognition under Section 409A of the Internal Revenue Code. These contractual severance benefits will be offset by any statutory entitlements to which any of the executives, including the NEOs, may become entitled under applicable law. We do not provide for excise tax gross-up payments under our Change of Control Severance Plan.

For purposes of the entitlement to severance benefits under the Change of Control Severance Plan, *cause* means a participant's (1) willful and continued failure to substantially perform his or her duties with the company

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or any subsidiary after a demand for substantial performance is made identifying the manner in which it is believed that such participant has not substantially performed his or her duties and such participant is provided a period of thirty (30) days to cure such failure, (2) conviction of, or plea of *nolo contendere* to, a felony, or (3) the willful engaging by such participant in gross misconduct materially and demonstrably injurious to the company or any subsidiary or to the trustworthiness or effectiveness of the participant in the performance of his or her duties. Under the Change of Control Severance Plan, good reason is defined to mean the occurrence of any of the following events, without the written consent of the participant, so long as the participant actually terminates service with the company within 90 days of the occurrence of such event:

1. an adverse change in the participant's position or status as an executive or a material diminution in the participant's duties, authority, responsibilities or status;
2. relocation of the participant's principal place of service with the company to a location more than 30 miles away from the participant's prior principal place of service with the company;
3. a reduction in the participant's base salary;
4. the taking of any action by the company or a subsidiary that would substantially diminish the aggregate projected value of such participant's award opportunities under the incentive plans in which he or she was participating; or
5. the taking of any action that would substantially diminish the aggregate value of the benefits provided to the participant under the medical, health, accident, disability, life insurance, thrift and retirement plans in which he or she was participating (unless resulting from a general change in benefits applicable to all similarly-situated employees).

However, a participant may not terminate his or her service with the company for good reason on account of any of the events or actions described in items 3, 4 and 5 above, if such event or action is part of a cost savings program and any adverse consequences for the executive of such events or action applies proportionately to all similarly-situated executives.

We also use a double trigger vesting approach for our RSUs. PSUs are earned and vest at the target level of performance upon a change in control. Our annual incentive and long-term cash based incentive awards vest upon a change in control based on evaluation of actual performance during the performance period until the change in control.

For purposes of the Change of Control Severance Plan and the Omnibus Incentive Plan, a change of control is defined to include the occurrence of any of the following events:

- (i) a person (other than WABCO, any of its subsidiaries or any employee benefit plan maintained by WABCO or any of its subsidiaries) is or becomes the beneficial owner, directly or indirectly, of securities of the company representing 20% or more of the combined voting power of WABCO's then-outstanding securities (or 25% to the extent that, prior to meeting the 20% threshold, the non-management members of our Board unanimously adopt a resolution consenting to such acquisition by such beneficial owners);
- (ii) during any consecutive 24-month period, individuals who at the beginning of such period constitute our Board, together with those individuals who first become directors during such period (other than by reason of an agreement with WABCO or our Board in settlement of a proxy contest for the election of directors) and whose election or nomination for election to our Board was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority of the Board;
- (iii) the consummation of any merger, consolidation, recapitalization or reorganization involving WABCO, other than any such transaction immediately following which the persons who were the beneficial owners of the outstanding voting securities of WABCO immediately prior to such transaction are the beneficial owners of at



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least 55% of the total voting power represented by the voting securities of the entity surviving such transaction or the ultimate parent of such entity in substantially the same relative proportions as their ownership of WABCO's voting securities immediately prior to such transaction; provided that, such continuity of ownership (and preservation of relative voting power) shall be deemed to be satisfied if the failure to meet such threshold (or to preserve such relative voting power) is due solely to the acquisition of voting securities by an employee benefit plan of WABCO, such surviving entity, any subsidiary or any subsidiary of such surviving entity;

(iv) the sale of substantially all of the assets of WABCO to any person other than any subsidiary or any entity in which the beneficial owners of the outstanding voting securities of WABCO immediately prior to such sale are the beneficial owners of at least 55% of the total voting power represented by the voting securities of such entity or the ultimate parent of such entity in substantially the same relative proportions as their ownership of WABCO's voting securities immediately prior to such transaction; or

(v) the shareholders of WABCO approve a plan of complete liquidation or dissolution of WABCO.

***Change of Control Benefits as of December 31, 2015***

The table set forth below illustrates the amount that would be payable to each of our current NEOs under the Change of Control Severance Plan and the Omnibus Incentive Plan in the event that a change of control occurred on December 31, 2015, a qualifying termination occurred on or within twenty-four months after such change of control, all then outstanding stock options and restricted stock units became fully vested and the performance stock units vested based on achieving the target level of performance. The amounts listed in the table below are only estimates of the amounts that would have been payable in the event that a change of control had occurred on December 31, 2015, based on the assumptions described in this section. The actual amounts payable in the event that a change of control does occur will be more or less than the amounts shown below, depending on the actual terms and conditions of any such event and the facts and circumstances actually prevailing at the time of such event. Thus, the actual amount payable in the event of a change of control could be significantly greater or less than the estimated amounts shown in the table below.

Names	Total Value of Termination Benefits Payable (b) <sup>(1)</sup>	Total Value of Equity Acceleration (c) <sup>(2)</sup>	Total Value of Incentive Award Acceleration (d) <sup>(3)</sup>	Total Value of Benefits Payable Due to a Change of Control (e) <sup>(4)(5)</sup>
(a)				
Jacques Esculier	\$ 7,605,602	\$ 5,768,698	\$ 4,003,704	\$ 17,378,004
Prashanth Mahendra-Rajah	\$ 3,046,735	\$ 883,322	\$ 772,515	\$ 4,702,572
Leon Liu	\$ 1,778,134	\$ 1,291,728	\$ 882,157	\$ 3,952,019
Nick Rens	\$ 1,366,462	\$ 1,050,057	\$ 675,437	\$ 3,091,956
Daniel Sebillaut	\$ 1,383,896	\$ 1,404,257	\$ 763,181	\$ 3,551,334

(1) For the purposes of this table, base salary as of December 31, 2015 was used for all the named executive officers.

For Messrs. Esculier and Mahendra-Rajah, these amounts reflect three times annual base salary as of December 31, 2015, plus three times the annual incentive plan target as of December 31, 2015, and the estimated value of company-provided group insurance plan and group medical coverage for three years and reimbursement of financial planning services up to \$5,000 for one year.

For Messrs. Liu, Rens and Sebillaut, this amount reflects two times annual base salary as of December 31, 2015, plus two times the annual incentive plan target as of December 31, 2015 and the estimated value of company-provided group insurance plan and group medical coverage for two years and reimbursement of financial planning services up to \$5,000 for one year.

All participants in the Change of Control Severance Plan are eligible for company-paid outplacement services. The value of such benefits is not currently known and therefore not included in these estimates.

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(2) These estimates include, (i) in the case of stock options, the difference between the change in control stock price and the applicable exercise price multiplied by the total number of outstanding stock options, (ii) in the case of RSUs, the change in control stock price multiplied by the total number of RSUs and (iii) in the case of PSUs, the change in control stock price multiplied by the target number of PSUs, except that the PSUs granted before the amendment and restatement of the Omnibus Incentive Plan are included at 95% because only a pro-rated portion of those awards vests. The number of unvested stock options, the number of outstanding RSUs, and the number of outstanding PSUs at target are represented in the Number of Securities Underlying Unexercised Options Unexercisable (#), the Number of Shares or Units of Stock Unvested (#), and the Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Yet Vested columns, respectively, of the Outstanding Equity Awards at Fiscal Year-End table. The estimates in this column were calculated assuming that the price paid for the company's common stock in connection with the assumed change of control was \$102.26, which was the closing price of a share of company stock on December 31, 2015.

(3) Column (d) represents the pro-rata target awards under all in-progress performance cycles for AIP and LTIP awards as of December 31, 2015.

For Mr. Esculier, these amounts represent \$1,485,000, \$1,459,508, \$692,530 and \$366,666 for the 2015 AIP, 2013-2015, 2014-2016 and 2015-2017 long-term incentive plan performance cycles, respectively.

For Mr. Mahendra-Rajah, these amounts represent \$451,168, \$151,234, \$101,613 and \$68,500 for the 2015 AIP, 2013-2015, 2014-2016 and 2015-2017 long-term incentive plan performance cycles, respectively.

For Mr. Liu, these amounts represent \$397,196, \$282,202, \$133,656 and \$69,103 for the 2015 AIP, 2013-2015, 2014-2016 and 2015-2017 long-term incentive plan performance cycles, respectively.

For Mr. Rens, these amounts represent \$304,991, \$215,230, \$102,331 and \$52,885 for the 2015 AIP, 2013-2015, 2014-2016 and 2015-2017 long-term incentive plan performance cycles, respectively.

For Mr. Sebillaut, these amounts represent \$335,587, \$244,758, \$121,519 and \$61,317 for the 2015 AIP, 2013-2015, 2014-2016 and 2015-2017 long-term incentive plan performance cycles, respectively.

(4) Sum of (b) through (d).

(5) These amounts may be subject to reduction in order to maximize the net after-tax benefit to an executive who is subject to U.S. taxes on his WABCO compensation and benefits. As mentioned under Payments upon Severance or Change of Control in the Compensation Discussion and Analysis section of this proxy statement, the company removed the excise tax gross-up payment provisions included in the Change of Control Severance Plan, effective as of January 1, 2012.

**Table of Contents****EQUITY COMPENSATION PLANS**

The following table sets forth certain information regarding WABCO's equity compensation plans as of December 31, 2015:

<b>Plan Category</b>	<b>Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants, Rights and RSUs</b>	<b>Weighted Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)</b>
Equity compensation plans approved by security holders	732,407 <sup>(1)</sup>	\$ 43.37 <sup>(2)</sup>	3,369,867
Equity compensation plans not approved by security holders			88,582 <sup>(3)</sup>
<b>Total</b>	<b>732,407</b>		<b>3,458,449</b>

(1) Includes options to purchase 391,619 shares of common stock, 168,076 RSUs and 172,712 PSUs granted under our omnibus incentive plans. The options have a weighted average remaining term of 3.66 years.

(2) Represents the weighted average exercise price of outstanding options and does not take into account RSUs or PSUs.

(3) Represents shares remaining available for issuance under the Deferred Compensation Plan. For information regarding the material terms of the Deferred Compensation Plan, please see [Director Compensation](#) [Deferred Compensation Plan](#).

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**PROPOSAL 3 SHAREHOLDER APPROVAL OF EXECUTIVE COMPENSATION**

The Dodd-Frank Act enables the company's shareholders to vote to approve, on an advisory and non-binding basis, the compensation of the company's named executive officers as disclosed in this proxy statement in accordance with SEC rules. The company holds an advisory vote on executive compensation each year at the annual meeting of shareholders.

As we discuss in the Compensation Discussion and Analysis, our executive compensation program is intended to deliver competitive total compensation upon achievement of performance objectives and has been developed consistent with our strategy to attract, motivate and develop leaders who will drive the creation of shareholder value. Our executive compensation is discussed in further detail under Compensation Discussion and Analysis and Executive Compensation, which includes information about the 2015 compensation of our named executive officers.

The company is asking its shareholders to indicate their support for the compensation paid to the company's named executive officers. This proposal is not intended to address any specific item of compensation, but rather the overall compensation of the company's named executive officers and the philosophy, policies and practices described in this proxy statement. Accordingly, the company is asking its shareholders to vote FOR the following resolution at the Annual Meeting.

RESOLVED, that the company's shareholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the company's proxy statement for the 2016 Annual Meeting of Shareholders pursuant to the compensation disclosure rules of the SEC.

The vote on executive compensation is advisory, and therefore not binding; however, the CNG Committee will consider the outcome of the vote when considering future executive compensation arrangements.

**Recommendation**

**The Board of Directors unanimously recommends that shareholders vote FOR Proposal 3, the advisory approval of the compensation paid to the company's named executive officers, as disclosed in this proxy statement pursuant to the SEC's compensation disclosure rules.**



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### **DIRECTOR COMPENSATION**

The CNG Committee recommends to the full Board of Directors the compensation of the company's non-management directors, including the amount of equity awards that should be granted annually to such directors. The full Board of Directors must approve any change to the compensation payable to the company's non-management directors, whether in the form of cash or equity awards. The Board of Directors has responsibility for administering the Omnibus Incentive Plan in respect of the company's non-management directors. Neither the CNG Committee nor the Board of Directors has delegated any of its responsibilities regarding the compensation of the company's non-management directors.

The CNG Committee periodically reviews the aggregate compensation payable to the company's non-management directors to determine that the level of equity awards made under the Omnibus Incentive Plan and the amount of cash compensation payable in respect of the annual retainer fee, the meeting attendance fees and the fees for service as a chair of the standing committees of the Board continue to be appropriate and consistent with the practices generally applicable at public companies of comparable size and in similar industries. As part of this review, the CNG Committee considers whether the allocation between cash and equity-based compensation continues to be appropriate. In connection with its review, the CNG Committee may request from time to time that the independent executive compensation consultant retained by the CNG Committee, PM, review the pertinent data and advise on the competitiveness and appropriateness of the company's compensation arrangements for its non-management directors. The CNG Committee also seeks input from the current Chairman and Chief Executive Officer and Chief Human Resources Officer of the company with respect to any recommendations that it may make regarding changes to the compensation program for non-management directors, but no other executive officer has any substantive role in the setting of such compensation.

#### **2015 Director Compensation Program**

Under the 2015 director compensation program, each non-management director, except for Messrs. Fiedler and Martin (who retired from the Board in May 2015 and October 2015, respectively), Mr. Keizer (who was appointed in July 2015), Mr. Gross (who was appointed in March 2016), and the Lead Director, was paid an annual retainer of \$155,000, of which \$65,000 was paid in cash on a quarterly basis. The remaining \$90,000 was paid in the form of deferred stock units (DSUs). Messrs. Fiedler, Martin and Keizer received a cash retainer that was pro-rated for the period of fiscal year 2015 during which they served as a director. Our Lead Director received an annual retainer of \$175,000, of which \$85,000 was paid in cash on a quarterly basis and the remaining \$90,000 was paid in the form of DSUs. The Chairs of the Audit and CNG Committees received additional annual retainers of \$15,000. In addition, all newly-appointed non-management directors received an initial retainer with a fair market value of \$50,000, which was paid in the form of DSUs.

All non-management directors received \$1,500 per day for attendance at in-person Board or committee meetings and \$750 for attendance at telephonic Board or committee meetings (or for attending in-person meetings by telephone). Directors were also reimbursed for reasonable expenses incurred to attend meetings.

#### ***Equity Retainer Deferred Stock Units***

Our non-management directors, except Messrs. Fiedler, Keizer and Gross, received the equity portion of their annual retainer during 2015 in the form of fully vested DSUs. The DSUs were granted at the 2015 Annual Meeting of Shareholders and were based on the closing price of the company's common stock on the trading day preceding the Annual Meeting of Shareholders. Each DSU provides a non-management director the right to the issuance of a share of our common stock, within ten days after the earlier of the director's death or disability, the 13-month anniversary of the grant date or the director's separation from service. Our non-management directors may choose to defer the receipt of shares for five or more years. A non-management director may not elect to accelerate the issuance of stock from a DSU. DSUs that will be provided to our non-management directors for the 2016 fiscal year will be granted in the same manner as in 2015.

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Mr. Fiedler retired from the Board of Directors when his term expired at the 2015 Annual Meeting of Shareholders and, accordingly, did not receive the equity portion of his annual retainer in 2015. As discussed above, as a newly-appointed non-management director, Mr. Keizer received DSUs equivalent in value to \$50,000 based on the closing price of the company's common stock on the last trading day before his appointment to the Board (July 17, 2015). Mr. Gross did not receive any compensation in 2015, but he received DSUs equivalent in value to \$50,000 based on the closing price of the company's common stock on the last trading day before his appointment to the Board (March 21, 2016).

All equity granted to our non-management directors is issued under the company's Omnibus Incentive Plan.

### ***Deferred Compensation Plan***

The Board of Directors adopted the WABCO Holdings Inc. Deferred Compensation Plan in December 2007. While the Deferred Compensation Plan is by its terms open to all non-management directors and executive officers, the Board has determined that only non-management directors will currently be entitled to participate in the Deferred Compensation Plan. The Deferred Compensation Plan permits the non-management directors to defer receipt of all or part of the cash portion of their retainer, meeting fees and any other amounts specified under the plan into either an interest bearing account or notional shares of WABCO common stock, as elected by the participant at the time he or she makes the election to defer the compensation. Once allocated to the interest account or the stock account, a participant may not change the manner in which the amounts deferred are deemed invested. The Deferred Compensation Plan provides that the company may also make discretionary contributions (including discretionary matching contributions) in addition to the amounts electively deferred by a participating non-management director. No discretionary matching contributions have been made on behalf of non-management directors since the Spin-off. None of our non-management directors elected to participate in 2015.

### **Director Stock Ownership Guidelines**

Under our stock ownership guidelines, our non-management directors are required to own shares of our common stock with a value equal to five times their annual cash retainer fees. The chair retainers are not counted towards the required ownership targets. The guidelines provide that our non-management directors have until January 1, 2016 or five years from the date of becoming a non-management director, whichever is later, to attain such ownership levels. As of March 1, 2016, all non-management directors were in compliance with the stock ownership guidelines based on 2015 compensation levels, taking into account the grace period for compliance for four directors who have joined the Board since October 2011. See Compensation Discussion and Analysis Executive Stock Ownership and Stock Holding Guidelines for a description of our stock ownership guidelines for our executives.

### **Other Benefits**

Our non-management directors are reimbursed for travel and other expenses incurred in the performance of their duties and are indemnified to the fullest extent allowed under applicable law. We do not provide perquisites to our directors.

**Table of Contents****Director Compensation Table**

<b>Name</b>	<b>Fees Earned or Paid in Cash (\$)</b>	<b>Stock Awards \$(1)</b>	<b>Total (\$)</b>
G. Peter D. Aloia	88,250	90,000	178,250
John F. Fiedler	45,250		45,250
Juergen W. Gromer	89,000	90,000	179,000
Henry R. Keizer	41,500	50,000	91,500
Kenneth J. Martin	76,500	90,000	166,500
Jean-Paul Montupet	97,250	90,000	187,250
Mary L. Petrovich	85,250	90,000	175,250
David N. Reilly	83,750	90,000	173,750
Michael T. Smith	102,250	90,000	192,250
Donald J. Stebbins	83,750	90,000	173,750

- (1) Reflects the grant date fair value of the awards as determined in accordance with ASC Topic 718. The amounts represent grants of deferred stock units that are paid in shares of our common stock and calculated based on the number of shares granted multiplied by the closing price per share of our common stock on the day prior to the date of grant. The amounts do not reflect the actual amounts that may be realized by the directors.

**New 2016 Director Compensation Program**

As part of its annual process, the CNG Committee reviewed market data compiled by PM and determined that the director compensation program had fallen behind competitive practice. Therefore, in February 2016, our Board of Directors, upon recommendation of the CNG Committee, approved a new director compensation program. Under the new program, except for the Lead Director, each non-management director is paid an annual retainer of \$195,000, of which \$80,000 is paid in cash on a quarterly basis and \$115,000 is paid in the form of equity awards. Our Lead Director will receive an annual retainer of \$215,000, of which \$100,000 is paid in cash on a quarterly basis and the remaining \$115,000 is paid in the form of equity awards.

No changes were made to the fee levels paid to the Chairs of the Audit and CNG Committees, the attendance fees or the initial retainer for all newly-appointed non-management directors as reported above under 2015 Director Compensation Program.

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**COMMON STOCK OWNERSHIP OF OFFICERS, DIRECTORS  
AND SIGNIFICANT SHAREHOLDERS**

**Ownership of Common Stock by Directors and Executive Officers**

The following table sets forth, as of March 31, 2016, beneficial ownership of WABCO common shares by each executive officer named in the Summary Compensation Table in this proxy statement, each director or director nominee, and by all directors and executive officers as a group. Unless otherwise indicated, each beneficial owner had sole voting and investment power with respect to the common stock held.

Name of Beneficial Owner	Shares Beneficially Owned	Shares that May be Acquired Within 60 Days	Total	Percent of Class <sup>(1)</sup>
G. Peter D. Aloia	23,403 <sup>(2)(3)</sup>	3,765 <sup>(4)</sup>	27,168	*
Jacques Esculier	232,656 <sup>(5)</sup>	82,394	315,050	*
Juergen W. Gromer	10,750 <sup>(2)</sup>	689	11,439	*
Thomas S. Gross		474	474	*
Henry R. Keizer	400	405	805	*
Leon Liu	17,009 <sup>(5)</sup>	16,151	33,160	*
Prashanth Mahendra-Rajah	2,069 <sup>(5)</sup>		2,069	*
Jean-Paul Montupet	1,877	2,257	4,134	*
Mary L. Petrovich	3,614	689	4,303	*
David N. ( Nick ) Reilly	476	689	1,165	*
Nick Rens	5,653 <sup>(5)</sup>		5,653	*
Daniel Sebillaut	12,085 <sup>(5)</sup>	12,538	24,623	*
Michael T. Smith	12,750 <sup>(2)</sup>	689	13,439	*
All current directors and executive officers of the company as a group (16) persons	324,024	122,440	446,464	*

\* Less than 1%.

(1) As of March 31, 2016, we had 56,249,224 shares of our common stock outstanding.

(2) The number of shares shown for certain directors in the table above includes shares allocated to their accounts in the outside directors trust established by the company for the non-management directors. Under the outside directors trust, a trust account holds shares of common stock for each participating non-management director. The shares are voted by the trustee of the trust on behalf of each participating director in accordance with the director's instructions. The trust shares do not vest to direct ownership while the director is in office. Shares held in this trust are as follows: Mr. D. Aloia, 5,405; Mr. Gromer, 5,402; and Mr. Smith, 5,402. In July 2009, the company's Board of Directors voted to discontinue the use of the outside directors trust.

(3) The number of shares shown for Mr. D. Aloia in the table above includes 14,372 shares held by a charitable foundation controlled by Mr. D. Aloia.

(4) Includes 1,508 deferred shares allocated under the company's Deferred Compensation Plan.

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- (5) Shares include vested RSUs as follows: Mr. Esculier, 165,858 shares; Mr. Liu, 13,414 shares; Mr. Mahendra-Rajah, 2,069 shares; Mr. Rens, 3,426 shares; and Mr. Sebillaut, 8,604.

**Table of Contents****Ownership of Common Stock by Certain Significant Shareholders**

As of March 31, 2016, unless otherwise indicated below, the following are beneficial owners of more than 5% of our outstanding common stock:

<b>Name and Address of Beneficial Owner</b>	<b>Shares Beneficially Owned</b>	<b>Percent of Class<sup>(1)</sup></b>
The Vanguard Group <sup>(2)</sup> 100 Vanguard Blvd. Malvern, PA 19355	3,731,395	6.6%
Warren E. Buffett Berkshire Hathaway Inc. <sup>(3)</sup> 3555 Farnam Street Omaha, NE 68131	3,331,215	5.9%

- (1) As of March 31, 2016, we had 56,249,224 shares of our common stock outstanding.
- (2) In an amended Schedule 13G filed on February 11, 2016, The Vanguard Group reported that, as of December 31, 2015, it was deemed, pursuant to Rule 13d-1 of the Securities Exchange Act of 1934, as amended, to hold sole voting power with respect to 53,640 of the shares reported in the table above, shared voting power with respect to 5,400 of the shares reported in the table above, sole dispositive power with respect to 3,674,955 of the shares reported in the table above and shared dispositive power with respect to 56,440 of the shares reported in the table above, by virtue of the fact that it is the parent company of a group of investment companies.
- (3) In an amended Schedule 13G filed on February 16, 2016, Berkshire Hathaway Inc. reported, on behalf of itself, Warren E. Buffett (an individual who may be deemed to control Berkshire Hathaway Inc.), GEICO Corporation, National Indemnity Company, Government Employees Insurance Company, Acme Brick Company Pension Trust, The Buffalo News Office Pension Plan, The Buffalo News Editorial Pension Plan, Dexter Pension Plan, Justin Brands, Inc. Union Pension Plan & Justin Brands, Inc. Pension Plan & Trust, Scott Fetzer Company Collective Investment Trust, and BNSF Master Retirement Trust that, as of December 31, 2015, it was deemed, pursuant to Rule 13d-1 of the Securities Exchange Act of 1934, as amended, to hold shared dispositive power and shared voting power with respect to the 3,331,215 shares reported in the table above.

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### **OTHER MATTERS**

#### **Shareholder Proposals for the 2017 Annual Meeting of Shareholders**

*Proposals for Inclusion in the Proxy Statement.* Under the rules of the SEC, if a shareholder wants to include a proposal for consideration in our proxy statement and proxy card at our 2017 Annual Meeting of Shareholders, the proposal must be received at our executive offices located at 2770 Research Drive, Rochester Hills, Michigan 48309-3511 no later than December 16, 2016. The proposal should be sent to the attention of the Secretary of the company.

*Proposals to be Offered at an Annual Meeting.* Under our by-laws, and as permitted by the rules of the SEC, certain procedures are provided which a shareholder must follow to nominate persons for election as directors or to introduce an item of business at an annual meeting if such matter is not intended to be considered for inclusion in the proxy statement. These procedures provide that director nominations and/or proposals relating to another item of business to be introduced at an annual meeting of shareholders must be submitted in writing by certified mail to the V.P. Legal & Company Secretary of the company at our executive offices located at 2770 Research Drive, Rochester Hills, Michigan 48309-3511. We must receive the notice of your intention to introduce a nomination or proposed item of business at our 2017 Annual Meeting no later than February 25, 2017 and no earlier than January 26, 2017. In addition, nominations for a non-incumbent director must be accompanied by information concerning the proposed nominee, including such information as is required by the company's by-laws and the proxy rules of the SEC.

#### **Director Nominations**

The Board of Directors has delegated to the CNG Committee the responsibility of identifying, screening and recommending candidates to the Board. Potential candidates are interviewed by the Chairman and Chief Executive Officer and the Chair of the CNG Committee prior to their nomination, and may be interviewed by other directors and members of senior management. The CNG Committee then meets to consider and approve the final candidates, and either makes its recommendation to the Board to fill a vacancy, add an additional member, or recommends a slate of candidates to the Board for nomination for election to the Board. The selection process for candidates is intended to be flexible, and the CNG Committee, in the exercise of its discretion, may deviate from the selection process when particular circumstances warrant a different approach.

The CNG Committee will consider candidates proposed by shareholders to be director nominees. Shareholders wishing to recommend a director candidate for consideration by the CNG Committee should provide the name of any recommended candidate for director, together with a brief biographical sketch, a document indicating the candidate's willingness to serve, if elected, and evidence of the nominating shareholder's ownership of company stock to the attention of the V.P. Legal & Company Secretary of the company at 2770 Research Drive, Rochester Hills, Michigan 48309-3511. Shareholders wishing to directly nominate a director should follow the company's nominating process set forth above under the caption "Shareholder Proposals for the 2017 Annual Meeting of Shareholders" and more fully described in our by-laws. The CNG Committee's policy is to evaluate director nominees proposed by shareholders in the same manner that all other director nominees are evaluated. The general criteria our CNG Committee considers important in evaluating director candidates are: (i) senior-level management and decision-making experience; (ii) a reputation for integrity and abiding by exemplary standards of business and professional conduct; (iii) ability to devote time and attention necessary to fulfill the duties and responsibilities of a director; (iv) a record of accomplishment in their respective fields, with leadership experience in a corporation or other complex organization, including government, educational and military institutions; (v) independence and the ability to represent all WABCO shareholders; (vi) legal and NYSE listing requirements; (vii) sound business judgment; (viii) candor; (ix) judgment, age, skills, gender, ethnicity, race, culture, diversity of thought, geography and other measures to ensure that the Board as a whole reflects a range of viewpoints, backgrounds, skills, experience and expertise; and (x) the needs of the Board of Directors.

The company may, in the future, pay a third-party a fee to assist it in the process of identifying and/or evaluating director candidates.

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### **Multiple Shareholders Sharing the Same Address**

We have adopted a procedure approved by the SEC called "householding." Under this procedure, shareholders of record who have the same address and last name and do not participate in electronic delivery of proxy materials will receive only one copy of our annual report and proxy statement unless one or more of these shareholders notifies us that they wish to continue receiving individual copies. This procedure will reduce our printing costs and postage fees. Shareholders who participate in householding will continue to receive separate proxy cards.

We will deliver promptly upon written or oral request a separate copy of the 2015 Annual Report and proxy statement or Notice to any stockholder who received these materials at a shared address. If you and other shareholders of record participate in householding and wish to receive a separate copy of the 2015 Annual Report or this proxy statement, or if you wish to receive separate copies of future annual reports and/or proxy statements, please contact our Investor Relations Department by telephone at +322 663 98 00 or in writing at 2770 Research Drive, Rochester Hills, Michigan 48309-3511.

If you and other shareholders of record with whom you share an address currently receive multiple copies of annual reports and/or proxy statements, or if you hold stock in more than one account and, in either case, you wish to receive only a single copy of the annual report or proxy statement for your household, please contact our Investor Relations Department at the telephone number or address above.

If you are a beneficial owner, you can request additional copies of the annual report and proxy statement or you may request householding information from your bank, broker or nominee.

### **Electronic Access to Proxy Statement and Annual Report**

This proxy statement and the 2015 Annual Report are available on the company's web site at [www.wabco-auto.com](http://www.wabco-auto.com). Instead of receiving paper copies of the annual report and proxy statement in the mail, shareholders can elect to receive an e-mail that will provide an electronic link to these documents. Choosing to receive your proxy materials online will save us the cost of producing and mailing documents to your home or business, and also will give you an electronic link to the proxy voting site.

*Shareholders of Record.* Shareholders of record can choose to receive materials electronically by following the instructions provided if voting over the Internet or by telephone. You can also choose between receiving electronic and paper copies by contacting our Investor Relations Department by telephone at +32 2 663 98 00 or in writing at 2770 Research Drive, Rochester Hills, Michigan 48309-3511.

If you choose to receive future proxy statements and annual reports over the Internet, you will receive an e-mail next year with instructions containing the Internet address of those materials and the electronic link to the proxy voting site. The election will remain in effect until you write or call the company's Investor Relations Department and tell us otherwise.

*Beneficial Shareholders.* If you hold your shares in a brokerage account, you may also have the ability to receive copies of the annual report and proxy statement electronically. Please check the information provided in the proxy materials sent to you by your bank, broker or other holder of record regarding the availability of electronic delivery.

By order of the Board of Directors,

Lisa J. Brown

*V.P. Legal and Company Secretary*

April 15, 2016



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**Appendix A**

**WABCO Holdings Inc.**

**Definition of Director Independence**

The following definition of Director Independence was adopted by the Board on July 27, 2007:

The New York Stock Exchange listing rules define Independent Director as a director who has no material relationship with the Company that may interfere with the exercise of the director's independent judgment. To assist the Board in making determinations of director independence for all purposes, including under the securities laws and regulations applicable to the Company, the New York Stock Exchange listing rules and the Company's Corporate Governance Guidelines, the Board hereby adopts the following standards:

1. In general, the guiding principle of WABCO is that the only money or perquisites received, directly or indirectly, by independent directors or their immediate family members from the Company is the remuneration directly related to the director's service as a director of the Company.
2. Without limiting the foregoing, a director shall not qualify as independent if any of the following are true.
  - (i) The director or an immediate family member is, or within the past three years was, an officer or employee of the Company.
  - (ii) The director or an immediate family member is, or within the past three years has been, affiliated with or employed by the Company's auditor or any other entity that, within the past three years, acted as the Company's auditor.
  - (iii) The director is, or within the past three years has been, part of an interlocking directorate, which means: (x) an officer of the Company serves or served on the compensation committee of another company that concurrently employs or employed the director or an immediate family member; (y) an officer of the Company served as a director of another company at the same time that one of the officers of the other company was on the Compensation, Nominating and Governance Committee of the Company; or (z) an officer of the Company serves or served on the compensation committee of another company at the same time that one of the officers of the other company serves or served on the Compensation, Nominating and Governance Committee of the Company.
  - (iv) The director or an immediate family member has received any compensation from the Company during any of the past three years other than compensation and benefits, including deferred compensation and pension benefits, directly related to such director's Board service.
  - (v) The director is a current partner in, or a significant shareholder, officer or employee or the director's immediate family member is a current executive officer, of any company to which the Company made, or from which the Company received, payments (other than those arising solely from such entity's investments in the Company's securities) in any of the last three fiscal years that exceeded the greater of \$1 million or 2% of the Company's or such other business's consolidated gross revenue.
  - (vi) The director or an immediate family member is a director or officer of a tax-exempt organization to which the Company's contributions exceeded the greater of \$1 million or 2% of such organization's consolidated gross revenue in any of the last three fiscal years (other than matching employee contributions through the Company's matching gifts program, if applicable).

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For purposes of clauses (i) and (iii) above, employment of a family member in a non-officer position does not preclude the Board from determining that a director is independent. For purposes of clause (ii) above, employment of a director or an immediate family member by, or affiliation with, the Company's auditor within

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the last three years (but not currently) does not preclude the Board from determining that a director is independent unless the director or immediate family member personally worked on the Company's audit within that time.

For purposes of interpreting these standards, the Board has adopted the following definitions:

Company means WABCO and/or any of its subsidiaries.

Immediate family member means the director's spouse, parents, step-parents, children, step-children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law and anyone (other than a tenant or employees) who shares his or her home.

Officer has the meaning specified in Rule 16a-1(f) of the Securities Exchange Act of 1934, or any successor rule, or, for any entity that is not an issuer as defined in the Rule, a person who performs functions similar to an officer as defined in such Rule.

Significant shareholder of any entity means a person who is the direct or indirect beneficial owner of more than 10% of the equity interests of the entity.

**Table of Contents****Appendix B****WABCO HOLDINGS INC.****Reconciliation of Operating Income to Performance Operating Income****And Net Income to Performance Net Income****(Unaudited)**

(Amounts in millions, except per share data)	Year ended December 31,					
	2015	% of Sales/ Adj Sales	2014	% of Sales/ Adj Sales	Chg vs. 2014	% Chg vs. 2014
<b><u>Operating Income</u></b>						
Reported	\$ 270.9	10.3%	\$ 331.0	11.6%	\$ (60.1)	-18.2%
Streamlining costs	68.7		26.9		41.8	
Separation costs	4.5		4.6		(0.1)	
Indirect tax related costs	1.1				1.1	
Acquisition related costs	9.2		8.9		0.3	
<b>Performance Operating Income</b>	<b>\$ 354.4</b>	<b>13.5%</b>	<b>\$ 371.4</b>	<b>13.0%</b>	<b>\$ (17.0)</b>	<b>-4.6%</b>
Foreign exchange translational effects	56.7				56.7	
<b>Adjusted Operating Income</b>	<b>\$ 411.1</b>	<b>13.5%</b>	<b>\$ 371.4</b>	<b>13.0%</b>	<b>\$ 39.7</b>	<b>10.7%</b>
<b><u>Net Income Attributable to Company</u></b>						
Reported Net Income Attributable to Company	\$ 275.2		\$ 291.5		\$ (16.3)	
Streamlining cost, net of tax	53.9		19.2		34.7	
Separation costs/(income), net of tax	2.0		(1.0)		3.0	
Indirect tax related costs, net of tax	0.7				0.7	
Acquisition related costs, net of tax	6.1		7.3		(1.2)	
Tax items	(10.5)		17.0		(27.5)	
<b>Performance Net Income</b>	<b>\$ 327.4</b>		<b>\$ 334.0</b>		<b>\$ (6.6)</b>	
<b>Performance Net Income per Diluted Common Share</b>	<b>\$ 5.62</b>		<b>\$ 5.52</b>			
<b>Common Shares Outstanding - Diluted</b>	<b>58.3</b>		<b>60.5</b>			

Note: The presentation of the performance measures above are not in conformity with generally accepted accounting principles (GAAP). These measures may not be comparable to similar measures of other companies as not all companies calculate these measures in the same manner.

**Table of Contents****WABCO Holdings Inc.****Reconciliation of Net Cash Provided****By Operating Activities to Free Cash Flow****(Unaudited)**

(Amounts in millions)	Year Ended December 31,	
	2015	2014
<b>Net Cash Provided by Operating Activities</b>	\$ 395.3	\$ 314.4
<b>Deductions or Additions to Reconcile to Free Cash Flow:</b>		
Net purchases of property, plant, equipment and computer software	(100.6)	(135.9)
<b>Free Cash Flow</b>	\$ 294.7	\$ 178.5
<b>Less: Streamlining &amp; separation payments</b>	(25.7)	(22.4)
<b>Less: A/R securitization related payments</b>		(73.5)
<b>Less: Indirect tax related payments</b>	(0.3)	
<b>Less: Acquisition related payments</b>	(0.7)	(1.4)
<b>Performance Free Cash Flow</b>	\$ 321.4	\$ 275.8

Note: This statement reconciles net cash provided by operating activities to free cash flow. Management uses free cash flow, which is not defined by US GAAP, to measure the company's operating performance. Free cash flow is also one of the several measures used to determine incentive compensation for certain employees.

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***WABCO HOLDINGS INC.***

***2770 RESEARCH DRIVE***

***ROCHESTER HILLS, MI 48309-3511***

**VOTE BY INTERNET - [www.proxyvote.com](http://www.proxyvote.com)**

Use the Internet to transmit your voting instructions and for electronic delivery of information up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

**ELECTRONIC DELIVERY OF FUTURE PROXY MATERIALS**

If you would like to reduce the costs incurred by our company in mailing proxy materials, you can consent to receiving all future proxy statements, proxy cards and annual reports electronically via e-mail or the Internet. To sign up for electronic delivery, please follow the instructions above to vote using the Internet and, when prompted, indicate that you agree to receive or access proxy materials electronically in future years.

**VOTE BY PHONE - 1-800-690-6903**

Use any touch-tone telephone to transmit your voting instructions up until 11:59 P.M. Eastern Time the day before the cut-off date or meeting date. Have your proxy card in hand when you call and then follow the instructions.

**VOTE BY MAIL**

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

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KEEP THIS PORTION FOR YOUR RECORDS  
DETACH AND RETURN THIS PORTION ONLY

**THIS PROXY CARD IS VALID ONLY WHEN SIGNED  
AND DATED.**

**WABCO HOLDINGS  
INC.**

**For Withhold For All  
All All Except**

**To withhold authority to  
vote for any individual**

**The Board of Directors recommends you vote FOR the following:**

nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.

1. Election of Directors .. ..

**Nominees:**

- 01) Jacques Esculier
- 02) Henry R. Keizer
- 03) Thomas S. Gross

**For Against Abstain**

**The Board of Directors recommends you vote FOR proposals 2 and 3.**

2. Ratify the selection of Ernst & Young Bedrijfsrevisoren BCBVA/Reviseurs .. ..  
d Entreprises SCCRL as the Company's independent registered public accounting firm for the year ending December 31, 2016.

3. Approve, on an advisory basis, the compensation paid to the Company's named executive officers ( Say-on-Pay ). .. ..

**NOTE:** In their discretion, the proxies are authorized to vote upon such other matters that may properly come before the meeting and any adjournments or postponements thereof. The shares represented by this proxy, when properly executed, will be voted in the manner directed herein by the undersigned Shareholder(s). If no direction is made, this proxy will be voted FOR the election of the director nominees named herein and FOR proposals 2 and 3.

For address changes and/or ..  
comments, please check this  
box and write them on the  
back where indicated.

Please indicate if you plan to .. ..  
attend this meeting.

**Yes No**

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Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX]

Date

Signature (Joint Owners)

Date



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**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Notice and Proxy Statement and Annual Report are available at [www.proxyvote.com](http://www.proxyvote.com).

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**WABCO HOLDINGS INC.**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF**

**DIRECTORS**

**ANNUAL MEETING OF SHAREHOLDERS**

**May 26, 2016**

The shareholder(s) hereby appoint(s) Jacques Esculier, Prashanth Mahendra-Rajah and Lisa J. Brown, or any of them, as proxies, each with the power to appoint his or her substitute, and hereby authorize(s) them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of WABCO Holdings Inc. that the shareholder(s) is/are entitled to vote at the Annual Meeting of Shareholders to be held at 10:00 A.M. (Eastern Daylight Time) on Thursday, May 26, 2016, at the offices of McDermott Will & Emery LLP, 340 Madison Avenue, New York, NY 10173-1922 and any adjournments or postponements thereof.

**THIS PROXY, WHEN PROPERLY EXECUTED, WILL BE VOTED AS DIRECTED BY THE SHAREHOLDER(S). IF NO SUCH DIRECTIONS ARE MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF THE NOMINEES LISTED ON THE REVERSE SIDE FOR THE BOARD OF DIRECTORS AND FOR PROPOSALS 2 AND 3.**

**PLEASE MARK, SIGN, DATE AND RETURN THIS PROXY CARD PROMPTLY USING THE ENCLOSED REPLY ENVELOPE**

**Address Changes/Comments:**

(If you noted any Address Changes/Comments above, please mark corresponding box on the reverse side.)

**Continued and to be signed on reverse side**

