

WABCO Holdings Inc.
Form DEF 14A
April 19, 2013
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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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WABCO Holdings Inc.

Notice of Annual Meeting
of Shareholders and
Proxy Statement

May 30, 2013

Kramer, Levin, Naftalis

and Frankel, LLP

1177 Avenue of the

Americas

New York, NY 10036

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Global Headquarters

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1160 Brussels

Belgium

Phone +32.2.663.98.00

Jacques Esculier

Chairman and Chief Executive Officer

April 19, 2013

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 30, 2013, at 1:30 p.m. at the New York offices of Kramer, Levin, Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036.

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 2012 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 Availability of Proxy Materials or proxy card, over the Internet or by telephone, as promptly as possible. If you received only a Notice Regarding 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 2013 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 Kramer, Levin, Naftalis & Frankel, LLP, 1177 Avenue of the Americas, New York, New York 10036, on Thursday, May 30, 2013, at 1:30 p.m. to consider and vote upon the following proposals:

1. Election of three directors to Class III with terms expiring at the 2016 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, 2013.
3. Approval of the Amended and Restated WABCO Holdings Inc. 2009 Omnibus Incentive Plan (the Omnibus Incentive Plan).
4. 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.

Shareholders of record of the company s common stock as of the close of business on April 5, 2013 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 the 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,

Vincent Pickering

Chief Legal Officer and Secretary

Brussels, Belgium

April 19, 2013

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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 30, 2013.

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 April 5, 2013, which we refer to as the record date. At that time, there were 62,595,420 shares of common stock outstanding and entitled to vote, 469 holders of record and 24,474 beneficial owners of our common stock. 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 One Centennial Avenue, Piscataway, New Jersey 08855. 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 (SEC), we are primarily furnishing proxy materials to our shareholders on the Internet, rather than mailing paper copies of the materials (including our 2012 Annual Report to Shareholders (annual report)) to each shareholder. If you received only a Notice Regarding the 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 19, 2013, and will be sent by electronic mail to our shareholders who have opted for such means of delivery on or about April 19, 2013. The Internet and telephone voting facilities for shareholders of record will close at 11:59 p.m., Eastern Daylight Time, on May 29, 2013.

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, Ulrich Michel and Vincent Pickering 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 29, 2013, 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, Proposal 3, the proposal to approve amendments to the 2009 Omnibus Incentive Plan (the Omnibus Incentive Plan), and Proposal 4, 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, 3 or 4 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 2013, 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 recently 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, 3 and 4 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, 3 and 4 require the affirmative vote of a majority of the shares of common stock present or represented at the Annual Meeting of Shareholders, 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 cast your vote if you want it to count in the election of directors (Proposal 1). 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, no votes will be cast on your behalf. Moreover, if you hold your shares in street name it is critical that you cast your vote if you want it to count in the approval of the amendments to the Omnibus Incentive Plan (Proposal 3) and in the Say-on-Pay advisory vote (Proposal 4). As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the Dodd-Frank Act), advisory votes on executive compensation are considered non-routine matters for which brokers do not have discretionary authority to vote shares held by account holders.

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.

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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 four 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 RECOMMENDATION 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, 2013.

FOR Proposal 3 to approve the Amended and Restated 2009 Omnibus Incentive Plan.

FOR Proposal 4 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, Kenneth J. Martin and Donald J. Stebbins. The Class III directors will have a term expiring at the 2016 Annual Meeting of Shareholders.

In December 2012, the Board of Directors amended the company's by-laws to implement a majority voting standard in uncontested director elections. The 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 nonvotes not counted as a vote withheld from or for such person's election)(a Majority Withheld Vote), (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 company's amended 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, Kenneth J. Martin and Donald J. Stebbins, as Class III directors.

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DIRECTORS

Nominees for Election for Class III Directors Terms Expiring at 2013 Annual Meeting of Shareholders

Jacques Esculier Age 53

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.

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 NYSE-traded Fortune 500 companies; 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.

Kenneth J. Martin Age 59

Director since July 2007

Mr. Martin served as the Chief Financial Officer and Vice Chairman of Wyeth (formerly American Home Products) from 2000 to 2007, before retiring in 2007. Mr. Martin joined American Home Products in 1984 as Assistant Director of Corporate Compliance and subsequently held the positions of Assistant Vice President of Finance for American Home Food Products. In 1989, he was appointed Vice President and Comptroller of American Home Products Corporation. In 1992, he became Executive Vice President for American Home Food Products. Two years later, he was promoted to Executive Vice President of Whitehall-Robins Healthcare and in 1995, President of American Home Food Products. He was named President of Whitehall-Robins Healthcare in 1997 and Senior Vice President and Chief Financial Officer of Wyeth-Ayerst Pharmaceuticals in 1998. In 2000, he was appointed Senior Vice President and Chief Financial Officer of Wyeth and in 2002, he was named Executive Vice President and Chief Financial Officer.

The Board of Directors concluded that the following experience, qualifications and skills qualified Mr. Martin 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 an executive officer of Wyeth; financial expertise acquired as a chief financial officer and by serving on two audit committees; and board experience gained as a member of our Board of Directors and Chairman of our Audit Committee, and a member of the executive committee of another publicly-held company. In summary, Mr. Martin has financial management and corporate compliance expertise that strongly contributes to the company's success as a global operating entity in an industry that is subject to different safety and environmental regulations in different countries around the world where trucks, buses and trailers are manufactured, used or exported.

Donald J. Stebbins Age 55

Director since September 2007

Donald J. Stebbins served as Chairman and Chief Executive Officer of Visteon Corporation until August 2012. As Chairman and Chief Executive Officer he was responsible for leading Visteon's long-term strategy and

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overseeing the company's global operations and administrative functions. Mr. Stebbins joined Visteon in 2005 as President and Chief Operating Officer, and was elevated to Chief Executive Officer effective June 1, 2008 and to Chairman effective December 1, 2008. He served on Visteon's board of directors from December 2006 until August 2012. In March 2012, Mr. Stebbins was appointed to the board of directors of ITT Corporation. Mr. Stebbins has more than 20 years of leadership experience and a solid history of performance in managing global business issues.

Mr. Stebbins joined Visteon from Lear Corp., where he was President and Chief Operating Officer of Lear's operations in Europe, Asia and Africa. Prior to that position, he was President and Chief Operating Officer of Lear's operations in the Americas. Stebbins joined Lear in 1992 as Vice President and Treasurer. He held various financial positions of increasing responsibility with Lear, including a 1997 promotion to Senior Vice President and Chief Financial Officer. Previous to Lear, Mr. Stebbins held positions at Bankers Trust Company and Citibank.

The Board of Directors concluded that the following experience, qualifications and skills qualified Mr. Stebbins to serve as a director of the company: significant executive management experience gained as an executive officer of two Fortune 500 companies that are publicly traded on the New York Stock Exchange; strong international experience gained as Chairman and Chief Executive Officer of Visteon; financial expertise acquired by holding various financial positions of increasing responsibility with Lear, including the position of Senior Vice President and chief financial officer and also by holding various positions with banks; and board experience gained as a member of the Board of Directors of a publicly-held company. In summary, Mr. Stebbins has global leadership abilities, as well as deep connections with the corporate culture of the global automotive industry and is a contributor to the company's strategy of geographic expansion while maintaining a leading technology and industry position in the Americas.

Directors Continuing in Office

Class I Directors Terms Expiring at the 2014 Annual Meeting of Shareholders

G. Peter D Aloia Age 68

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 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 68

Director since July 2007

Dr. Gromer is the retired President and CEO of Tyco Electronics, a position which he held from April 1999 until December 31, 2007. Dr. Gromer formerly held senior management positions from 1983 to 1998 at AMP

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(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 boards of directors of TE Connectivity (formerly Tyco Electronics) and Marvell Technology Group Inc. 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 and Vice President 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 50

Director since November 2011

Mary Petrovich has been serving as Senior Advisor to the Carlyle Group since June 2011. Prior to this role, Ms. Petrovich was Chairman and CEO of AxleTech International, a supplier of off-highway and specialty vehicle drive train systems and components 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. Ms. Petrovich is also a director at the following public companies: Woodward, Inc., a leading manufacturer and service provider of energy controls for global infrastructure equipment; GT Advanced Technologies Inc., a global provider of technology and materials for the solar, LED and other specialty markets; and Modine Manufacturing Company, a global provider of thermal management technology and systems.

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 Terms Expiring at the 2015 Annual Meeting of Shareholders

Michael T. Smith Age 69

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. Mr. Smith is a member of the Board of Directors of Ingram Micro, Inc., Teledyne Technologies, Inc. and Flir Systems, Inc.

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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 New York Stock Exchange; strong international experience 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.

John F. Fiedler Age 74

Director since September 2007

Mr. Fiedler served as Chairman of the Board and Chief Executive Officer of BorgWarner Inc. from 1995 to 2003, before retiring in 2003. Before joining BorgWarner in 1994, Mr. Fiedler was an Executive Vice President with The Goodyear Tire & Rubber Company, culminating a 29-year career with the company by leading its North American tire division. He is a member of the Board of Directors of Mohawk Industries, Snap-On Inc, and AirTran Airways. He is also a member of the Kent State Foundation Commission, an advisor to the Board of Trustees of the Manufacturers Alliance/MAPI and a member of the Board of Advisors of Prism Funds.

The Board of Directors concluded that the following experience, qualifications and skills qualified Mr. Fiedler to serve as a director of the company: significant executive management experience gained as an executive officer at Fortune 500 companies publicly traded on the New York Stock Exchange; strong international experience gained as a Chairman of the Board of Directors of BorgWarner; financial expertise acquired as a Chairman of the Board and member of three audit committees; and board experience gained as a director of four publicly-held companies and also as chairman of compensation and governance committees. In summary, Mr. Fiedler has board-level leadership abilities that are particularly relevant for the company due to his extensive knowledge of the global automotive sector and its associated dynamics surrounding technology, manufacturing and customer satisfaction.

Jean-Paul L. Montupet Age 65

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. Since 2002, Mr. Montupet has served on the Board of PartnerRe Ltd, a leading global reinsurer; he became non-Executive Chairman in 2010 and he is 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 NYSE-listed Fortune 500 company; 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.

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 seven meetings in 2012. 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 2012.

The table below provides committee assignments and 2012 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	
James F. Hardymon		X ⁺
Jean-Paul L. Montupet		X ⁺⁺
Kenneth J. Martin	X [*]	
Michael T. Smith		X [*]
Jacques Esculier		
John F. Fiedler		X
Donald J. Stebbins		X
Mary L. Petrovich	X	
2012 Meetings	9	5

* Indicates Committee Chair.

⁺ Mr. Hardymon served on the CNG Committee until his retirement effective May 25, 2012.

⁺⁺ Mr. Montupet was elected to the Board of Directors effective April 1, 2012, and was appointed to the CNG Committee effective May 25, 2012.

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;

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;

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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

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

Risk Oversight

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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

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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, Chief Legal Officer, 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 combination of performance-based cash incentive awards and time-vested stock options and restricted stock units (RSUs) that vest over multiple years, or after multiple years (*i.e.* cliff vest), 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 the 2012 and subsequent plans, 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; and

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

Our CNG Committee has determined that our officer and 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.

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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 attended the company's 2012 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, by following the links Investor Relations 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 laid down 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. In connection with this appointment, our Board of Directors created the position of Lead Director and unanimously approved a proposal to appoint James Hardyman, who was formerly our non-executive Chairman of the Board, to such position effective as of the same date. Upon the retirement of Mr. Hardyman from the Board in May 2012, Michael T. Smith was appointed as our Lead Director.

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: Chief Legal Officer, c/o WABCO Holdings Inc., One Centennial Avenue, Piscataway, New Jersey 08855. 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

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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 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 Chief Legal Officer, WABCO Holdings Inc., One Centennial Avenue, Piscataway, New Jersey 08855.

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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 level of stock awards and stock option grants that should be made 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 company's 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 annually reviews the aggregate compensation payable to the company's non-management directors to determine that the level of stock 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 this annual review, the CNG Committee may request from time to time that the independent executive compensation consultant retained by the CNG Committee, Pearl Meyer & Partners ("PM&P"), 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.

Director Compensation Program

Except for the Lead Director, each non-management director is paid an annual retainer of \$110,000, of which \$55,000 is paid in cash on a quarterly basis. The remaining \$55,000 is paid in the form of deferred stock units ("DSUs"). Our Lead Director receives an annual retainer of \$130,000, of which \$75,000 is paid in cash on a quarterly basis and the remaining \$55,000 is paid in the form of DSUs. Newly-elected non-management directors also receive DSUs equivalent in value to \$50,000 based on the closing price of WABCO common stock on the last trading day before the director's election to the Board.

The Chairs of the Audit and CNG Committees receive annual retainers of \$15,000. All non-management directors receive \$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 are also reimbursed for reasonable expenses incurred to attend meetings.

Equity Retainer - Deferred Stock Units

Our non-management directors received the equity portion of their annual retainer during 2012 in the form of fully vested DSUs. 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 elect within a month after the grant date 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 2013 fiscal year will be granted in the same manner as in 2012.

All equity granted to our non-management directors in the past has been issued under the company's Omnibus Incentive Plan.

Table of Contents**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 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 were made on behalf of non-management directors in 2012. Only one of our non-management directors, Mr. Stebbins, participated in the Deferred Compensation Plan in 2012, and none of our non-management directors elected to participate in 2013.

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. Our non-management directors have five years from January 1, 2011 to attain such ownership levels. As of March 1, 2013, all non-management directors are in compliance with the new ownership guidelines, taking into account the time period for compliance for two directors who joined the Board since October 2011. See Compensation Discussion and Analysis Executive Officer Stock Ownership and Stock Holding Guidelines for a description of our stock ownership guidelines.

Director Compensation Table

Name	Fees		Total (\$)
	Earned or Paid in Cash (\$)	DSU Awards (\$) ⁽¹⁾	
James F. Hardymon ⁽²⁾	\$ 46,500		\$ 46,500
G. Peter D. Aloia	\$ 73,000	\$ 55,000	\$ 128,000
John F. Fiedler	\$ 68,500	\$ 55,000	\$ 123,500
Juergen W. Gromer	\$ 73,750	\$ 55,000	\$ 128,750
Kenneth J. Martin	\$ 88,000	\$ 55,000	\$ 143,000
Jean-Paul Montupet ⁽³⁾	\$ 50,250	\$ 105,000	\$ 155,250
Mary L. Petrovich	\$ 72,750	\$ 55,000	\$ 127,750
Michael T. Smith	\$ 87,500	\$ 55,000	\$ 142,500
Donald J. Stebbins ⁽⁴⁾	\$ 71,500	\$ 55,000	\$ 126,500

(1) Reflects the grant date fair value of the awards as determined in accordance with ASC Topic 718. The awards were granted in the form of DSUs.

(2) Mr. Hardymon retired from the Board upon the expiration of his term at the 2012 Annual Meeting of Shareholders.

(3) Mr. Montupet received a DSU award of \$50,000 when he joined the Board on April 1, 2012, in addition to his annual equity retainer.

(4) Mr. Stebbins has elected to defer receipt of all of his 2012 cash compensation through the WABCO Deferred Compensation Plan.

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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 Chief Legal Officer 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 Chief Legal Officer, 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. The 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 fiscal year ended December 31, 2012, all applicable filings were timely filed, except that on February 29, 2012, a late Form 4 was filed for Mr. Varty to report the February 24, 2012 exercise of certain stock options and the disposition of the shares underlying such stock options. Additionally, on June 11, 2012, late Forms 4 were filed for each of Mr. Martin, Mr. Stebbins, Mr. Fiedler, Mr. Gromer, Mr. Montupet, Ms. Petrovich, Mr. D Aloia and Mr. Smith to report the May 25, 2012 issuance of deferred stock units as part of each independent director's annual retainer.

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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 2012 and 2011 were as follows:

Type of Services ⁽¹⁾	2012	2011
	(in thousands)	
Audit	\$ 2,784	\$ 3,024
Audit-Related	\$ 66	\$ 61
Tax	\$ 495	\$ 386
All Other		
Total	\$ 3,345	\$ 3,471

(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 the year 2013 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 certified public accountants.

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, 2013.

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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 Statement on Auditing Standards No. 61, Communication with Audit Committees, as amended. 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 Standard Board 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, 2012, for filing with the U.S. Securities and Exchange Commission.

Members of the Audit Committee:

Kenneth J. Martin, Chairman

G. Peter D. Aloia

Juergen W. Gromer

Mary L. Petrovich

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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

Michael T. Smith, Chairman

John F. Fiedler

Jean-Paul L. Montupet

Donald J. Stebbins

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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 the achievement of short-term and long-term strategic and operational goals and the achievement of increased total shareholder return, 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 2012, our NEOs were:

Jacques Esculier	Chairman and Chief Executive Officer
Ulrich Michel	Chief Financial Officer
Jean-Christophe Figueroa	Vice President, Vehicle Control Systems
Nikhil Varty	President, Americas and Vice President, Mergers & Acquisitions
Kevin Tarrant	Chief Human Resources Officer

2012 Performance

Fiscal 2012 was another very successful year for us and one in which we continued to outperform the global market for truck and bus production. Our sales were \$2.5 billion, down 5% in local currencies from record sales a year ago in the context of a weaker industry downturn of 10% in truck and bus production. We also generated a record level of aftermarket revenues, up 5% on a currency-adjusted basis year-on-year. Furthermore, we achieved performance operating income² of \$335.6 million and delivered a record level of operating margin at 13.5% on a performance basis. We also reported full year 2012 performance net income attributable to the company of \$291.6 million or \$4.46 per diluted share versus performance net income of \$325.7 million or \$4.73 per diluted share for 2011. We generated free cash flow of \$257.8 million in 2012, compared with free cash flow of \$226.8 million in 2011, another robust result in a challenging year.

¹ Messrs. Figueroa and Tarrant are no longer employed by the company. On January 9, 2013, the employment of Jean-Christophe Figueroa, the Company's Vice President, Vehicle Control Systems, terminated. On February 4, 2013, Kevin Tarrant informed the Board of his decision to retire as Chief Human Resources Officer, effective February 1, 2013.

² Performance operating income and performance operating margin are non-GAAP financial measures that exclude streamlining and separation costs and UK pension payments. Performance net income and performance net income per diluted share are non-GAAP financial measures that exclude separation and streamlining costs, one-time and discrete tax items, as well as a one-time transitional impact from the adoption of a new accounting standard. Free cash flow presents net cash provided by operating activities less net cash used for purchases of property, plant, equipment and computer software and the proceeds from the disposal of property. See Appendix B for a discussion of non-GAAP measures and reconciliation to the most comparable GAAP measures.

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Pay-for-Performance

We believe that there is a strong correlation between our financial performance results, which were used to determine the payments under our incentive plans, and our stock performance. The following graph illustrates the five-year alignment between executive compensation for our CEO ending in 2012 and our total shareholder return which reflects prior-year stock performance. Note that our equity grants and cash incentives are typically made during the first quarter based on prior-year performance.

¹ CEO Pay (in \$000s) includes base salary and annual incentive awards earned during the applicable year, the cash-based Long-Term Incentive Plan (LTIP) award with a performance period ending in the applicable year, and restricted stock and option awards granted during the applicable year.

² Total shareholder return (TSR) = stock price appreciation plus reinvested dividends. TSR is indexed to December 31, 2007 in the exhibit above.

Overview of 2012 Compensation Decisions and Actions

We believe the compensation decisions made by our CNG Committee and our Board of Directors in 2012 reflect our company's continued strong performance for 2012 and improvements in the global economy. The following compensation actions were taken in 2012 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 2012, we increased the base salaries of each of our NEOs except for Mr. Varty by between 3.41% and 4.29%, including an increase of 4% 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 2012 Executive Compensation Base Salary.

Annual Incentives: After year end, the CNG Committee approved 2012 annual incentive award payouts at 80% to 100% of target for the NEOs, with the CEO's award at 100% of his target award. These award levels reflect positive corporate and individual performance, particularly for 2012 profit margin and free cash flow goals.

Long-Term Incentives: After year end, the CNG Committee also approved 2010-2012 long-term incentive plan (LTIP) cash award payouts at 197.3% of target since each of the three performance goals, three-year sales, earnings per diluted share and incremental operating margin, had been achieved at above or slightly below maximum levels.

Equity-Based Grants: In February 2012, the CNG Committee made grants of equity-based incentives to the NEOs at target award levels. Similar to prior years, the equity award value was evenly split between stock options and restricted stock. The CNG Committee also awarded a special grant of 8,497 RSUs (valued at \$500,000 at the time of grant) to Mr. Figueroa and 4,249 RSUs (valued at \$250,000 at

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the time of grant) to Mr. Varty. These awards were granted due to the change of scope of responsibility of each of Messrs. Figueroa and Varty, as discussed below. Our CNG Committee may periodically consider special grants such as these as needed or as they deem appropriate in order to further the objectives of our compensation program and philosophy.

Executive Compensation Policy Highlights

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

Our Change in Control Severance Plan no longer contains an excise tax gross-up payment provision, effective January 1, 2012, nor do we maintain any other agreements or arrangements which would provide similar benefits.

We adopted an incentive pay recoupment policy, also referred to as a clawback, that requires the company to recover from any current or former executive officer any compensation received under our Annual Incentive Plan for 2012 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.

Beginning in 2012, all equity compensation awarded under our Omnibus Incentive Plan is subject to recoupment by the company in the event that a recipient is terminated for cause or the recipient breaches certain confidentiality, non-solicitation, non-competition or other contractual arrangements specified in the equity award agreements. Additionally, any unexercised options and unvested restricted stock unit or share awards are subject to immediate forfeiture in such cases. Option gains or share value received within 12 months prior to termination for cause or breach of restrictive covenants will also be subject to recoupment. We believe these clawback measures will decrease the likelihood of grantees engaging in conduct that is potentially harmful to the company and therefore aligns grantee interests more closely with shareholder interests.

We also continued to:

prohibit our directors, NEOs, and other key executive officers from hedging the economic interest in the company securities that they hold.

prohibit our directors and company personnel, including the NEOs, from engaging in any short-term, speculative transactions involving company securities, including purchasing company securities on margin, engaging in short sales of company securities, buying or selling put or call options on company securities, and trading in options in company securities (other than those granted by the company).

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

follow robust executive and director stock ownership guidelines, as well as mandatory holding periods.

use an independent compensation consultant.

maintain a strong risk management program, which includes our CNG Committee's significant oversight of the relationship between our compensation programs and risk.

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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 2012 compensation of our NEOs.

2012 Say-on-Pay Advisory Vote on Executive Compensation

We provided shareholders a say-on-pay advisory vote on our executive compensation in May 2012 pursuant to the Dodd-Frank Act and SEC rules. At our 2012 Annual Meeting of Shareholders, shareholders

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expressed substantial support for the compensation of our NEOs, with approximately 97% of the votes cast for approval of the say-on-pay advisory vote. The CNG Committee carefully evaluated the results of the 2012 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 cash 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, including equity-based incentives, 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.

Base salary and benefits are designed to attract and retain executives over time by providing regular and continued payment in line with the executive's position, experience and responsibilities.

Annual performance-based cash awards are designed to focus our executives on short-term objectives to foster short-term growth and profitability.

Long-term incentives are designed to develop 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, usually in the form of stock options and restricted stock units, comprise the majority of long-term incentive value and are used to align the interests and financial opportunities of our executive officers with those of our shareholders.

Severance benefits and change of control plans are designed to neutralize the potential conflicts our executive officers may face in the context of a potential change of control or other possible termination situation and to facilitate our ability to attract and retain key executives as we compete in a global marketplace where such protections are commonly offered. As a European-based company with European national executive officers, we also consider the effect of statutory severance and change of control benefits that may apply under the law of the executive's country of citizenship and European Union law when designing our contractual severance benefits.

Other benefits and perquisite programs are evaluated in light of 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, unvested, options, 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 2012, 80% of our Chief Executive Officer's total direct compensation, and, on average, 68% of our other NEOs' total direct compensation, is based on attaining performance goals or paid in the form of equity incentives.

1. The percentages attributable to cash incentives are based on the dollar amount payable due to attaining performance goals at target.
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 restricted stock units or performance stock units and the fair value of stock options determined using the Black-Scholes option valuation methodology). In any given year, we may grant incentives 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 in line 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 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 PM&P as its independent outside compensation consultant to provide executive compensation market analysis and insight, with respect to our executive officers, including our NEOs. PM&P only provides services to the CNG Committee with respect to executive and director compensation and does not provide any other services to the company.

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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&P relating to our executive officers that PM&P uses as part of its development of market competitiveness analyses and recommendations for executive compensation program design.

Peer Group

The peer group comprises 17 companies reflecting both U.S. and European 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 was initially established in 2008 and was comprised of companies of similar size in a range of approximately one-third to three times our revenue, market value and enterprise value. In February 2012, based on an updated study by PM&P, our CNG Committee modified our peer group by removing Accuride Corporation, Bekaert NV and Rockwell Automation Inc. and by adding Meritor, Inc., Snap-On Inc., Trelleborg AB and Wabtec Corporation in order to better match our company size and business.

The following companies are WABCO's peers for compensation benchmarking purposes in 2012:

U.S. Based

BorgWarner Inc.
 Cooper Tire & Rubber Company
 Harman International Industries, Incorporated
 Meritor, Inc.
 Modine Manufacturing Company
 Polaris Industries Inc.
 Sauer-Danfoss Inc.
 Snap-On Inc.
 Tenneco Inc.
 Wabtec Corporation

Non-U.S. Based

Autoliv, Inc.
 Brembo S.p.A.
 GKN plc
 Haldex AB
 Sogefi S.p.A.
 Trelleborg AB
 Valeo SA

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.

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Components of 2012 Executive Compensation

Base Salary

We develop base salary guidelines for our NEOs generally at the median of our peer group companies, employing analyses developed by PM&P. Company management and PM&P may also review compensation data from various survey providers to provide additional general benchmarking context. However, the CNG Committee's salary decisions are based upon the market data as well 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.

Pursuant to its annual review of base salary levels, in May 2012, the CNG Committee recommended and the Board approved increases between 3.41% and 4.29% in the base salaries of Messrs. Michel, Figueroa, and Tarrant and a 4% increase for Mr. Esculier, which increases were designed to more closely align our NEOs' base salaries with the median level of our peer group.

Variable 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 agreement provides for specific target AIP and Cash LTIP award percentages. None of our NEOs received any increase in their AIP or LTIP target percentages in 2012.

Annual Incentive Program

Our annual incentive program is based upon achievement of financial and 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 50th percentile of annual incentives paid by our peer group. The actual payment under an AIP award may be above the 50th percentile in years of strong performance against objectives or below the 50th 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. The chart below demonstrates the alignment between our CEO's AIP award payouts and company's traditional financial targets: sales, gross profit margin, performance net income and free cash flow.

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Fiscal Year 2012 Annual Incentive Plan

In March 2012, our CNG Committee determined the maximum amounts payable to our executive officers for AIP awards for the 2012 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 non-financial performance goals described below.

The 2012 AIP was designed so that the achievement of financial goals received 80% weighting and the achievement for non-financial goals received 20% weighting, which were the same weightings as the 2011 AIP. 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 each participant as a percentage of base salary. In between threshold and maximum performance, achievement levels and payouts are interpolated using a defined performance curve.

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

sales growth,

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 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. Gross profit margin is the ratio of gross profit as a percentage of sales. Performance net income is GAAP net income excluding separation and streamlining costs, one-time and discrete tax items, one-time and discrete tax items, as well as a one-time transitional impact from the adoption of a new accounting standard. 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. The CNG Committee replaced incremental operating margin (the measure used in the 2011 AIP) with gross profit margin in the 2012 AIP because it believed that gross profit margin was a more transparent metric for its executive officers to track and work towards in the current economic environment.

The non-financial performance goals established by the CNG Committee related to improving cost reduction programs and technical quality (measured by reference to product defects found on a parts per million 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 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 2011 AIP.

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For the 2012 AIP, based on our annual operating plan, our CNG Committee established the following financial goals, each weighted equally, and certified, in February 2013, the following achievement levels and scores:

Measure	Target	Maximum	Achievement	Scoring
Sales Growth (excluding the impact of foreign exchange)	\$ 2,650 million	\$ 2,900 million	\$ 2,492 million	36.8%
Gross Profit Margin	29.7%	31.2%	29.6%	91.6%
Performance Net Income	\$ 300 million	\$ 330 million	\$ 292 million	71.7%
Free Cash Flow	\$ 240 million	\$ 265 million	\$ 269 million	200%
Aggregate Score For Financial Goals				100%

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 2012.

Measuring achievement of the non-financial goals included in the 2012 AIP is in the discretion of the CNG Committee. For 2012, the CNG Committee scored our achievement against predetermined and aggressive targets at 93.3% with regard to improvements in our cost reduction programs and 14.7% with regard to our goals with respect to technical quality. As a result, the company's aggregate performance score for the 2012 AIP (applying an 80% weighting for the financial performance goals and 20% for the non-financial performance goals) was 90.8%, and the target award for each NEO was adjusted to reflect this percentage.

	Weight	Results	Total
Financial measures (80%)			
Sales	20	36.8%	7.36%
Gross Profit Margin	20	91.6%	18.3%
Performance Net Income	20	71.7%	14.34%
Free Cash Flow	20	200%	40%
Non-financial measures (20%)			
Cost Reduction Program	10	93.3%	9.33%
Technical Quality	10	14.7%	1.47%
TOTAL			90.8%

Lastly, the CNG Committee made further 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 table below shows each NEO's target annual incentive award, as adjusted by the company's achievement of the financial and non-financial corporate goals (90.8%), and as further adjusted to reflect each NEO's individual performance evaluation.

	Annual Incentive Target	Actual Annual Incentive Payment
Jacques Esculier	\$ 1,040,000	\$ 1,040,000
Ulrich Michel	\$ 285,000	\$ 232,902
Nikhil Varty	\$ 216,300	\$ 196,400
Kevin Tarrant	\$ 216,005	\$ 215,746

Table of Contents*Fiscal Year 2013 Annual Incentive Plan*

In February 2013, our CNG Committee approved a cash AIP award opportunity based on the achievement of certain defined financial and non-financial performance goals. The financial performance goals established by our CNG Committee are related to sales growth, gross profit margin, performance net income and free cash flow. Two non-financial performance goals were also selected that were designed to promote both quality production and material productivity efforts behavior. Each of the financial goals is equally weighted and together they comprise 80% of the plan funding. The two non-financial goals are also equally weighted and comprise 20% of the plan funding. Each financial and 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%.

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 Annual Incentive Plan for 2012 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 company's 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 program is 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. Our CNG Committee designed our long-term incentive program 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 stock option awards and restricted stock units, both of which will 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 would be tied to the achievement of certain financial and non-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, gross revenues, gross and incremental margins, earnings per diluted share, internal rate of return, return on equity, return on capital, income or earnings (including without limitation, gross earnings before certain deductions such as interest, taxes, depreciation or amortization), cash flow, free cash flow, market share, stock price, costs, management of accounts and non-performing debt. Each financial goal may be overachieved and funded up to 200% of target. We also use non-GAAP performance versions of the financial measures referred to above which exclude separation and streamlining costs, one-time and discrete tax items, as well as a one-time transitional impact from the adoption of a new accounting standard.

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 50th percentile of long-term incentives offered by our U.S. peer companies. The actual realized award value may be above the 50th percentile in years of strong financial and stock performance or below the 50th percentile, depending on the actual level of

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performance achieved. The long-term award value for an individual executive may also vary above or below the 50th percentile based on the CNG Committee's consideration of an executive's strategic impact, performance history or retention risk.

2010-2012 Cash LTIP

All of our NEOs participated in the 2010-2012 Cash LTIP.

Our CNG Committee based the 2010-2012 Cash LTIP on achievement against long-term financial goals relating to sales, earnings per share and incremental operating margin. These three financial goals were chosen to complement the annual financial goals under the AIP awards. At the time these goals were established, they were viewed as extremely challenging based on internal and external forecasts, particularly due to the uncertain economic environment that prevailed in early 2010.

For the 2010-2012 performance cycle, our CNG Committee set the following equally-weighted financial goals (no strategic or other non-financial goals were included for this cycle) and certified, in February 2013, the following achievement levels and scores:

Cycle Measure	Target	Achievement	Scoring
Sales Growth (excluding the impact of foreign exchange)	Attainment of 2010 operating plan sales level (\$1,770 million) plus 10% increase in 2011 and 12% in 2012	48.9% sales growth (\$2,636 million)	200%
Performance Earnings Per Diluted Share (EPS ⁽¹⁾)	\$2.44 in 2012	\$4.46	200%
Incremental operating margin	25% on 3-year average	29.6%	192%
Aggregate Score			197.3%

(1) Performance Earnings Per Diluted Share refers to earnings per diluted share, excluding separation and streamlining costs, one-time and discrete tax items, as well as a one-time transitional impact from the adoption of a new accounting standard.

See footnote 2 to the Summary Compensation Table for the final award amounts paid to our NEOs under the 2010-2012 Cash LTIP.

2012-2014 Cash LTIP

In March 2012, our CNG Committee approved a Cash LTIP based on the achievement of certain defined financial performance goals. The financial performance goals established by our CNG Committee are related to sales growth, earnings per diluted share and cash conversion, *i.e.* the amount of free cash flow generated in a period as a percentage of net income earned during the same period. Each of the financial goals is equally weighted. Furthermore, our CNG Committee has discretion to upgrade or downgrade the Cash LTIP results by 25%. Awards under this overlapping long-term cash incentive program will only be paid, if earned, after the end of 2014.

2012 Annual Equity Awards

As discussed above, annual equity awards are part of our long-term incentive program. On February 22, 2012, each of our NEOs was granted their target award opportunity in a combination of stock options and restricted stock units, both of which vest ratably over three years following the date of grant, assuming continued employment with the company. 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 2012.

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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 12 months after termination of employment.

Special Restricted Stock Unit Awards

The CNG Committee may periodically consider equity awards that are not part of an executive's annual awards. In determining to grant special awards, the CNG Committee considers unique circumstances that may include recognition upon promotion, competitive hiring needs, retention of executives with key strategic impact and other factors at the CNG Committee's discretion. In February 2012, upon the recommendation of the CNG Committee, and in consideration of their change of scope of responsibility, we made the following special RSU awards to Messrs. Figueroa and Varty. These awards were designed to vest on February 14, 2015, subject to Messrs. Figueroa and Varty's respective continued employment with the company:

8,497 RSUs (valued at \$500,000 at the time of grant) to Mr. Figueroa due to his promotion as Vice President of the Vehicle Control Systems Business Unit which integrated the DriveLine Control Business Unit and the Vehicle Dynamic Control Business Unit. These RSUs were forfeited due to Mr. Figueroa's departure from the company on January 7, 2013.

4,249 RSUs (valued at \$250,000 at the time of grant) to Mr. Varty due to his change of scope of responsibility from Vice President, Compression & Braking Business Unit Leader to President, Americas and Vice President, Mergers and Acquisitions.

Changes for 2013

On February 5, 2013, the Board approved a recommendation by the CNG Committee to modify the design of the company's Long-Term Incentive Program under the Plan. Historically, the annual equity incentive awards that are part of the company's Long-Term Incentive Program are granted in the form of a combination of stock options and RSUs, both of which vest ratably over three years following the date of grant. Commencing in 2013, the company will replace the stock options component with performance share units (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

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.

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

for all other NEOs: 3x base salary

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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 restricted stock unit awards, net shares acquired through stock option exercise and shares acquired on the open market. Vested and unvested stock options do not count towards satisfying the guideline goals.

Participants, including our NEOs, have five years from January 1, 2011 or, if later, upon becoming an executive officer, to meet the stock ownership guidelines. Messrs. Esculier, Michel and Varty have already met their individual requirements, and our other executive officers are all on track to meet their own individual requirements.

We also require our NEOs to hold our equity upon vesting of restricted stock, restricted stock units and performance share units and upon exercise of stock options in certain situations.

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

Furthermore, 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 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 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 that may 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 company's CNG Committee.

Retirement Benefits

Due to his localization to Belgium, Mr. Esculier did not participate in certain benefit plans of our U.S. subsidiary, including the tax-qualified 401(k) plan and our Supplemental Savings Plan. During 2012, he participated in our Belgian benefit plans which include retirement, death, disability and medical coverage. With regard to retirement contributions, we have agreed, going forward, 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. Michel and Varty, amounts equal to 9% of their base salary and 4.5% of their target annual incentive award. Mr. Michel has also elected to participate in a Belgian Supplemental Pension Plan established in the form of a defined contribution plan.

Due to his relocation to the U.S. effective January 1, 2013, Mr. Varty will be reintegrated into our U.S. benefit plans on the same terms upon which he had participated prior to his relocation to Belgium and on the same terms as all other participants in those plans.

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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 are eligible to receive certain other perquisites, including a housing allowance, home leave, and 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), they will be provided with certain severance benefits 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, 2012 is included in Executive Compensation Severance Benefits as of December 31, 2012 below.

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 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 in control provision. Under our Omnibus Incentive Plan, in the event of a change of control, any outstanding stock options will become immediately exercisable and, unless assumed by the new employer, may be cashed out at the discretion of the CNG Committee. The restricted period shall lapse as to any outstanding restricted stock, restricted stock units or performance share units, unless the CNG Committee determines prior to the change of control that any stock option, restricted stock, restricted stock unit or performance share units will be replaced or otherwise honored by the new employer on terms that do not adversely affect the participants. In addition, all performance periods for annual incentive and long-term incentive awards will end and pay out at target on a prorated basis.

Removal of Excise Tax Gross-Up

As of January 1, 2012, the excise tax gross-up payment provisions included in our Change in Control Severance Plan, which were intended to neutralize any excise taxes imposed on the NEOs under Section 4999 of the Internal Revenue Code upon a change of control of the company, were removed. This affects current and future officers, including the NEOs, and no "grandfathering" will be applicable to current executives who were entitled to such benefit before January 1, 2012.

Employment Matters

Transition to Business Manager Status for Named Executive Officers

Effective January 1, 2012, we restructured our service relationship with Messrs. Esculier, Tarrant and Varty so they qualify as "business managers" under Belgian law. The change to business manager status has significant tax advantages under local law for us. Specifically, our employment agreements with these individuals were replaced with local "business manager" agreements. Local business manager contracts provide for Messrs. Esculier's, Tarrant's and Varty's base salaries to be expressed in Euros. Benefits such as goods and services allowances (cost-of-living adjustment) and U.S. tax equalization that these officers previously received under our expatriate policy for these executives were phased-out or discontinued. We elected to maintain certain other benefits for these NEOs, such as the housing allowance and tuition fee reimbursement, which is a common practice for many of our foreign employees working in Brussels. These executives continued to participate in our

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incentive and change in control severance plans. However, these NEOs no longer participated in certain other benefit plans of our U.S. subsidiary, including the tax-qualified 401(k) plan and our Supplemental Savings Plan. Instead, these executives participated in our Belgian benefit plans which include retirement, death, disability and medical coverage. With regard to retirement contributions, we 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 the other NEOs, amounts equal to 9% of each executive's base salary and 4.5% of each executive's target annual incentive award. These contribution levels are similar to the contributions we previously made to the 401(k) plan and the Supplemental Savings Plan. Also in connection with the shift to business manager status, we agreed to provide, at a de minimis cost, new life insurance policies to our NEOs that provide enhanced benefits over their prior policies, in order to defray the additional cost of inheritance taxes to which the NEOs' estates would be subject as a result of their change of status. Each of our NEOs received life insurance coverage equal to three times his base salary. Severance payments under certain circumstances are also available to our NEOs. If a termination of the business manager agreement occurs without cause by the company or by the business manager for good reason, our NEOs are eligible to receive severance payments equal to 1.5 times (2 times, in the case of Mr. Esculier) their base salary, their then current annual incentive target award and company contributions for group insurance and medical coverage. Each NEO would also be eligible to receive reimbursement of up to \$5,000 for financial planning services.

Particular features of each NEO's business manager agreement are noted below:

Jacques Esculier Mr. Esculier's agreement provides for an annual base salary of \$800,000, an annual incentive target of 100% of base salary and a long-term cash incentive target of 100% of base salary. Under his agreement, Mr. Esculier also receives a housing allowance, a home leave, a company car, a goods and services allowance, which is phased-out over a three-year period, and a tuition reimbursement for his children, as further described in the Summary Compensation Table below.

Ulrich Michel Mr. Michel's executive agreement provides for an annual base salary of \$365,385, an annual incentive target of 60% of base salary and a long-term cash incentive target of 45% of base salary. Under his agreement, Mr. Michel also receives a housing allowance, a company car and a tuition reimbursement for his children as further described in the Summary Compensation Table below.

Jean-Christophe Figueroa Mr. Figueroa's executive agreement provided for an annual base salary of \$295,033, an annual incentive target of 60% of base salary and a long-term cash incentive target of 45% of base salary. Under his agreement, Mr. Figueroa also received a housing allowance, a home leave, a company car and a tuition reimbursement for his children as further described in the Summary Compensation Table below. Mr. Figueroa's employment with the company was terminated on January 9, 2013.

Nikhil Varty Mr. Varty's executive agreement provided for an annual base salary of \$277,308, an annual incentive target of 60% of base salary and a long-term cash incentive target of 45% of base salary. Under his agreement, Mr. Varty also received a housing allowance, a home leave, a company car, a goods and services allowance, which was to be phased-out over a three-year period, and a tuition reimbursement for his children, as further described in the Summary Compensation Table below. Effective January 1, 2013, in connection with his relocation to the U.S., Mr. Varty's business manager agreement was amended to provide that he will receive a base salary of \$360,500, participate in our AIP, cash LTIP and equity incentive programs on the same terms as under his business manager agreement, receive a car allowance, and participate in our other benefits programs available to our U.S. based executives.

Kevin Tarrant Mr. Tarrant's executive agreement provided for an annual base salary of \$276,929, an annual incentive target of 60% of base salary and a long-term cash incentive target of 45% of base salary. Under his agreement, Mr. Tarrant also received a housing allowance, a home leave, a company car, a goods and services allowance, which is phased-out over a three-year period, and a tuition reimbursement for his children, as further described in the Summary Compensation Table below. Mr. Tarrant retired from his role as Chief Human Resources Officer on February 1, 2013 and from the company effective March 31, 2013.

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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 2012, 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 greater tax efficiency under Belgian law.

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

Set forth below is information concerning the compensation of our NEOs for 2012.

Name & Principal Position ⁽¹⁾	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) ⁽²⁾	Option Awards (\$) ⁽²⁾	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$) ⁽⁴⁾	Total (\$)
Jacques Esculier Chairman and Chief Executive Officer	2012	\$ 1,020,195		\$ 1,000,038	\$ 1,000,015	\$ 2,894,620		\$ 891,084	\$ 6,805,953
	2011	\$ 950,000		\$ 5,900,042	\$ 900,125	\$ 3,333,334		\$ 1,006,764	\$ 12,090,265
	2010	\$ 850,000		\$ 875,840	\$ 878,040	\$ 2,259,233		\$ 486,153	\$ 5,349,266
Ulrich Michel Chief Financial Officer	2012	\$ 466,584		\$ 275,006	\$ 275,005	\$ 634,200		\$ 346,312	\$ 1,997,106
	2011	\$ 572,304		\$ 345,044	\$ 245,046	\$ 906,837		\$ 282,916	\$ 2,352,147
	2010	\$ 444,825		\$ 250,025	\$ 249,900	\$ 608,640		\$ 285,974	\$ 1,839,364
Jean-Christophe Figueroa Vice President, Vehicle Controls Systems	2012	\$ 392,573		\$ 720,089	\$ 220,023			\$ 1,359,829	\$ 2,692,514
	2011	\$ 483,113		\$ 305,044	\$ 205,039	\$ 780,306		\$ 292,878	\$ 2,066,380
	2010	\$ 373,681		\$ 210,010	\$ 209,920	\$ 489,609		\$ 260,555	\$ 1,543,775
Nikhil M. Varty President, Americas and Vice President, Mergers & Acquisitions	2012	\$ 360,695		\$ 445,083	\$ 195,010	\$ 504,854		\$ 387,053	\$ 1,892,696
	2011	\$ 355,248		\$ 285,014	\$ 185,047	\$ 637,006		\$ 244,731	\$ 1,707,046
	2010	\$ 326,498		\$ 200,020	\$ 199,920	\$ 466,036		\$ 240,711	\$ 1,433,185
Kevin Tarrant Chief Human Resources Officer	2012	\$ 354,265		\$ 200,031	\$ 200,012	\$ 520,988		\$ 437,316	\$ 1,712,612
	2011	\$ 343,070		\$ 277,547	\$ 177,541	\$ 661,157		\$ 209,621	\$ 1,668,936
	2010	\$ 331,500		\$ 190,003	\$ 189,930	\$ 454,670		\$ 256,314	\$ 1,422,417

(1) Certain amounts shown in the Summary Compensation Table were paid in Euros and converted into U.S. dollars at the conversion rate of one euro to 1.3 U.S. dollars. This rate is the conventional rate that we used to convert Euros to U.S. dollars in the localization phase of some of our named executive officers see section Transition to Business Manager Status for Named Executive Officers of the Compensation Discussion and Analysis section above.

(2) Amounts set forth in this column represent the aggregate grant date fair value of stock-based awards granted during the year computed in accordance with ASC 718, Compensation-Stock Compensation. The aggregate grant date fair value of the RSU and stock option awards reflected in these columns was determined using the valuation methodology and assumptions set forth in Note 5 (Capital Stock) of the Notes to Consolidated Financial Statements included in our annual reports on Form 10-K for the fiscal years ended December 31, 2012, 2011 and 2010.

(3) Amounts included in this column represent the cash amounts earned in respect of (a) annual performance-based cash bonuses made under the WABCO annual incentive plan for the 2012 annual performance period and (b) long-term performance-based cash bonuses earned under the WABCO long-term incentive plan for the performance period beginning on January 1, 2010 and ending on December 31, 2012. The following table shows a break down of these amounts:

Names	Annual Incentive Payment for 2012	Long-Term Incentive Payment for 2010-2012 Performance Period
Jacques Esculier	\$ 1,040,000	\$ 1,854,620
Ulrich Michel	\$ 232,903	\$ 401,297

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Jean-Christophe Figueroa			
Nikhil M. Varty	\$	196,400	\$ 308,454
Kevin Tarrant	\$	215,741	\$ 305,247

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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 requisite and personal benefit received by each NEO, regardless of amount.

Names	Premiums for Life Insurance ⁽¹⁾	Defined Contribution Plan Contributions ⁽²⁾	Health Care Reimbursements ⁽³⁾	Severance ⁽⁴⁾	Perquisites and Other Personal Benefits ⁽⁵⁾	Total
Jacques Esculier	\$ 59,976	\$ 187,200	\$ 8,625		\$ 635,283	\$ 891,084
Ulrich Michel	\$ 32,318	\$ 55,575	\$ 2,685		\$ 255,734	\$ 346,312
Jean-Christophe Figueroa	\$ 45,376	\$ 46,800	\$ 2,311	\$ 1,079,980	\$ 185,362	\$ 1,359,829
Nikhil Varty	\$ 12,181	\$ 42,179	\$ 4,362		\$ 328,331	\$ 387,053
Kevin Tarrant	\$ 34,581	\$ 42,120	\$ 4,362		\$ 356,253	\$ 437,316

- (1) Includes premiums for Group Life Insurance and long-term disability coverage that are not generally available to salaried employees.
- (2) Includes employer contributions to defined contribution plans in which the NEOs participate.
- (3) Includes health care reimbursements to private schemes in France for Mr. Esculier and in Belgium for Messrs. Michel, Figueroa, Varty and Tarrant.
- (4) Represents severance paid to Mr. Figueroa under the terms of his business manager agreement. In connection therewith, Mr. Figueroa executed a release agreement.
- (5) Includes contributions to the company's Supplemental Savings Plan, a Non Qualified Deferred Compensation Plan, executive perquisites as well as benefits payable under our expatriate policy as follows:

Names	Supplemental Savings Plan	Financial Planning	Company Car ⁽¹⁾	Housing and Utilities ⁽¹⁾	Tax Allowance ⁽²⁾	School Fees ⁽¹⁾	Cost of Living Allowance ⁽¹⁾	Home Leave ⁽¹⁾	Total
Jacques Esculier	\$ 157,950	\$ 13,706	\$ 30,647	\$ 171,236		\$ 43,138	\$ 218,606		\$ 635,283
Ulrich Michel		\$ 4,198	\$ 24,905	\$ 122,546	\$ 57,464	\$ 46,621			\$ 255,734
Jean-Christophe Figueroa			\$ 27,729	\$ 88,013		\$ 52,728		\$ 16,892	\$ 185,362
Nikhil M. Varty	\$ 20,058	\$ 10,054	\$ 24,364	\$ 80,556	\$ 118,918		\$ 63,148	\$ 11,233	\$ 328,331
Kevin Tarrant	\$ 18,871	\$ 10,199	\$ 28,777	\$ 107,122	\$ 112,968		\$ 62,693	\$ 15,623	\$ 356,253

- (1) The business manager agreements to which our NEOs are party 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 customary for employees who accept foreign assignments. The level of benefits that we provide, such as the cost-of-living adjustment and the housing differentials, are determined based upon the advice provided to the company by outside consultants. As noted above, under the business manager agreements, the goods and services allowance (cost-of-living adjustment) and tax equalization to the U.S. that these NEOs previously received under our expatriate policy are being phased out (in the case of the goods and services allowance) or discontinued (in the case of the tax equalization). We do not provide any special benefits to our NEOs under this policy that our other expatriate employees are not eligible to receive.
- (2) Tax allowances are provided to individuals on expatriate assignments to make their assignments effectively tax and cost neutral to them. Under these arrangements, WABCO paid on behalf of Messrs. Esculier, Michel, Tarrant and Varty certain foreign taxes in respect of services rendered during 2010, but as to which the amount payable was not due or determinable until 2012. These amounts were reduced by the hypothetical taxes withheld from the individuals' compensation. As the amount of hypothetical taxes for Mr. Esculier was higher than the actual taxes paid by the company, the related negative amount was reported as nil.

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

The following table sets forth information about awards granted to our NEOs in 2012.

Names	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Market Price on Grant Date (\$/Sh) ⁽⁶⁾	Grant Date Fair Value of Stock and Option Awards (\$/Sh) ⁽⁷⁾
		Threshold (\$)	Target (\$)	Maximum (\$)					
Jacques Esculier	3/27/2012 ⁽¹⁾	0	\$ 1,033,000	\$ 2,066,000					
	2/15/2012 ⁽²⁾	0	\$ 1,040,000	\$ 3,500,000					
	2/14/2012 ⁽³⁾					43,178	\$ 58.85	\$ 58.85	\$ 1,000,015
	2/14/2012 ⁽⁴⁾				16,993				\$ 1,000,038
Ulrich Michel	3/27/2012 ⁽¹⁾	0	\$ 212,371	\$ 424,742					
	2/15/2012 ⁽²⁾	0	\$ 285,000	\$ 1,140,000					
	2/14/2012 ⁽³⁾					11,874	\$ 58.85	\$ 58.85	\$ 275,005
	2/14/2012 ⁽⁴⁾				4,673				\$ 275,006
Jean-Christophe Figueroa	3/27/2012 ⁽¹⁾	0	\$ 178,765	\$ 357,529					
	2/15/2012 ⁽²⁾	0	\$ 240,000	\$ 960,000					
	2/14/2012 ⁽³⁾					9,500	\$ 58.85	\$ 58.85	\$ 220,023
	2/14/2012 ⁽⁴⁾				3,739				\$ 220,040
	2/14/2012 ⁽⁵⁾				8,497				\$ 500,048
Nikhil Varty	3/27/2012 ⁽¹⁾	0	\$ 162,225	\$ 324,450					
	2/15/2012 ⁽²⁾	0	\$ 216,300	\$ 865,200					
	2/14/2012 ⁽³⁾					8,420	\$ 58.85	\$ 58.85	\$ 195,010
	2/14/2012 ⁽⁴⁾				3,314				\$ 195,029
	2/14/2012 ⁽⁵⁾				4,249				\$ 250,054
Kevin Tarrant	3/27/2012 ⁽¹⁾	0	\$ 163,191	\$ 326,381					
	2/15/2012 ⁽²⁾	0	\$ 216,000	\$ 864,000					
	2/14/2012 ⁽³⁾					8,636	\$ 58.85	\$ 58.85	\$ 200,012
	2/14/2012 ⁽⁴⁾				3,399				\$ 200,031

(1) These awards relate to a three-year performance period, beginning on January 1, 2012 and ending on December 31, 2014. 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. The objectives were established by our CNG Committee. This Committee will certify whether the performance goals are met at the end of the performance period. Under the terms of our long-term incentive program, each NEO could earn up to a maximum of 200% of his target award, if the performance goals for the period are exceeded. 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. The amounts mentioned under respectively threshold, target and maximum columns are based on the base salary applicable after the CNG Committee review in May 2012.

(2) These awards relate to annual incentive awards granted to our NEOs under our Omnibus 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. 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 subject to further limitations included in our Omnibus Incentive Plan. The amounts mentioned under respectively threshold, target and maximum columns are based on the base salary applicable after the CNG Committee review in May 2012. The actual amounts that were earned in respect of these awards for 2012 are listed in the Summary Compensation Table above under the column entitled "Non-Equity"

Incentive Plan Compensation.

- (3) Grants of stock options were made to the NEOs as part of our annual equity awards under our Long-Term Incentive Program under the Omnibus Incentive Plan. Each grant will become vested and exercisable, 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 date the option is granted. The option will become exercisable (and could be settled for cash) in connection with the occurrence of a change of control.

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- (4) These grants of restricted stock units 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. The restricted stock units will also become vested in connection with a change of control of WABCO.

- (5) These grants of restricted stock units were made to Jean-Christophe Figueroa and Nikhil Varty as a special equity award grant under the Omnibus Incentive Plan. These grants will all become vested on 2/14/2015 subject to the NEO s continued employment with the company. These restricted stock units will also become vested in connection with a change of control of WABCO.

- (6) The stock option grants made under the Omnibus Incentive Plan have an exercise price equal to the fair market value of WABCO Holdings Inc. common stock on the date of grant. For purposes of that plan, 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 such awards, and is an accepted method of establishing such value for federal income tax purposes.

- (7) Represents the grant date fair value of each option and restricted stock unit, 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, 2012.

Name	Option Awards				Stock Awards			Equity
	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 (\$) ⁽⁹⁾	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 ⁽⁹⁾
Jacques Esculier	0	43,178 ⁽¹⁾	\$ 58.85	02/14/2022				
	13,072	26,144 ⁽²⁾	\$ 59.26	02/23/2021				
	0	30,000 ⁽³⁾	\$ 27.37	02/22/2020				
	139,920	0	\$ 42.39	02/22/2018				
	69,960	0	\$ 42.39	02/22/2018				
	50,947	0	\$ 48.64	08/01/2017				
	30,022	0	\$ 48.64	08/01/2017				
	84,277	0	\$ 46.87	02/05/2017				
	23,333	0	\$ 38.06	02/02/2015				
							73,497 ⁽¹⁰⁾	\$ 4,791,269
					16,993 ⁽⁴⁾	\$ 1,107,774		
					10,126 ⁽⁵⁾	\$ 660,114		
					10,667 ⁽⁶⁾	\$ 695,382		
Ulrich Michel	0	11,874 ⁽¹⁾	\$ 58.85	02/14/2022				
	3,558	7,118 ⁽²⁾	\$ 59.26	02/23/2021				
	17,076	8,539 ⁽²⁾	\$ 27.37	02/22/2020				
	47,406	0	\$ 11.75	02/17/2019				
	75,423	0	\$ 11.75	02/17/2019				
	33,513	0	\$ 42.39	02/22/2018				
	21,349	0	\$ 42.39	02/22/2018				
	10,008	0	\$ 48.64	08/01/2017				
	8,989	0	\$ 46.87	02/05/2017				
	2,666	0	\$ 32.38	02/01/2016				
	2,000	0	\$ 38.06	02/02/2015				
					4,673 ⁽⁴⁾	\$ 304,633		
					2,757 ⁽⁵⁾	\$ 179,729		
					1,470 ⁽⁷⁾	\$ 95,829		
					3,045 ⁽⁶⁾	\$ 198,504		
Jean-Christophe Figueroa	0	9,500 ⁽¹⁾	\$ 58.85	02/14/2022				
	2977	5,956 ⁽²⁾	\$ 59.26	02/23/2021				
	14,344	7,173 ⁽³⁾	\$ 27.37	02/22/2020				
	33,513	0	\$ 42.39	02/22/2018				
	18,145	0	\$ 42.39	02/22/2018				
	4,000	0	\$ 32.38	02/01/2016				
	1,666	0	\$ 37.84	05/17/2015				
					3,739 ⁽⁴⁾	\$ 243,745		
					8,497 ⁽⁸⁾	\$ 553,919		

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2,307 ⁽⁵⁾	\$	150,393
1,470 ⁽⁷⁾	\$	95,829
2,558 ⁽⁶⁾	\$	166,756

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Name	Option Awards				Stock Awards		Equity
	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 (\$) ⁽⁹⁾	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested ⁽⁹⁾
Nikhil M. Varty	0	8,420 ⁽¹⁾	\$ 58.85	02/14/2022			
	2,687	5,375 ⁽²⁾	\$ 59.26	02/23/2021			
	0	6,831 ⁽³⁾	\$ 27.37	02/22/2020			
	7,606	0	\$ 48.64	08/01/2017			
	13,484	0	\$ 46.87	02/05/2017			
					3,314 ⁽⁴⁾	\$ 216,040	
				4,249 ⁽⁸⁾	\$ 276,992		
				2,082 ⁽⁵⁾	\$ 135,726		
				1,470 ⁽⁷⁾	\$ 95,829		
				2,436 ⁽⁶⁾	\$ 158,803		
Kevin Tarrant	0	8,636 ⁽¹⁾	\$ 58.85	02/14/2022			
	2,578	5,157 ⁽²⁾	\$ 59.26	02/23/2021			
	0	6,490 ⁽³⁾	\$ 27.37	02/22/2020			
	33,513	0	\$ 42.39	02/22/2018			
	10,008	0	\$ 48.64	08/01/2017			
					3,399 ⁽⁴⁾	\$ 221,581	
				1,998 ⁽⁵⁾	\$ 130,250		
				1,470 ⁽⁷⁾	\$ 95,829		
				2,314 ⁽⁶⁾	\$ 150,850		

(1) Stock options vest at the rate of 33.3% per year, with vesting dates of 2/14/2013, 2/14/2014 and 2/14/2015.

(2) Stock options vest at the rate of 33.3% per year, with vesting dates of 2/23/2012, 2/23/2013 and 2/23/2014.

(3) Stock options vest at the rate of 33.33% per year, with vesting dates of 2/22/11, 2/22/12 and 2/22/13

(4) Reflects grants of restricted stock units related to WABCO common stock. These units vest at the rate of 33.3% per year with vesting dates of 2/14/13, 2/14/14 and 2/14/15.

(5) Reflects grants of restricted stock units related to WABCO common stock. These units vest at the rate of 33.3% per year with vesting dates of 2/23/12, 2/23/13 and 2/22/14.

(6) Reflects grants of restricted stock units related to WABCO common stock. These units vest at the rate of 33.3% per year with vesting dates of 2/22/11, 2/22/12 and 2/22/13.

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- (7) Reflects grants of restricted stock units related to WABCO common stock. These units fully vest on 5/25/14.
- (8) Reflects grants of restricted stock units related to WABCO common stock. These units fully vest on 2/14/15.
- (9) Values in this column are based on the closing price of a share of our common stock on December 31, 2012, i.e. \$65.19.
- (10) Reflects grant of performance stock units related to WABCO common stock. These units fully vest on 5/26/2015, subject to Mr. Esculier's continued employment and to the realization of performance goals.

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Table of Contents**Option Exercises and Stock Vested**

The following table sets forth information about WABCO options that were exercised to purchase WABCO common stock in 2012 and restricted stock units (RSUs) that vested in 2012.

Names	Option Awards		Stock Awards	
	Number of shares acquired on exercise (#) ⁽¹⁾	Value realized on exercise (\$) ⁽²⁾	Number of shares acquired on vesting (#) ⁽³⁾	Value realized on vesting (\$) ⁽⁴⁾
Jacques Esculier	169,592	\$ 8,197,036	38,425	\$ 2,353,435
Ulrich Michel	21,216	\$ 540,161	10,665	\$ 653,221
Jean-Christophe Figueroa	58,970	\$ 2,051,312	8,946	\$ 547,936
Nikhil M. Varty	53,661	\$ 2,000,852	7,987	\$ 489,187
Kevin Tarrant	43,274	\$ 1,788,406	8,149	\$ 499,155

- (1) Represents the gross number of shares acquired upon exercise of vested options without taking into account any shares that may be 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 closing price of a share of our stock on the day immediately before the date of exercise and the exercise price of the options.
- (3) Represents the gross number of shares acquired upon vesting of RSUs without taking into account any shares that may be withheld to satisfy applicable tax obligations.
- (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 day immediately before the vesting date.

Pension Benefits

None of our NEOs participated in a defined benefit pension plan in 2012.

Nonqualified Deferred Compensation

The following table sets forth information about deferred compensation benefits accrued by our NEOs in 2012:

Names	Executive Contributions in Last FY ⁽¹⁾ (\$)	Registrant Contributions in Last FY ⁽²⁾ (\$)	Aggregate Earnings in Last FY ⁽²⁾ (\$)	Aggregate Withdrawals / Distributions (\$)	Aggregate Balance at Last FYE ⁽²⁾ (\$)
Jacques Esculier		\$ 157,950	\$ 56		\$ 560,340
Ulrich Michel	\$ 261,363				\$ 838,130
Jean-Christophe Figueroa	\$ 229,541				\$ 736,479
Nikhil M. Varty		\$ 20,058	\$ 8,074		\$ 82,062
Kevin Tarrant		\$ 18,875	\$ 3,640		\$ 75,989

- (1) Messrs. Figueroa and Michel, employed in our Belgian subsidiary, have elected to participate in a nonqualified deferred compensation plan where they contribute half of their AIP award.

- (2) All employees whose eligible compensation exceeds limits imposed by Section 401(a)(17) of the Internal Revenue Code (IRS Limits) participate in the company's Supplemental Savings Plan, except for Messrs. Figueroa and Michel. 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

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compensation in excess of the IRS Limits based upon the employee's contribution election under the tax qualified 401(k) plan. For Mr. Esculier, we credit a basic contribution of 3% on all eligible compensation in excess of the IRS Limits and an additional 6% matching contribution, based on Mr. Esculier's contribution election to the tax-qualified 401(k) plan. The amounts reported in this table relate to the 2011 year but were contributed in 2012. Effective January 1, 2012, under the terms of their business manager agreements, none of the NEOs will participate in the Supplemental Savings Plan.

Other Retirement Plans

With their localization to Belgium, our NEOs no longer participated in certain other benefit plans of our U.S. subsidiary, including the tax-qualified 401(k) plan and our Supplemental Savings Plan. Rather, they participated in our Belgian benefit plans which include retirement, death, disability and medical coverage. With regard to retirement contributions, we contribute to such plans, on an annual basis, an amount equal to 9% of Mr. Esculier's base salary and target cash annual incentive award, and for the other NEOs, amounts equal to 9% of base salary and 4.5% of the executives' target annual incentive award.

Potential Payments upon Termination or Change-in-Control

Messrs. Esculier, Michel and Varty are entitled to severance payments in the event their employment is involuntarily terminated by us without cause or they terminate their employment with us for good reason (as defined below). Mr. Esculier will 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. Michel and Varty will 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 life and group medical coverage will 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 will be provided if such expenses are submitted within one year of termination of employment. Payment of some or all of these amounts 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 will 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 will not be payable in the event Messrs. Esculier, Michel and Varty are entitled to benefits under the Change of Control Severance Plan in connection with their termination of employment.

Potential Post-Employment Payments

Severance Arrangements

If their employment had terminated on December 31, 2012, Messrs. Esculier, Michel and Varty 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). 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. Michel and Varty 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 life 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 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

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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, Michel and Varty are entitled to benefits under the Change of Control Severance Plan in connection with their termination of employment. Effective January 1, 2012, severance payments other than those provided under the Change of Control Severance Plan will be paid under the terms of the business manager agreements discussed in greater detail under *Business Manager Agreements*.

Severance Benefits as of December 31, 2012

The table set forth below illustrates the amount of severance benefits and the value of continued welfare benefits that would have been payable to each of Messrs. Esculier, Michel, Varty and Figueroa, 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, 2012 and assuming that such terminations occurred prior to the occurrence of a change of control. Information is not presented for Mr. Tarrant, who retired from the company effective February 1, 2013. 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 above, depending on such NEO's then current compensation at the date of termination.

Names	Cash Severance Benefit ⁽¹⁾	Value of Continued Welfare Benefits and Financial Planning Reimbursement ⁽²⁾	Total Value of Termination Benefits Payable
Jacques Esculier	\$ 4,080,000	\$ 516,602	\$ 4,596,602
Ulrich Michel	\$ 1,140,000	\$ 136,213	\$ 1,276,213
Nikhil Varty	\$ 865,200	\$ 89,902	\$ 955,102
Jean-Christophe Figueroa ⁽³⁾	\$ 920,503	\$ 159,477	\$ 1,079,980

(1) Column (1) reflects, for Mr. Esculier, two times annual base salary as of December 31, 2012, plus two times the annual incentive plan target as of December 31, 2012, and for our other NEOs, 1.5 times annual base salary as of December 31, 2012, plus 1.5 times the annual incentive plan target as of December 31, 2012.

(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.

(3) Mr. Figueroa's employment was terminated on January 9, 2013.

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 24 months after the occurrence of a change of control of the company. Under these circumstances, Messrs. Esculier and Michel 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. Mr. Varty would 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 life and group medical coverage will be continued for up to 36 months for Messrs. Esculier and Michel, and 24 months for other executive participants, including Mr. Varty. Messrs. Esculier and Michel 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.

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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.

As mentioned in the section *Payments upon Severance or Change of Control* of the Compensation Discussion and Analysis section, the company removed the excise tax gross-up payment provisions included in its Change in Control Severance Plan, effective as of January 1, 2012. This decision affects current and future officers, including the NEOs.

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 duties with the company 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 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 (including the elimination of a plan without providing substitutes therefor or the reduction of such participant's award thereunder) 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 at the time of the taking of such action; 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 at the time of the taking of such action (unless resulting from a general change in benefits applicable to all similarly-situated employees of the company and its affiliates).

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.

Under the Omnibus Incentive Plan, in the event of a change of control of the company (as defined in the manner described below), any outstanding stock options or stock appreciation rights will become immediately exercisable and may be cashed out at the discretion of the CNG Committee, and the restricted period shall lapse as to any outstanding restricted stock or restricted units. Subject to, in the case of certain stock options, limitations required to comply with conditions imposed under federal income tax laws, any cash out will occur using a change of control settlement value that is based on the highest price of the stock prevailing during the 60-day trading period immediately preceding the occurrence of the event that gives rise to a change of control. Notwithstanding the foregoing, no acceleration of exercisability, vesting or cash settlement will occur if the CNG Committee determines, prior to the change of control, that any stock option, stock appreciation right, restricted share or restricted unit will be replaced or otherwise honored by the new employer. Upon a change of control, all

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performance periods for annual incentive and long-term incentive awards shall end, and awards shall become payable at target levels, prorated for the portion of the performance period completed prior to the change of control. Under the Omnibus Incentive Plan, any participant whose employment is terminated other than for cause on or after the date of the company's shareholders approve a change of control, but before the change of control occurs, will receive the same benefits as though he or she remained employed until the change of control.

Change of Control Benefits

The table set forth below illustrates the amount that would be payable for 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, 2012 and a qualifying termination occurred on or within twenty-four months after a change of control. 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, 2012, 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) ⁽¹⁾	Total Value of Equity Acceleration (c) ⁽²⁾	Other Incremental Benefits Payable (d) ⁽³⁾	Tax Gross-ups (e) ⁽⁴⁾	Total Value of Benefits Payable Due to a Change of Control (f) ⁽⁵⁾
(a) Jacques Esculier	\$ 6,892,403	\$ 5,053,003	\$ 2,997,778		\$ 14,913,184
Ulrich Michel	\$ 2,547,425	\$ 87,731	\$ 698,808		\$ 3,333,964
Nikhil M. Varty	\$ 1,271,802	\$ 138,995	\$ 531,655		\$ 1,942,452
Kevin Tarrant		\$ 68,225			\$ 68,225

(1) For the purposes of this table, base salary as of December 31, 2012 was used for all the named executive officers.

For Messrs. Esculier and Michel, this amount reflects three times annual base salary as of December 31, 2012, plus three times the annual incentive plan target as of December 31, 2012, and the estimated value of company provided group insurance plan and group medical coverage for 3 years and reimbursement of financial planning services up to \$5,000 for one year.

For Mr. Varty, this amount reflects two times annual base salary as of December 31, 2012, plus two times the annual incentive plan target as of December 31, 2012 and the estimated value of company provided group insurance plan and group medical coverage for 2 years and reimbursement of financial planning services up to \$5,000 for one year.

All are eligible for company-paid outplacement services. The value of such benefits is not included in these estimates.

(2) Column (c) of the above table represents an estimate of the incremental value related to a change of control cash-out of any unvested options to purchase WABCO common stock and the acceleration and cash-out value of any WABCO restricted stock unit award outstanding on December 31, 2012 under the Omnibus Incentive Plan. The number of unvested stock options and the number of outstanding restricted stock awards are represented in the Number of Securities Underlying Unexercised Options (#) Unexercisable and Number of Shares or Units of Stock Unvested (#) columns, respectively, of the Outstanding Equity Awards at Fiscal Year-End table. To the extent relevant, amounts in the above table were calculated assuming that the price paid for the company's common stock in connection with the assumed change of control was \$65.19, which was the closing price of a share of company stock on December 31, 2012. The amount in the above table with respect to the Total Value of Equity Acceleration includes, in the case of

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options, the amount that would be payable in respect of such options were each to be cashed out in accordance with the terms of the 2009 Omnibus Incentive Plan determined by using the change of control value described above minus the applicable exercise price of the option. It also includes the market value on December 31, 2012 of unvested restricted stock unit that would have been accelerated. The values shown in the table above are the amounts contingent on a change of control determined in accordance with IRC section 280G. The total amounts payable for unvested stock options and restricted stock as of December 31, 2012 based on a \$65.19 per share settlement rate are approximately: \$8,817,921, \$1,219,130, \$1,226,995 and \$929,245 for Messrs. Esculier, Michel, Varty and Tarrant, respectively. Mr. Tarrant retired from the company effective February 1, 2013. In connection with his retirement, the CNG Committee resolved that the equity incentive awards received by Mr. Tarrant under the Omnibus Incentive Plan prior to his retirement may continue to vest according to their original vesting schedule and any vested stock options held by Mr. Tarrant can be exercised up to 36 months after his departure date.

- (3) Column (d) represents an estimate of the pro-rata target awards under all in progress performance cycles for AIP and LTIP awards as of December 31, 2012.

For Mr. Esculier, these amounts represent \$1,040,000, \$940,000, \$673,333 and \$344,444 for the 2012 AIP, 2010-2012, 2011-2013 and 2012-2014 long-term incentive plan performance cycles, respectively.

For Mr. Michel, these amounts represent \$285,000, \$203,394, \$139,623 and \$70,790 for the 2012 AIP, 2010-2012, 2011-2013 and 2012-2014 long-term incentive plan performance cycles, respectively

For Mr. Varty, these amounts represent \$216,300, \$156,338, \$107,625 and \$54,075 for the 2012 AIP, 2010-2012, 2011-2013 and 2012-2014 long-term incentive plan performance cycles, respectively

- (4) As mentioned in the section **Payments upon Severance or Change of Control** of the Compensation Discussion and Analysis section, the company removed the excise tax gross-up payment provisions included in the Change of Control Severance Plan, effective as of January 1, 2012. This decision affects current and future officers, including the NEOs.

- (5) Sum of (b) through (e).

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 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

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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.

Table of Contents**EQUITY COMPENSATION PLANS**

The following table sets forth certain information regarding WABCO's equity compensation plans as of December 31, 2012:

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants, Rights and RSUs	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by security holders	3,233,923 ⁽¹⁾	\$ 35.82	4,037,477
Equity compensation plans not approved by security holders			88,582 ⁽²⁾
Total	3,233,923		4,126,059

(1) Includes options to purchase 2,868,192 shares of common stock and 365,731 RSUs granted under our omnibus incentive plans. The options have a weighted average remaining term of 5.5 years.

(2) Represents shares remaining available for issuance under the Deferred Compensation Plan. For information regarding the material terms of the Deferred Compensation Plan, please see the section entitled, "Director Compensation - Deferred Compensation Plan."

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PROPOSAL 3 APPROVAL OF THE AMENDED AND RESTATED 2009 OMNIBUS INCENTIVE PLAN

We are asking the Company's shareholders to approve the amendment and restatement of the existing WABCO Holdings Inc. 2009 Omnibus Incentive Plan, previously adopted on May 28, 2009 and subsequently amended effective as of January 1, 2012 (the Existing Plan) that will:

change the manner in which certain types of awards count against the number of shares of common stock authorized for issuance under the Omnibus Incentive Plan, thereby eliminating the separate limit for Restricted Stock and Restricted Stock Units;

obtain re-approval of existing business criteria and approval of new business criteria that can be used as part of Performance Goals for Incentive Awards;

create a new class of equity based Incentive Awards under the Omnibus Incentive Plan as a catch-all category with a separate maximum individual limit; and

make other clarifying and administrative amendments to the Omnibus Incentive Plan (the proposed Amended and Restated WABCO Holdings Inc. 2009 Omnibus Incentive Plan, the Omnibus Incentive Plan).

Any capitalized terms that are used in this Proposal but not defined here or elsewhere in this proxy statement have the meanings assigned to them in the Omnibus Incentive Plan attached as Appendix C hereto.

These changes are being made in connection with our current intention to grant Full Value Awards in lieu of stock options without significantly increasing the cost of the Omnibus Incentive Plan to shareholders. This approach allows us to provide Incentive Awards with a more direct linkage to our long-term business goals.

As of March 31, 2013, there were 2,569,794 of our securities outstanding that were previously awarded under the Existing Plan, consisting of 421,345 shares of common stock that may be issued pursuant to Full Value Awards and 2,148,449 shares underlying stock options. The stock options outstanding have a weighted average exercise price of \$39.76 and a weighted average remaining term of 5.0 years. Additionally, as of March 31, 2013, 3,888,545 securities remain available for award under the Existing Plan, consisting of 209,452 shares that may be issued pursuant to Full Value Awards and 3,679,093 shares underlying stock options or stock appreciation rights. If the Omnibus Incentive Plan is approved, a total of 3,888,545 securities will be available for award, subject to the terms and limitations set forth in the Omnibus Incentive Plan. The closing price of our common stock on the NYSE on April 17, 2013 was \$65.27.

The Board approved these amendments on March 28, 2013, subject to shareholder approval. These amendments to the Existing Plan will be effective and contingent upon receipt of shareholder approval of the Omnibus Incentive Plan. If our shareholders do not approve the Omnibus Incentive Plan, the provisions of the Existing Plan will continue to apply.

The essential features of the Omnibus Incentive Plan, including the proposed amendments, are summarized below. This summary does not purport to be a complete description of all the provisions of the Omnibus Incentive Plan, and is subject to and qualified in its entirety by reference to the complete text of the Omnibus Incentive Plan, which is attached as Appendix C to this proxy statement.

Summary of Amendments

Fungible Share Reserve. All awards under the Omnibus Incentive Plan (including previously granted awards) will count against the total Share Authorization. However, there will no longer be a separate limit to the number of shares that may be issued in the form of Restricted Stock or Restricted Stock Units payable in shares. In the case of Incentive Awards granted after the date on which the shareholders approve the Omnibus Incentive Plan, each share that is issued in the form of Restricted Stock, Restricted Stock Units or any other form of Full Value Award payable in shares shall be counted

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against the Share Authorization limit as 2.2 shares for every share granted (Awards of Restricted Stock or Restricted Stock Units payable in shares that were granted under the Omnibus Incentive Plan prior to shareholder approval will continue to count against the Share Authorization limit on the basis of one share for every Share granted). This method of using a single Share Authorization limit from which all types of Awards will count against is commonly referred to as a fungible share reserve. The Company believes that changing to a fungible share reserve as set out in the Omnibus Incentive Plan allows our CNG Committee the flexibility to award equity incentives in a manner that is most appropriate to take into account shareholder dilution.

Usage of the Share Authorization. Shares not issued under an Option or Stock Appreciation Right to a Participant on and after the date on which the shareholders approve the Omnibus Incentive Plan due to satisfying either tax withholding or exercise price payment obligations would not be added back to the Share Authorization. The forfeiture of an Incentive Award will result in an increase to the Share Authorization. Effective as of the date on which the shareholders approve the Omnibus Incentive Plan, the amount of shares that will be added back to the Share Authorization due to a forfeited Incentive Award will be 2.2 shares with respect to each share subject to a Full Value Award and one (1) share with respect to each share that is not subject to a Full Value Award (*i.e.*, Options and Stock Appreciation Rights). The adjustments described in this paragraph shall apply to each outstanding Incentive Award regardless of whether it was granted under the Existing Plan or the Omnibus Incentive Plan.

Share Counting Awards Subject to Performance Goals. Incentive Awards may be granted subject to attaining Performance Goals at a threshold, target or maximum level. As of the grant date, the charge to the Share Authorization would be limited to the target number of shares under any such Incentive Award granted on or after the date on which shareholders approve the Omnibus Incentive Plan. If the number of shares eventually earned under such an Incentive Award exceeds target, the Share Authorization would also be charged prior to distribution of shares in an amount equal to the number of earned shares in excess of the target.

Performance Goals. The Omnibus Incentive Plan sets forth specific financial and operational criteria that may be used by the CNG Committee for Performance Goals with respect to Incentive Awards. A list of each of these goals is specifically set forth in the Omnibus Incentive Plan beginning on page C-4. The Company is seeking shareholder approval of these criteria due to its desire for flexibility to issue Incentive Awards in a manner that will qualify for the performance based compensation exception to the \$1 million deduction limitation under Section 162(m) of the Internal Revenue Code. As discussed in this proxy statement, compensation deductions taken by subsidiaries that are not subject to U.S. federal income tax are not subject to this deduction limitation, and the Omnibus Incentive Plan includes Performance Goals that the CNG Committee may use to grant awards that do not qualify for the performance based compensation. In addition, even if a Participant's compensation with respect to an Incentive Award would be subject to the \$1 million limitation, approval of the Omnibus Incentive Plan does not require the CNG Committee to grant Incentive Awards in a manner that will be exempt from this limitation. If shareholders do not approve the Omnibus Incentive Plan, our subsidiaries may be limited in deducting compensation payments made under the Incentive Awards.

Individual Limits on Types of Incentive Awards. Beginning in 2014, the Omnibus Incentive Plan would permit the Company to issue an Incentive Award in excess of the current annual limit applicable to such award to a Participant to the extent that less than the annual limit had been granted in any prior year beginning on or after January 1, 2013. The current annual limits are as follows: Options and Stock Appreciation Rights 750,000 shares; Restricted Stock and Restricted Units 200,000 shares. Each of these annual limits is based on the actual number of shares subject to these awards, and not the exchange ratios used for Full Value Awards in charging the Share Authorization.

Other Stock-Based Awards. The Omnibus Incentive Plan creates a new category of Incentive Awards called Other Stock-Based Awards, which consists of any type of equity based award settled in shares other than an Option, a Stock Appreciation Right, a Restricted Unit or Restricted Stock. The limit on

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Other Stock-Based Awards would be 200,000 shares per calendar year and would be subject to the look-back provision described above to the extent that the maximum number of shares for this type of Incentive Award was not issued in any prior year beginning on or after January 1, 2013.

Restriction on Vesting Terms for Time-Based Restricted Stock Awards. Time-based Restricted Stock granted to Employees would vest no more rapidly than in equal installments over three years of employment provided however that the CNG Committee can provide accelerated vesting upon an involuntary termination for Cause, as defined in the Omnibus Incentive Plan. Cause would include situations in which facts are discovered after actual termination of services that would have justified a termination for Cause.

Increased Flexibility upon a Change of Control. The Omnibus Incentive Plan provides the CNG Committee additional flexibility to determine the appropriate treatment of vested and unvested Incentive Awards in the event of a Change of Control, including settlement of Incentive Awards tied to Performance Goals based on actual performance as of a Change of Control.

No Dividend Equivalents on Restricted Stock and Restricted Units Subject to Performance Goals. The Omnibus Incentive Plan prohibits the payment of dividend equivalents on unvested Restricted Stock and Restricted Units when vesting is subject to achieving Performance Goals.

Other Administrative / Compliance Changes. Executives who are subject to business manager agreements will be treated as Employees solely for purposes of the Omnibus Incentive Plan. The Company will be allowed to amend the Omnibus Incentive Plan to meet legal requirements without the consent of Participants. Additional rules have been provided to set forth payment terms with respect to Incentive Awards that may be subject to Section 409A of the Internal Revenue Code.

Key Provisions

The Omnibus Incentive Plan contains several provisions that the Board believes are consistent with the interests of shareholders and sound corporate governance practices, including:

No Stock Option Repricings. The Omnibus Incentive Plan prohibits the repricing of Options and Stock Appreciation Rights without the approval of shareholders. This provision applies to direct repricings (lowering the exercise price of an Option or base price of a Stock Appreciation Right), indirect repricings (canceling an outstanding Option or Stock Appreciation Right and granting a replacement Option or Stock Appreciation Right with a lower exercise or base price), and the repurchase of underwater Options or Stock Appreciation Rights for cash.

No Discount Stock Options. All Options must have an exercise price (and Stock Appreciation Rights must have a base price) equal to or greater than the fair market value of the underlying stock on the date of grant.

Minimum One-Year Performance Period for Performance-Based Stock Awards. Restricted Stock and Restricted Units that vest based on achieving Performance Goals must have a minimum one-year Performance Cycle.

No Award Transferability for Consideration. The Omnibus Incentive Plan strictly prohibits the transfer of Incentive Awards to independent third parties for cash consideration without shareholder approval.

Plan Fosters Stock Ownership for Executives. Stock settled Incentive Awards granted under the Omnibus Incentive Plan align the interests of Participants with the interests of shareholders, and provide a vehicle to assist executives in achieving the Company's stock ownership guidelines.

Plan Awards are Subject to Clawback Policy. Awards granted under the Omnibus Incentive Plan will be subject to the Company's clawback policy.

Independent Committee. The Omnibus Incentive Plan will generally be administered by the CNG Committee. All members of the CNG Committee qualify as independent under the New York Stock Exchange rules and as outside directors under Section 162(m) of the Code.

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Plan Summary

The following is a summary of the principal features of the Omnibus Incentive Plan. This summary is qualified in its entirety by reference to the Omnibus Incentive Plan, which is attached to this proxy statement as Appendix C.

General. The Omnibus Incentive Plan provides for the following types of awards: Options, Stock Appreciation Rights, Restricted Stock, Restricted Units and Other Stock-Based Awards. Each of these is referred to individually in the Omnibus Incentive Plan as an Incentive Award. Those who will be eligible for Incentive Awards under the Omnibus Incentive Plan include Employees (including certain officers providing services under a business manager agreement under Belgian law and individuals who enter into similar agreements under other foreign laws), non-Employee directors and consultants of the Company and its affiliates. As of December 31, 2012, approximately 250 Employees and nine directors would be eligible to participate in the Omnibus Incentive Plan. The Company currently does not have any consultants to whom it intends to grant Incentive Awards. The Omnibus Incentive Plan will remain in effect until April 8, 2019. Incentive awards that are settled by the issuance of shares of Common Stock, other than Incentive Awards in the form of an Options or Stock Appreciation Rights, are referred to as Full Value Awards.

Number of Shares Available under the Omnibus Incentive Plan. The shareholders approved 5,100,000 shares of WABCO's Common Stock for issuance under the Omnibus Incentive Plan on May 28, 2009. No additional shares are being added to the Share Authorization. The shares to be used for Incentive Awards may be authorized, but unissued, or reacquired Common Stock. To the extent that a share is granted pursuant to a Full Value Award, it will reduce the number of shares authorized under the Omnibus Incentive Plan by two and two-tenths (2.2) shares; and, to the extent that a share is granted pursuant to an Incentive Award other than a Full Value Award, it will reduce the number of shares authorized under the Omnibus Incentive Plan by one (1) share.

If we increase or decrease the number of issued shares of Common Stock by means of a stock split, reverse stock split, stock dividend, reorganization, merger, consolidation, split-up, spin-off, combination or reclassification of the Common Stock, repurchase, exchange of shares or other securities of the Company or any similar transaction affecting the number of shares of Common Stock, the CNG Committee will proportionately adjust the number of shares covered by each outstanding Incentive Award, the individual limits applicable to Incentive Awards, the number of shares available for issuance under the Omnibus Incentive Plan and the price per share covered by each outstanding Incentive Award.

Incentive Awards may be granted under the Omnibus Incentive Plan in substitution for stock and stock-based awards held by Employees, directors or consultants of an acquired company in a merger or other form of corporate acquisition, and the shares subject to any such Incentive Award will not be charged against the Share Authorization.

Administration. The CNG Committee will administer the Omnibus Incentive Plan. Each member of the CNG Committee as of the date of this proxy statement qualifies as a non-management director under Rule 16b-3 of the Securities and Exchange Act of 1934. Subject to the terms of the Omnibus Incentive Plan, the CNG Committee has discretion to select the Employees and consultants who will receive Incentive Awards, determine the terms and conditions of Incentive Awards (including the type and amount of Incentive Awards), to interpret the provisions of the Omnibus Incentive Plan and outstanding Incentive Awards and to take other appropriate actions as provided under the Omnibus Incentive Plan, including the acceleration of vesting under Incentive Awards and extending the exercise period of Options after employment termination. Grants to directors are made by the Board of Directors. The CNG Committee may not amend any Incentive Award to reduce the exercise price of that Incentive Award or cancel any outstanding Incentive Award in exchange for other Incentive Awards with an exercise price lower than the original Incentive Award, unless such action is approved by shareholders.

Options. The CNG Committee is able to grant non-qualified stock options (NQSO) and incentive stock options (ISO) under the Omnibus Incentive Plan. The CNG Committee determines the number of shares

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subject to each Option. The CNG Committee determines the exercise price of Options granted under the Omnibus Incentive Plan, provided that the exercise price must be at least equal to the fair market value of WABCO's Common Stock on the date of grant. The term of an Option may not exceed ten years. After a termination of service with us, a Participant will be able to exercise the vested portion of his or her Option for the period of time stated in the Incentive Award agreement. The Omnibus Incentive Plan permits Options to be exercised using a net settlement feature (*i.e.*, the issuance of shares equal to the option spread without payment of the exercise price).

Restricted Stock. Incentive Awards of Restricted Stock are rights to acquire or purchase shares of WABCO's Common Stock, which vest in accordance with the terms and conditions established by the CNG Committee in its sole discretion. The Incentive Award agreement typically results in forfeiture of the unvested shares upon the termination of the Participant's service with the Company. The CNG Committee will determine the number of shares granted pursuant to an Incentive Award of Restricted Stock.

Restricted Units. Incentive Awards of Restricted Units result in a payment to a Participant only if the vesting criteria the CNG Committee establishes are satisfied. Such criteria may be based on continued employment or achieving performance objectives. Upon satisfying the applicable vesting criteria, the Participant will be entitled to the payout specified in the Incentive Award agreement. Restricted Units will typically be settled in shares of Common Stock. Unvested Restricted Units will typically be forfeited on a termination of services to us. The CNG Committee determines the number of Restricted Units granted to any Participant.

Stock Appreciation Rights. The CNG Committee will be able to grant Stock Appreciation Rights, which are the rights to receive the appreciation in the fair market value of Common Stock occurring between the exercise date and the date of grant. We can pay the appreciation in cash, Common Stock of equivalent value, or a combination thereof. Stock Appreciation Rights will become exercisable at the times and on the terms established by the CNG Committee, subject to the terms of the Omnibus Incentive Plan. The CNG Committee, subject to the terms of the Omnibus Incentive Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Omnibus Incentive Plan; provided, however, that the exercise price may not be less than 100% of the fair market value of a share on the date of grant. After termination of service with us, a Participant will be able to exercise the vested portion of his or her Stock Appreciation Right for the period of time stated in the Incentive Award agreement (except as otherwise expressly provided for).

Performance Goals. The granting and/or vesting of Full Value Awards and other Incentive Awards under the Omnibus Incentive Plan may be made subject to the attainment of one or more Performance Goals listed in the plan document attached as Appendix C. Each of the Performance Goals may relate to performance or achievements with respect to the Company, one or more of its Subsidiaries and/or with respect to operating units, divisions, acquired businesses, minority investments, partnerships, joint ventures or one or more individuals. The target levels for a Performance Objective may differ from Participant to Participant and from Incentive Award to Incentive Award. Any criteria used may be measured in absolute terms, measured in terms of growth, compared to another company or companies, measured against the market and/or applicable market indices, measured against the performance of the company as a whole or a segment of the company, and may include or exclude unusual or extraordinary corporate items, transaction or development restructuring and/or other nonrecurring and/or extraordinary charges, exchange rate effects, the effects of any statutory adjustments to corporate tax rates, losses from discontinued operations, restatements and accounting changes and other unplanned special charges such as restructuring expenses, acquisition expenses (including without limitation expenses related to goodwill and other intangible assets), divestitures, share offerings, share repurchases and strategic loan loss provisions, even if such adjustments are not consistent with U.S. generally accepted accounting principles. The Company may measure financial performance (*e.g.*, revenues, earnings or profits) on a gross or net basis.

Individual Limits on Incentive Awards. No Participant shall be granted Options, Stock Appreciation Rights, or both with respect to more than 750,000 shares during any calendar year. No individual shall be granted Restricted Stock or Restricted Units, with respect to more than 200,000 shares or units as the case may be during

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any calendar year. No individual shall be granted Other Stock-Based Awards with respect to more than 200,000 shares as the case may be during any calendar year. As described above, unused share amounts under these limits for calendar years beginning on or after January 1, 2013 may be carried forward. No Participant shall be granted an Annual Incentive Award of more than \$3,500,000 during any calendar year. No Participant shall be granted a Long-Term Incentive Award of more than \$3,500,000 during any calendar year.

Transferability of Incentive Awards. Incentive Awards granted under the Omnibus Incentive Plan are generally not transferable except as would be permitted under an S-8 registration statement (*i.e.*, members of a Participant's immediate family or to a trust, partnership, or corporation in which the parties in interest are limited to the Participant and members of the Participant's immediate family).

Amendment and Termination of the Omnibus Incentive Plan. The Board of Directors will have the authority to amend, alter, suspend or terminate the Omnibus Incentive Plan, except that shareholder approval will be required for any amendment to the Omnibus Incentive Plan to the extent required by any Applicable Laws. No amendment, alteration, suspension or termination of the Omnibus Incentive Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the CNG Committee in a writing signed by the Participant and the Company. The Omnibus Incentive Plan will terminate on April 8, 2019, unless the Board of Directors terminates it earlier.

Other Benefits. The Company reserves the right to pay other forms of incentive compensation, including but not limited to Annual Incentive Awards and Long-Term Incentive Awards.

Federal Income Tax Consequences

The material federal income tax consequences of the issuance and exercise of Options and other Incentive Awards under the Omnibus Incentive Plan, based on the current provisions of the United States Internal Revenue Code and regulations, are as follows.

Options. The grant of an Option will have no tax consequences to the recipient or to the Company or its affiliates. In general, upon the exercise of an ISO, the Employee will not recognize income and the employer will not be entitled to a tax deduction. However, the excess of the acquired shares' fair market value on the exercise date of an ISO over the exercise price is included in the Employee's income for purposes of the alternative minimum tax.

Upon the exercise of an NQSO, the Participant will generally recognize ordinary income equal to the excess of the acquired shares' fair market value on the exercise date over the exercise price, and the Company (or the affiliate receiving the services of the individual who was granted the NQSO) will generally be entitled to a tax deduction in the same amount. If the acquired shares are Restricted Stock (*i.e.*, they are not transferable and are subject to a substantial risk of forfeiture), the tax consequences for Restricted Stock (described below) will apply.

If a Participant transfers NQSOs to members of his or her immediate family or to a trust, partnership, or corporation (as described above), the transfer will not be a taxable event. Upon the exercise of the NQSOs (by the family member, trust, partnership, or corporation), the Participant will recognize ordinary income.

Stock Appreciation Rights. The grant of a Stock Appreciation Right will have no tax consequences to the Participant or to the Company or its affiliates. Upon the exercise of a Stock Appreciation Right, the Participant will recognize ordinary income equal to the received shares' fair market value on the exercise date, and the Company (or the affiliate receiving the services of the individual who was granted the Stock Appreciation Right) will generally be entitled to a tax deduction in the same amount.

Restricted Stock, Restricted Units, and Other Stock-Based Awards. In general, the grant of Restricted Stock, Restricted Units, or other full value Incentive Awards will have no tax consequences to the Participant or to the Company or its affiliates. When the Incentive Awards are settled (or, in the case of Restricted Stock, when the restrictions are lifted), the Participant will recognize ordinary income equal to the excess of (1) the applicable shares' fair market value on the date the restrictions are lifted over (2) the amount, if any, paid for the shares by

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the Participant; the Company (or the affiliate receiving services from such individual) will generally be entitled to a tax deduction in the same amount subject to the Section 162(m) deduction limitation discussed below. If the Incentive Award is settled in cash or other property, the Participant will recognize ordinary income equal to the net amount received, and the Company (or the affiliate that granted the Incentive Award) will generally be entitled to a tax deduction in the same amount. The grantee of a Restricted Stock Incentive Award may elect to be taxed on the date of grant by filing a Section 83(b) election rather than on the date when the restrictions are lifted.

Sale of Shares. When a Participant sells shares received under any Incentive Award other than an ISO, the Participant will recognize capital gain or loss equal to the difference between the sale proceeds and the Employee's (or director's or consultant's) basis in the shares. In general, the basis in the shares is the amount of ordinary income recognized upon receipt of the shares (or upon the lifting of restrictions, in the case of Restricted Stock) plus any amount paid for the shares.

When an Employee disposes of ISO shares, the difference between the amount realized by the Employee and the exercise price will generally constitute a capital gain or loss, as the case may be. However, if the Employee does not hold the ISO shares for more than one year after exercising the ISO and for more than two years after the grant of the ISO, then: (1) the excess of the ISO shares' fair market value on the exercise date over the exercise price will generally be treated as ordinary income for the Employee; (2) the difference between the sale proceeds and the ISO shares' fair market value on the exercise date will be treated as a capital gain or loss for the Employee; and (3) the employer will generally be entitled to a tax deduction equal to the amount of ordinary income recognized by the Employee.

Section 162(m). A description of Section 162(m) is set forth in the Compensation Discussion and Analysis under the heading "Impact of Taxation on Executive Compensation." The rules and regulations promulgated under Section 162(m) of the Code are complicated and subject to change from time to time, sometimes with retroactive effect. In addition, a number of requirements must be met in order for particular compensation to so qualify. As such, there can be no assurance that any compensation awarded or paid under the Omnibus Incentive Plan that is intended to qualify as performance-based compensation exempt from Section 162(m) will be fully deductible under all circumstances.

THE FOREGOING IS ONLY A SUMMARY OF THE EFFECT OF FEDERAL INCOME TAXATION UPON PARTICIPANTS AND THE COMPANY WITH RESPECT TO THE GRANT AND EXERCISE OF AWARDS UNDER THE OMNIBUS INCENTIVE PLAN. IT DOES NOT PURPORT TO BE COMPLETE, AND IT DOES NOT DISCUSS THE TAX CONSEQUENCES OF A PARTICIPANT'S DEATH OR THE PROVISIONS OF THE INCOME TAX LAWS OF ANY MUNICIPALITY, STATE OR FOREIGN COUNTRY IN WHICH THE PARTICIPANT MAY RESIDE.

Recommendation

The Board of Directors unanimously recommends that shareholders vote FOR Proposal 3, the approval of the Amended and Restated Omnibus Incentive Plan.

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PROPOSAL 4 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.

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 2012 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 2013 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 4, 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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**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 April 5, 2013, 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 ⁽¹⁾
G. Peter D Aloia	23,858 ⁽²⁾	152,559 ⁽⁴⁾	176,417	*
Jacques Esculier	131,946 ⁽³⁾	323,053	454,999	*
John F. Fiedler	6,399 ⁽²⁾	1,050	7,449	*
Jean-Christophe Figueroa	24,219 ⁽³⁾	82,297	106,516	*
Juergen W. Gromer	8,132 ⁽²⁾	1,050	9,182	*
Kenneth J. Martin	8,132 ⁽²⁾	1,050	9,182	*
Ulrich Michel	18,580 ⁽³⁾	110,549	129,129	*
Jean-Paul Montupet	0	1,877	1,877	*
Mary L. Petrovich	996	1,050	2,046	*
Donald J. Stebbins	8,199 ⁽²⁾	10,773 ⁽⁴⁾	18,972	*
Michael T. Smith	10,132 ⁽²⁾	1,050	11,182	*
Kevin Tarrant	10,797 ⁽³⁾	14,525	25,322	*
Nikhil M. Varty	11,122 ⁽³⁾	55,235	66,357	*
All current directors and executive officers of the company as a group (16) persons	291,479	790,740	1,082,219	1.73%

* Less than 1%.

- (1) As of April 5, 2013, we had 62,595,420 shares of our common stock outstanding.
- (2) The number of shares shown for 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. Fiedler, 5,469; Mr. Gromer, 5,402; Mr. Martin, 5,402, Mr. Smith, 5,402 and Mr. Stebbins, 5,469. In July 2009, the company's Board of Directors voted to discontinue the use of the outside directors trust.
- (3) Shares include vested restricted stock units as follows: Mr. Esculier, 131,946 shares, Mr. Figueroa, 24,219 shares, Mr. Michel, 18,580 shares, Mr. Varty, 11,122 shares and Mr. Tarrant, 10,797 shares.
- (4) Shares include deferred stock shares allocated under the company's Deferred Compensation Plan as follows: Mr. D Aloia, 1,508 shares and Mr. Stebbins, 9,723 shares.

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

As of April 5, 2013, unless otherwise indicated below, the following are beneficial owners of more than 5% of our outstanding common stock:

Name and Address of Beneficial Owner	Shares Beneficially Owned	Percent of Class ⁽¹⁾
T. Rowe Price Associates, Inc. ⁽²⁾ 100 E. Pratt Street Baltimore, MD 21202	5,136,900	8.2%
Lone Pine Capital LLC ⁽³⁾ Two Greenwich Plaza Greenwich, Connecticut 06830	3,514,954	5.6%

- (1) As of April 5, 2013, we had 62,595,420 shares of our common stock outstanding.
- (2) In an amended Schedule 13G filed on February 11, 2013, T. Rowe Price Associates, Inc. reported that, as of December 31, 2012, it was deemed, pursuant to Rule 13d-1 of the Securities Exchange Act of 1934, as amended, to hold sole dispositive power with respect to the 5,136,900 shares of our common stock reported in the table above, but sole voting power with respect to only 1,196,500 of such shares, by virtue of the fact that it is the parent holding company of a group of investment companies.
- (3) In an amended Schedule 13G filed on February 14, 2013, Lone Pine Capital LLC reported, on behalf of itself and Stephen F. Mandel, Jr. that, as of December 31, 2012, it was deemed, pursuant to Rule 13d-1 of the Securities Exchange Act of 1934, as amended, to hold sole dispositive power and sole voting power with respect to 3,514,954 shares of our common stock reported in the table above, by virtue of the fact that it is investment manager to Lone Spruce, L.P., a Delaware limited partnership (Lone Spruce), Lone Balsam, L.P., a Delaware limited partnership (Lone Balsam), Lone Sequoia, L.P., a Delaware limited partnership (Lone Sequoia), Lone Cascade, L.P., a Delaware limited partnership (Lone Cascade), Lone Sierra, L.P., a Delaware limited partnership (Lone Sierra), Lone Cypress, Ltd., a Cayman Islands exempted company (Lone Cypress), Lone Kauri, Ltd., a Cayman Islands exempted company (Lone Kauri) and Lone Monterey Master Fund, Ltd., a Cayman Islands exempted company (Lone Monterey Master Fund), and together with Lone Spruce, Lone Balsam, Lone Sequoia, Lone Cascade, Lone Sierra, Lone Cypress, Lone Kauri and Lone Monterey Master Fund, the Lone Pine Funds), with respect to the common stock directly held by each of the Lone Pine Funds. Stephen F. Mandel, Jr., the managing member of Lone Pine Managing Member LLC, which is the managing member of Lone Pine Capital LLC, with respect to the common stock directly held by each of the Lone Pine Funds, has sole dispositive power and sole voting power with respect to 3,514,954 shares of our common stock.

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OTHER MATTERS

Shareholder Proposals for the 2014 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 2014 Annual Meeting of Shareholders, the proposal must be received at our executive offices located at One Centennial Avenue, Piscataway, New Jersey 08855 no later than December 20, 2013. The proposal should be sent to the attention of the Secretary of the company.

Proposals to be Offered at an Annual Meeting. Under our amended and restated 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 Secretary of the company at our executive offices located at One Centennial Avenue, Piscataway, New Jersey 08855. We must receive the notice of your intention to introduce a nomination or proposed item of business at our 2014 Annual Meeting no later than 90 days in advance of the anniversary of the 2013 Annual Meeting and no earlier than 120 days in advance of such date. 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 amended and restated 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 Secretary of the company at One Centennial Avenue, Piscataway, New Jersey 08855. Shareholders wishing to directly nominate a director should follow the company's nominating process set forth above under the caption Shareholder Proposals for the 2014 Annual Meeting of Shareholders and more fully described in the company's amended and restated 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 consider 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.

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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.

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.

If you and other shareholders of record participate in householding and wish to receive a separate copy of the 2012 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 732-369-7477 or in writing at One Centennial Avenue, Piscataway, New Jersey 08855-6820.

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 2012 Annual Report are available on the company's web site at 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 732-369-7477 or in writing at One Centennial Avenue, Piscataway, New Jersey 08855-6820.

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.

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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,

VINCENT PICKERING

Chief Legal Officer and Secretary

April 19, 2013

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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.

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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,					
	2012	% of Sales/ Adj Sales	2011	% of Sales/ Adj Sales	Chg vs. 2011	% Chg vs. 2011
Operating Income						
Reported	\$ 324.5	13.1%	\$ 369.9	13.2%	\$ (45.4)	
Streamlining costs	12.9		2.1		10.8	
Separation costs	2.5		3.1		(0.6)	
UK pension adjustment	(4.3)				(4.3)	
Performance Operating Income	\$ 335.6	13.5%	\$ 375.1	13.4%	\$ (39.5)	-10.5%
Foreign exchange translational effects	28.9				28.9	
Adjusted Operating Income	\$ 364.5	13.7%	\$ 375.1	13.4%	\$ (10.6)	-2.8%
Net Income Attributable to Company						
Reported Net Income Attributable to Company	\$ 302.0		\$ 357.0		\$ (55.0)	
Streamlining cost, net of tax	11.1		2.2		8.9	
Tax items	(24.7)		(13.2)		(11.5)	
Separation costs, net of tax and separation related taxes	6.4		(20.3)		26.7	
UK pension adjustment, net of tax	(3.2)				(3.2)	
Performance Net Income	\$ 291.6		\$ 325.7		\$ (34.1)	
Performance Net Income per Diluted Common Share	\$ 4.46		\$ 4.73			
Common Shares Outstanding - Diluted	65.3		68.8			

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.

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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, 2012	December 31, 2011
Net Cash Provided by Operating Activities	\$ 358.3	\$ 332.0
Deductions or Additions to Reconcile to Free Cash Flow:		
Net purchases of property, plant, equipment and computer software	(100.5)	(105.2)
Free Cash Flow	\$ 257.8	\$ 226.8
Less: Streamlining & separation payments	\$ (16.5)	\$ (22.1)
Free Cash Flow excluding streamlining & separation payments	\$ 274.3	\$ 248.9

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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Appendix C

AMENDED AND RESTATED

WABCO HOLDINGS INC.

2009 OMNIBUS INCENTIVE PLAN

SECTION 1

PURPOSE

The purpose of the Plan is to foster and promote the long-term financial success of the Company and materially increase shareholder value by (a) providing flexibility to the Company to implement annual and long-term incentives that are consistent with the Company's goals, (b) encouraging and providing for the acquisition of an ownership interest in the Company by Participants, and (c) enabling the Company to attract and retain the services of world-class leaders upon whose judgment, interest and special effort the successful conduct of its operations is largely dependent.

This amendment and restatement of the Plan shall be effective as of May 30, 2013 (the Effective Date), subject to shareholder approval of the Plan at the 2013 annual shareholders' meeting (or any adjournment thereof). Incentive Awards made under the Plan on or after the Effective Date shall be subject to the terms set forth below. Incentive Awards granted before the Effective Date shall be subject to the terms of the WABCO Holdings Inc. Omnibus Incentive Plan as in effect prior to the Effective Date.

SECTION 2

DEFINITIONS

2.1 *Definitions.* Whenever used herein, the following terms shall have the respective meanings set forth below:

- (a) **Act** means the Securities Exchange Act of 1934, as amended.
- (b) **Adjustment Event** means any stock dividend, stock split or share combination of, or extraordinary cash dividend on, the Common Stock or recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, exchange of shares, warrants or rights offering to purchase Common Stock at a price substantially below Fair Market Value, or other similar event affecting the Common Stock of the Company.
- (c) **Annual Incentive Award** means an Incentive Award made pursuant to Section 9 with a Performance Cycle of one year or less.
- (d) **Applicable Laws** means the requirements relating to, connected with, or otherwise implicated by the administration of long-term incentive plans under applicable state corporation laws, United States federal and state securities laws, the Code, any stock exchange or quotation system on which the shares of Common Stock are listed or quoted, and the applicable laws of any foreign country or jurisdiction where Incentive Awards are, or will be, granted under the Plan.
- (e) **Beneficial Owner** means any person, as such term is used in Section 13(d) of the Act, who, directly or indirectly, has or shares the right to vote or dispose of such securities or otherwise has beneficial ownership of such securities (within the meaning of Rule 13d-3 and Rule 13d-5 under the Act), including pursuant to any agreement, arrangement or understanding (whether or not in writing).

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(f) Board means the Board of Directors of the Company.

(g) Cause means a Participant's (i) dishonesty, fraud or misrepresentation, (ii) the Participant's engaging in conduct that is injurious to the Company or any Subsidiary in any way, including, but not limited to

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by way of damage to its reputation or standing in the industry, (iii) the Participant s having been convicted of, or entered a plea of nolo contendere to, a crime that constitutes a felony; (iv) the breach by the Participant of any written covenant or agreement with the Company or any Subsidiary not to disclose or misuse any information pertaining to, or misuse any property of, the Company or any Subsidiary or (v) a material violation by the Participant of any policy of the Company or any Subsidiary. A Participant s service shall be deemed to have terminated for Cause if, after the Participant s service has terminated, facts and circumstances are discovered that would have justified termination for Cause.

- (h) Change of Control shall mean any of the following events:
- (i) any person , as such term is used in Section 13(d) of the Act (other than the Company, any Subsidiary or any employee benefit plan maintained by the Company or any Subsidiary (or any trustee or other fiduciary thereof)) is or becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing 20% or more of the combined voting power of the Company s then-outstanding securities, provided, however, that an acquisition of securities of the Company representing less than 25% of the combined voting power shall not constitute a Change of Control if, prior to meeting the 20% threshold, the members of the Board who are not Employees 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 the Board, together with those individuals who first become directors during such period (other than by reason of an agreement with the Company or the Board in settlement of a proxy contest for the election of directors) and whose election or nomination for election to the 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 (the Continuing Directors), cease for any reason to constitute a majority of the Board;
 - (iii) the consummation of any merger, consolidation, recapitalization or reorganization involving the Company, other than any such transaction immediately following which the persons who were the Beneficial Owners of the outstanding voting securities of the Company immediately prior to such transaction are the Beneficial Owners of at 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 the Company 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 the Company, such surviving entity, any Subsidiary or any subsidiary of such surviving entity;
 - (iv) the sale of substantially all of the assets of the Company to any person other than any Subsidiary or any entity in which the Beneficial Owners of the outstanding voting securities of the Company 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 the Company s voting securities immediately prior to such transaction; or
 - (v) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company.
- (i) Code means the Internal Revenue Code of 1986, as amended.
- (j) Committee means the Compensation, Nominating and Governance Committee of the Board (or such other committee of the Board that the Board shall designate), which shall consist of two or more

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members, each of whom shall be a non-Employee director within the meaning of Rule 16b-3, as promulgated under the Act and serving at the pleasure of the Board. Notwithstanding the foregoing, with respect to Incentive Awards granted to non-Employee directors, the Committee shall mean the entire Board.

- (k) Common Stock means the common stock of the Company, par value \$0.01 per share.
- (l) Company means WABCO Holdings Inc., a Delaware corporation, and any successor thereto.
- (m) Disability means a Participant's inability, due to reasonably documented physical or mental illness, for more than six months to perform his duties with the Company or a Subsidiary on a full time basis if, within 30 days after written notice of termination has been given to such Participant, he shall not have returned to the full time performance of his duties.
- (n) Dividend Equivalents means an amount equal to the cash dividends paid by the Company upon one share of Common Stock for each Restricted Unit or property distributions awarded to a Participant in accordance with Section 8 of the Plan
- (o) Effective Date means May 30, 2013, subject to shareholder approval at the Company's 2013 annual shareholders' meeting (or any adjournment thereof).
- (p) Employee means an individual who is on the payroll of the Company or one of its Subsidiaries, and is classified on the employer's human resource payroll system as a regular full-time or regular part-time employee. Solely for purposes of the Plan, an individual providing services pursuant to a business manager agreement under Belgian law or similar arrangement under Applicable Law shall be treated as an Employee.
- (q) Executive Officer means each person who is an officer of the Company or any Subsidiary and who is subject to the reporting requirements under Section 16(a) of the Act.
- (r) Fair Market Value means, on any date, the closing price reported on the principal national exchange on which the Common Stock is listed for trading (or, if applicable, the principal nationally recognized system of price quotation on which the Common Stock is listed) on the immediately preceding business day. In the event that Common Stock is not traded on any such exchange or system on a date, Fair Market Value shall be determined in good faith by the Committee on such basis as it deems appropriate.
- (s) Family Member means as to a Participant, any (i) child, stepchild, grandchild, parent, stepparent, grandparent, spouse, mother-in-law, father-in-law, son-in-law or daughter-in-law (including adoptive relationships), (ii) trusts for the exclusive benefit of one or more such persons and/or the Participant and (iii) other entity owned solely by one or more such persons and/or the Participant.
- (t) Full Value Award means an Incentive Award other than an Option or a Stock Appreciation Right and which is settled by the issuance of shares of Common Stock.
- (u) Incentive Award means the award of an Annual Incentive Award, a Long-Term Incentive Award, an Option, a Stock Appreciation Right, a Restricted Unit, Restricted Stock, or Other Stock-Based Award under the Plan and shall also include an award of Common Stock or Restricted Units made in conjunction with other incentive programs established by the Company and so designated by the Committee.

- (v) Long-Term Incentive Award means an Incentive Award made pursuant to Section 9 with a Performance Cycle of more than one year.

- (w) Option means the right to purchase Common Stock at a stated price for a specified period of time. For purposes of the Plan, an Option may be either (i) an Incentive Stock Option within the meaning of Section 422 of the Code or (ii) an Option which is not an Incentive Stock Option (a Non-Qualified Stock Option).

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- (x) Other Stock-Based Award means an equity-based or equity-related Incentive Award not otherwise described by the terms of this Plan granted under Section 10.

- (y) Participant means any natural person who is an Employee, consultant, independent contractor or non-Employee director of the Company or a Subsidiary designated by the Committee to receive an Incentive Award under the Plan, provided that non-Employee directors and consultants shall not be eligible for Annual Incentive Awards, Long-Term Incentive Awards or Incentive Stock Options.

- (z) Performance Cycle means the period selected by the Committee during which the performance of the Company or any Subsidiary or unit thereof or any individual is measured for the purpose of determining the extent to which an Incentive Award subject to Performance Goals has been earned.

- (aa) Performance Goals means the objectives with respect to any performance-based Incentive Awards contingently awarded under the Plan. Performance Goals may be set by the Committee for a Performance Cycle with respect to the Company, one or more Subsidiaries and/or with respect to operating units, divisions, acquired businesses, minority investments partnerships or joint ventures or one or more individuals.

The Performance Goals for Incentive Awards granted to Executive Officers that are intended to qualify as performance-based compensation (within the meaning of Section 162(m) of the Code) shall be based on one or more of the general financial objectives and/or operational objectives listed below:

General Financial Objectives

Sales, revenues, earnings, internal rate of return, return on equity, return on invested capital, 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 the 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. Profit, income and earnings objectives listed in this paragraph may be determined before certain deductions, such as interest, taxes, depreciation and amortization and/or only with respect to certain types of revenue.

Operational Objectives

Product introduction into new markets, objective safety measures, new customers, completion of specified projects within budget, acquiring other businesses or integrating acquired businesses or expanding into other markets, quantitative measures of customer satisfaction, quantitative measures of employee satisfaction and engagement, business unit productivity, productivity ratios, productivity improvements and employee retention and attrition.

Nothing shall preclude the Committee from granting Incentive Awards that are not intended to be qualified performance-based compensation for purposes of Section 162(m). Performance Goals for any such Incentive Awards shall not be limited to the General Financial Objectives and Operational Objectives listed above and may include, without limitation, objectives relating to common development processes, cost reduction programs, material productivity and technical quality.

Performance Goals established by the Committee may be absolute in their terms or measured against or in relationship to other companies comparably, similarly or otherwise situated, or other external or internal measures (including, but not limited to growth over prior results and budgeted performance levels).

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The Committee may take one or more of the following actions in measuring Performance Goals under selected objectives: (a) excluding one or more of following items: (i) any unusual or extraordinary corporate item, transaction or development restructuring and/or other nonrecurring and/or extraordinary charges (as reported in the Company's financial statements for the Performance Cycle), (ii) exchange rate effects, as applicable, in whole or in part (iii) the effects of any statutory adjustments to corporate tax rates, (iv) the impact of discontinued operations, including losses, (v) restatements and accounting changes and other unplanned special charges such as restructuring expenses, acquisitions, acquisition expenses (including, without limitation, expenses relating to goodwill and other intangible assets), (vi) divestitures, (vii) stock offerings, (viii) stock repurchases, (ix) strategic loan loss provisions, (b) not adjusting for changes in accounting principles and (c) measuring financial performance on a gross or net basis.

- (bb) **Plan** means the Amended and Restated WABCO Holdings Inc. 2009 Omnibus Incentive Plan, as set forth herein and as the same may be amended from time to time.
- (cc) **Restricted Period** means the period during which Restricted Units or shares of Restricted Stock are subject to forfeiture or restrictions on transfer (if applicable) pursuant to Section 8 of the Plan.
- (dd) **Restricted Stock** means Common Stock awarded to a Participant pursuant to the Plan which is subject to forfeiture and restrictions on transferability in accordance with Section 8 of the Plan.
- (ee) **Restricted Unit** means a Participant's right to receive pursuant to the Plan one share of Common Stock, or cash equal to the Fair Market Value of one share of Common Stock, in each case at the end of a specified period of time, which right is subject to forfeiture in accordance with Section 8 of the Plan.
- (ff) **Share Authorization** means the maximum number of shares of Common Stock available for grant under the Plan, as defined in Section 5.
- (gg) **Stock Appreciation Right** means the right to receive a payment from the Company, in cash or Common Stock, in an amount determined under Section 7 of the Plan. The term **Stock Appreciation Right** shall also include the right to receive a payment in cash from the Company on a set date equal to the increase in the price of the Common Stock over a specified period, otherwise known as phantom stock.
- (hh) **Subsidiary** means any corporation, partnership or limited liability company in which the Company owns, directly or indirectly, 50% or more of the total combined voting power of all classes of stock of such corporation or of the capital interest or profits interest of such partnership.
- (ii) **Substitute Incentive Award** means any Incentive Award granted or issued to a Participant in assumption or substitution of either outstanding awards or the right or obligation to make future awards by an entity acquired by the Company or a Subsidiary or with which the Company or a Subsidiary combines.

2.2 *Gender and Number.* Except when otherwise indicated by the context, words in the masculine gender used in the Plan shall include the feminine gender, the singular shall include the plural, and the plural shall include the singular.

SECTION 3

ELIGIBILITY AND PARTICIPATION

Participants in the Plan shall be those individuals who qualify as Participants who are selected by the Committee to participate in the Plan.

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SECTION 4

ADMINISTRATION

4.1 *Power to Grant and Establish Terms of Incentive Awards.* The Committee shall have the authority, subject to the terms of the Plan, to determine the Participants to whom Incentive Awards shall be granted and the terms and conditions of any and all Incentive Awards, including but not limited to the number of shares of Common Stock to be covered by each Incentive Award, the time or times at which Incentive Awards shall be granted, and the terms and provisions of the instruments by which Options shall be evidenced; to designate Options as Incentive Stock Options or Non-Qualified Stock Options; to determine the period of time during which restrictions on Restricted Stock or Restricted Units shall remain in effect; and to establish and administer any Performance Goals applicable to Incentive Awards granted hereunder, as well as to determine Participants' target Annual Incentive and Long-Term Incentive Awards. The terms and conditions of each Incentive Award shall be determined by the Committee at the time of grant, and such terms and conditions shall not be subsequently changed in a manner which would be adverse to the Participant without the consent of the Participant to whom such Incentive Award has been granted or except as otherwise required in order to comply with Applicable Laws. The Committee may establish different terms and conditions for different Participants receiving Incentive Awards and for the same Participant for each Incentive Award such Participant may receive, whether or not granted at different times. The grant of any Incentive Award to any Participant shall neither entitle such Participant to, nor disqualify him from, the grant of any other Incentive Awards. Notwithstanding anything else contained in the Plan to the contrary, the Committee may delegate, subject to such terms and conditions or guidelines as it shall determine, to any officer of the Company any portion of its authority and powers under the Plan with respect to Participants who are not Executive Officers.

4.2 *Administration.* The Committee shall be responsible for the administration of the Plan. Any Incentive Award granted by the Committee may be subject to such conditions, not inconsistent with the terms of the Plan, as the Committee shall determine. The Committee, by majority action thereof, is authorized to prescribe, amend and rescind rules and regulations relating to the Plan, to provide for conditions deemed necessary or advisable to protect the interests of the Company, to interpret the Plan and to make all other determinations necessary or advisable for the administration and interpretation of the Plan to carry out its provisions and purposes. Determinations, interpretations or other actions made or taken by the Committee pursuant to the provisions of the Plan shall be final, binding and conclusive for all purposes and upon all persons. The Committee may consult with legal counsel, who may be counsel to the Company, and shall not incur any liability for any action taken in good faith in reliance upon the advice of counsel.

4.3 *Participants Based Outside the United States.* Notwithstanding anything to the contrary herein, the Committee, in order to conform with provisions of Applicable Laws in foreign countries in which the Company or its Subsidiaries operate, shall have sole discretion to (i) modify the terms and conditions of Incentive Awards granted to Participants employed or providing services outside the United States, (ii) establish subplans with modified exercise procedures and such other modifications as may be necessary or advisable under the circumstances presented by local laws and regulations; and (iii) take any action which it deems advisable to obtain, comply with or otherwise reflect Applicable Laws in foreign countries with respect to the Plan or any subplan established hereunder.

4.4 *Compensation Recovery Policy.* Incentive Awards granted under the Plan and amounts paid thereunder shall be subject to the Company's Compensation Recovery Policy as may be in effect from time to time.

4.5 *Restrictive Covenants and Other Conditions.* The Committee may condition the grant of any Incentive Award under the Plan upon the Participant to whom such Incentive Award would be granted agreeing in writing to certain conditions in addition to the provisions regarding exercisability of an Option or the vesting or payment of any other Incentive Award (such as restrictions on the ability to transfer the underlying shares of Common Stock) or covenants in favor of the Company and/or its Subsidiaries (including, without limitation covenants not

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to compete, not to solicit employees, independent business managers and customers that may have effect following the termination of the Participant's employment and after the Option has been exercised or the Incentive Award has otherwise vested, including, without limitation, the requirement that the Participant disgorge any profit, gain or other benefit received in respect of the Incentive Award prior to any breach of any such covenant by the Participant).

4.6 *Repricing Prohibited.* The terms of outstanding Incentive Awards may not be amended to reduce the exercise price of outstanding Options or base price of outstanding Stock Appreciation Rights or cancel outstanding Options or Stock Appreciation Rights in exchange for cash, other Incentive Awards or Options or Stock Appreciation Rights with an exercise price or base price that is less than the exercise price or base price of the original Options or Stock Appreciation Rights without shareholder approval, provided that nothing herein shall prevent the Committee from taking any action provided for in Section 5.3 below.

SECTION 5

STOCK SUBJECT TO PLAN

5.1 Number of Reserved Shares.

- (a) Subject to adjustment as provided in Section 5.3 below, the maximum number of shares of Common Stock available for grant to Participants under the Plan (the Share Authorization) shall be 5,100,000, all of which shall be eligible to be issued as Incentive Stock Options.
- (b) To the extent that a Full Value Award provides for a share of Common Stock, it shall reduce the Share Authorization by two and two-tenths (2.2) shares of Common Stock; and, to the extent an Incentive Award other than a Full Value Award provides for a share of Common Stock, it shall reduce the Share Authorization by one (1) share. For purposes of this Section 5.1(b), the Share Authorization shall be charged on (i) the grant date with the target number of shares of Common Stock with respect to an Incentive Award that vests based in whole or in part upon attaining Performance Goals and (ii) on the settlement date with additional shares, if any, earned based on performance in excess of the target number of shares of Common Stock as certified by the Committee. The reductions described in this Section 5.1(b) shall only apply to grants of Incentive Awards made on or after the Effective Date.
- (c) No member of the Board who is not an Employee may receive Awards subject to more than twelve thousand (12,000) shares of Common Stock in any Plan Year.
- (d) The shares of Common Stock available for issuance under this Plan may be authorized and unissued shares or treasury shares.

5.2 Share Usage.

- (a) Any shares of Common Stock related to Incentive Awards that terminate by expiration, forfeiture, cancellation, or otherwise without the issuance of such shares (including but not limited to settlement of an Incentive Award at less than the target number of shares), are settled in cash in lieu of shares of Common Stock, or are exchanged with the Committee's permission, prior to the issuance of shares of Common Stock, for Incentive Awards not involving shares of Common Stock, shall be available again for grant under this Plan. Any increase to the Share Authorization under this Section 5.2 with respect to Full Value Awards shall be based on the 1 to 2.2 ratio set forth in Section 5.1(b), such that each 1 Full Value Award will result in an increase of 2.2 shares to the Share Authorization, regardless of the date when any such award was granted provided that the event triggering such increase occurs on or after the Effective Date.
- (b) The full number of shares of Common Stock that are granted under Options and Stock Appreciation Rights that are to be settled by the issuance of shares of Common Stock shall be counted against the number of shares available for Incentive Awards under this

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Plan, regardless of the number of shares of Common Stock actually issued upon settlement of any such Incentive Award. On and after the

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Effective Date, any shares of Common Stock withheld to satisfy tax withholding obligations on Options and Stock Appreciation Rights, shares of Common Stock tendered to pay the exercise price of an Option under the Plan, and shares repurchased on the open market with the proceeds of an Option exercise will not be eligible to be again available for grant under the Plan.

(c) Substitute Incentive Awards issued pursuant to Section 5.5 shall not be counted against the Share Authorization.

5.3 *Adjustment Due to Change in Capitalization.* In the event of any Adjustment Event, (i) the aggregate number of shares of Common Stock available for Incentive Awards under Section 5.1, (ii) the aggregate limitations on the number of shares that may be awarded as a particular type of Incentive Award or that may be awarded to any particular Participant in any particular period under Section 5.4 and (iii) the aggregate number of shares subject to outstanding Incentive Awards and the respective prices and/or vesting criteria applicable to outstanding Incentive Awards shall be proportionately adjusted to reflect, as deemed equitable and appropriate by the Committee, an Adjustment Event. To the extent deemed equitable and appropriate by the Committee, subject to any required action by shareholders, in any merger, consolidation, reorganization, liquidation, dissolution, or other similar transaction, any Incentive Award granted under the Plan shall pertain to the securities and other property, including cash, to which a holder of the number of shares of Common Stock covered by the Incentive Award would have been entitled to receive in connection with such event. Any such adjustment described in this Section 5.3 shall be done in a manner that complies with the requirements of Section 409A of the Code, to the extent applicable.

Any shares of stock (whether Common Stock, shares of stock into which shares of Common Stock are converted or for which shares of Common Stock are exchanged or shares of stock distributed with respect to Common Stock) or cash or other property received with respect to any award of Restricted Stock or Restricted Units granted under the Plan as a result of any Adjustment Event or any distribution of property shall, except as provided in Section 11 or as otherwise provided by the Committee at or after the date an award of Restricted Stock or Restricted Units is made by the Committee, be subject to the same terms and conditions, including restrictions on transfer, as are applicable to such shares of Restricted Stock or Restricted Units and any stock certificate(s) representing or evidencing any shares of stock so received shall be legended in such manner as the Company deems appropriate.

5.4 *Incentive Award Limitations.* Subject to Section 5.3:

- (a) the total number of shares of Common Stock subject to Options and Stock Appreciation Rights awarded to any Participant during a calendar year may not exceed 750,000, plus, for calendar years beginning after December 31, 2013, any unused limit from preceding calendar years beginning on and after January 1, 2013;
- (b) the total amount of any Restricted Stock or Restricted Units that may be awarded to any Participant during a calendar year shall not exceed 200,000 shares or units as the case may be, plus, for calendar years beginning after December 31, 2013, any unused limit from preceding calendar years beginning on and after January 1, 2013;
- (c) the total amount of any Annual Incentive Award paid to any Participant during a calendar year shall not exceed \$3,500,000;
- (d) the total amount of any Long-Term Incentive Award paid to any Participant during a calendar year shall not exceed \$3,500,000; and
- (e) the total number of shares of Other Stock-Based Awards that may be awarded to any Participant during a calendar year shall not exceed 200,000, plus, for calendar years beginning after December 31, 2013, any unused limit from preceding calendar years beginning on and after January 1, 2013.

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5.5 *Substitute Incentive Awards.* The Committee may grant Incentive Awards under the Plan in substitution for stock and stock-based awards held by employees, directors, consultants or advisors of another company (an Acquired Company) in connection with a merger, reorganization, consolidation or similar transaction involving such Acquired Company and the Company or a Subsidiary or the acquisition by the Company or a Subsidiary of property or stock of the Acquired Company. The Committee may direct that the Substitute Incentive Awards be granted on such terms and conditions as the Committee considers appropriate in the circumstances, including provisions that preserve the aggregate exercise price and the aggregate option spread as of the closing date of any such transaction in a manner that complies with Section 409A of the Code. Any Substitute Incentive Awards granted under the Plan shall not count against the share limitations set forth in Section 5.

SECTION 6

STOCK OPTIONS

6.1 *Grant of Options.* Options may be granted to Participants at such time or times as shall be determined by the Committee. Options granted to non-Employee directors shall be in such amounts and intervals as determined by the Board from time to time. Options granted under the Plan may be of two types: (i) Incentive Stock Options and (ii) Non-Qualified Stock Options, except that no Incentive Stock Option may be granted to a non-Employee director, to any Employee of a Subsidiary which is not a corporation (unless the Subsidiary is a disregarded entity for Federal income tax purposes) or to any Participant who is a consultant or independent contractor. The date of grant of an Option under the Plan will be the date on which the Option is awarded by the Committee or, if so determined by the Committee, the date on which occurs any event the occurrence of which is an express condition precedent to the grant of the Option. Subject to Section 5.4, the Committee shall determine the number of Options, if any, to be granted to the Participant. Each Option shall be evidenced by an electronic or written document that shall specify the type of Option granted, the exercise price, the duration of the Option, the number of shares of Common Stock to which the Option pertains, and such other terms and conditions not inconsistent with the Plan as the Committee shall determine.

6.2 *Option Price.* Non-Qualified Stock Options and Incentive Stock Options granted pursuant to the Plan shall have an exercise price that is not less than the Fair Market Value on the date the Option is granted. Except in the event of an Adjustment Event, the Committee shall not have the power or authority to reduce, whether through amendment or otherwise, the exercise price of any outstanding Option.

6.3 *Exercise of Options.* Options awarded to a Participant under the Plan shall be exercisable at such times and shall be subject to such restrictions and conditions including the performance of a minimum period of service or the satisfaction of Performance Goals, as the Committee may impose either at or after the time of grant of such Options, subject to the Committee's right to accelerate the exercisability of such Option in its discretion. Notwithstanding the foregoing, unless otherwise determined by the Committee at grant, Options shall become exercisable in three equal installments on each of the first three anniversaries of the date of grant. Except as may be provided in any provision approved by the Committee pursuant to this Section 6.3, after becoming exercisable, each installment shall remain exercisable until expiration, termination or cancellation of the Option. An Option may be exercised from time to time, in whole or in part, up to the total number of shares of Common Stock with respect to which it is then exercisable. Notwithstanding the foregoing, no Option shall be exercisable for more than 10 years after the date on which it is granted.

6.4 *Payment.* The Committee shall establish procedures governing the exercise of Options. No shares shall be delivered pursuant to any exercise of an Option unless arrangements satisfactory to the Committee have been made to assure full payment of the exercise price therefor. Without limiting the generality of the foregoing, payment of the exercise price may be made (i) in cash or cash equivalents, (ii) by exchanging shares of Common Stock which have been owned by the Participant for at least six months at the time of exercise (or such greater or lesser period as the Committee shall determine), (iii) by any combination of the foregoing; provided that the

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combined value of all cash and cash equivalents paid and the Fair Market Value of any such Common Stock so tendered to the Company, valued as of the date of such tender, is at least equal to the exercise price, (iv) through an arrangement with a broker approved by the Company whereby payment of the exercise price is accomplished with the proceeds of the sale of Common Stock or (v) through such other procedures as the Committee may determine. As soon as administratively practicable after receipt of a written exercise notice and payment of the exercise price in accordance with this Section 6.4, the Company shall deliver to the Participant a certificate or certificates representing the acquired shares of Common Stock.

6.5 *Settlement.* At the time a Participant exercises an Option in lieu of accepting payment of the exercise price of the Option and delivering the number of shares of Common Stock for which the Option is being exercised, the Committee may direct that the Company issue a lesser number of shares of Common Stock having a Fair Market Value on the date of exercise, equal to the amount, if any, by which the aggregate Fair Market Value of the shares of Common Stock as to which the Option is being exercised exceeds the aggregate exercise price for such shares, based on such terms and conditions as the Committee shall establish.

6.6 *Incentive Stock Options.* Notwithstanding anything in the Plan to the contrary, no term of the Plan relating to Incentive Stock Options shall be interpreted, amended or altered, nor shall any discretion or authority granted under the Plan be so exercised, so as to disqualify the Plan under Section 422 of the Code, or, without the consent of any Participant affected thereby, to cause any Incentive Stock Option previously granted to fail to qualify for the Federal income tax treatment afforded under Section 421 of the Code.

6.7 *Termination of Employment for Cause.* Unless otherwise determined by the Committee at the time of grant, in the event a Participant's employment with the Company or a Subsidiary is terminated for Cause, all Options granted to such Participant which are then outstanding (whether or not exercisable prior to the date of such termination) shall be forfeited.

6.8 *Termination of Employment for Any Other Reason.* Unless otherwise determined by the Committee at or after the time of grant, in the event a Participant's employment with the Company or a Subsidiary terminates for any reason other than for Cause, any Options granted to such Participant which are vested and exercisable at the date of such Participant's termination of employment shall be exercisable at any time prior to one year following such Participant's termination of employment or the expiration of the term of such Options, whichever period is shorter.

6.9 *Cancellation of Unvested Options.* Unless otherwise determined by the Committee at or after the time of grant, upon a Participant's termination of employment for any reason, including death, any Options granted to such Participant which are not exercisable as of the date of such termination of employment shall be cancelled.

6.10 *Committee Discretion.* Notwithstanding anything else contained in this Section 6 to the contrary, the Committee may permit all or any portion of any Options to be exercised following a Participant's termination of employment for any reason on such terms and subject to such conditions as the Committee shall determine for a period up to and including, but not beyond, the expiration of the term of such Options.

SECTION 7

STOCK APPRECIATION RIGHTS

7.1 *Grant of Stock Appreciation Rights.* Stock Appreciation Rights may be granted to any Participants, all Participants or any class of Participants at such time or times as shall be determined by the Committee. Stock Appreciation Rights may be granted in tandem with an Option, or may be granted on a freestanding basis, not related to any Option. A grant of a Stock Appreciation Right shall be evidenced in writing, whether as part of the agreement governing the terms of the Option, if any, to which such Stock Appreciation Rights relate or pursuant

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to a separate written agreement with respect to freestanding Stock Appreciation Rights, in each case containing such provisions not inconsistent with the Plan as the Committee shall approve.

7.2 Terms and Conditions of Stock Appreciation Rights. Unless the Committee shall otherwise determine, the terms and conditions (including, without limitation, the exercise period of the Stock Appreciation Right, the vesting schedule applicable thereto and the impact of any termination of service on the Participant's rights with respect to the Stock Appreciation Right) applicable with respect to (i) Stock Appreciation Rights granted in tandem with an Option shall be substantially identical (to the extent possible taking into account the differences related to the character of the Stock Appreciation Right) to the terms and conditions applicable to the tandem Options and (ii) freestanding Stock Appreciation Rights shall be substantially identical (to the extent possible taking into account the differences related to the character of the Stock Appreciation Right) to the terms and conditions that would have been applicable under Section 6 above were the grant of the Stock Appreciation Rights a grant of an Option.

7.3 Exercise of Tandem Stock Appreciation Rights. Stock Appreciation Rights which are granted in tandem with an Option may only be exercised upon the surrender of the right to exercise such Option for an equivalent number of shares and may be exercised only with respect to the shares of Common Stock for which the related Option is then exercisable.

7.4 Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, the holder shall be entitled to receive payment, in cash, in shares of Common Stock or in a combination thereof, as determined by the Committee, of an amount determined by multiplying the excess, if any, of the Fair Market Value of a share of Common Stock at the date of exercise over the Fair Market Value of a share of Common Stock on the date of grant, by the number of shares of Common Stock with respect to which the Stock Appreciation Rights are then being exercised

SECTION 8

RESTRICTED STOCK AND RESTRICTED UNITS

8.1 Grant of Restricted Stock and Restricted Units. Any award made hereunder of Restricted Stock or Restricted Units shall be subject to the terms and conditions of the Plan and to any other terms and conditions not inconsistent with the Plan (including, but not limited to, requiring the Participant to pay the Company an amount equal to the par value per share for each share of Restricted Stock awarded) as shall be prescribed by the Committee in its sole discretion. As determined by the Committee, with respect to an award of Restricted Stock, the Company shall either (i) transfer or issue to each Participant to whom an award of Restricted Stock has been made the number of shares of Restricted Stock specified by the Committee or (ii) hold such shares of Restricted Stock for the benefit of the Participant for the Restricted Period. In the case of an award of Restricted Units, no shares of Common Stock shall be issued at the time an award is made, and the Company shall not be required to set aside a fund for the payment of such award.

8.2 Restrictions on Transferability. Shares of Restricted Stock may not be sold, assigned, transferred, pledged, hypothecated or otherwise encumbered by the Participant during the Restricted Period, except as hereinafter provided. Notwithstanding the foregoing, the Committee may permit (on such terms and conditions as it shall establish) shares of Restricted Stock to be transferred during the Restricted Period pursuant to Section 13.1, provided that any shares of Restricted Stock so transferred shall remain subject to the provisions of this Section 8.

8.3 Rights as a Shareholder. Except for the restrictions set forth herein and unless otherwise determined by the Committee, the Participant shall have all the rights of a shareholder with respect to shares of Restricted Stock, including but not limited to, the right to vote and the right to receive dividends. A Participant shall not have any right, in respect of Restricted Units awarded pursuant to the Plan, to vote on any matter submitted to the

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Company's shareholders until such time, if any, as shares of Common Stock attributable to such Restricted Units have been issued. Notwithstanding any other provisions of this Section 8.3, under no circumstances may Dividend Equivalents be granted on any shares of Restricted Stock or Restricted Stock Units the vesting of which remains subject to achievement of Performance Goals.

8.4 *Restricted Period.* Unless the Committee shall otherwise determine at or after the date an award of Restricted Stock or Restricted Units is made to the Participant by the Committee, the Restricted Period shall commence upon the date of grant and shall lapse with respect to the shares of Restricted Stock or Restricted Units in three equal installments on each of the first three anniversaries of the date of grant, unless sooner terminated as otherwise provided herein. Notwithstanding the foregoing, no award of Restricted Stock or Restricted Units that vests on the basis of the Participant's continued employment with or provision of service to the Company shall provide for vesting which is any more rapid than in three equal installments on each of the first three anniversaries of the date of grant; provided, however, that the Committee in its sole discretion may provide for accelerated vesting upon an involuntary termination other than for Cause. Without limiting the generality of the foregoing, the Committee may provide for termination of the Restricted Period upon the achievement by the Participant of Performance Goals specified by the Committee at the date of grant provided that the Performance Cycle for any such Performance Goals shall be at least twelve months. The determination of whether the Participant has achieved such Performance Goals shall be made by the Committee in its sole discretion.

8.5 *Legend.* Each certificate issued to a Participant in respect of shares of Restricted Stock awarded under the Plan shall be registered in the name of the Participant and shall be legended in such manner as the Company deems appropriate.

8.6 *Termination of Employment.* Unless the Committee shall otherwise determine at or after the date of grant, if a Participant ceases to be employed by the Company or any Subsidiary for any reason at any time prior to the date when the Restricted Period lapses, all shares of Restricted Stock held by the Participant shall revert back to the Company and all Restricted Units and any Dividend Equivalents credited to such Participant shall be forfeited upon the Participant's termination of employment.

8.7 *Issuance of New Certificates; Settlement of Restricted Units.* Upon the lapse of the Restricted Period with respect to any shares of Restricted Stock, such shares shall no longer be subject to the restrictions imposed under Section 8.2 and the Company shall issue or have issued new share certificates without the legend described in Section 8.5 in exchange for those previously issued. Upon the lapse of the Restricted Period with respect to any Restricted Units, the Company shall deliver to the Participant, or the Participant's beneficiary or estate, as provided in Section 13.2, one share of Common Stock for each Restricted Unit as to which restrictions have lapsed and any Dividend Equivalents credited with respect to such Restricted Units and any interest thereon. The Committee may, in its sole discretion, elect to pay cash or part cash and part Common Stock in lieu of delivering only Common Stock for Restricted Units. If a cash payment is made in lieu of delivering Common Stock, the amount of such cash payment for each share of Common Stock to which a Participant is entitled shall be equal to the Fair Market Value of the Common Stock on the date on which the Restricted Period lapsed with respect to the related Restricted Unit.

8.8 *Performance Related Awards.* Unless the Committee shall otherwise determine at the time of grant, to the extent required to ensure that the grant of an award of Restricted Shares or Restricted Units to an Executive Officer (other than an award which will vest solely on the basis of the passage of time) is deductible by the Company or such Subsidiary pursuant to Section 162(m) of the Code, any such award shall become vested, if at all, upon the determination by the Committee that Performance Goals established by the Committee have been attained, in whole or in part.

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SECTION 9

ANNUAL AND LONG-TERM INCENTIVE AWARDS

9.1 *Annual Incentive Awards.* Unless determined otherwise by the Committee at or after the date of grant, Annual Incentive Awards shall be payable in cash. If a Participant terminates employment before the end of a Performance Cycle due to death or Disability, such Participant or his or her estate shall be eligible to receive a payment that corresponds to the target level of achievement of the Participant's Performance Goals for such Performance Cycle, prorated for the portion of the Performance Cycle coming before the Participant's termination of employment, which pro-rated award shall be paid within sixty (60) days of the date the Participant terminates employment. Unless determined otherwise by the Committee at or, in the case of any Participant who is not an Executive Officer, after the date of grant, if a Participant terminates employment before payment of an Annual Incentive Award is authorized by the Committee for any reason other than death or Disability, the Participant shall forfeit all rights to such Annual Incentive Award.

9.2 *Long-Term Incentive Awards.* Unless determined otherwise by the Committee at or after the date of grant, Long-Term Incentive Awards shall be payable in cash. If a Participant terminates employment before the end of a Performance Cycle due to death or Disability, such Participant or his or her estate shall be eligible to receive a payment that corresponds to the target level of achievement of the Participant's Performance Goals for such Performance Cycle, prorated for the portion of the Performance Cycle coming before the Participant's termination of employment, which pro-rated award shall be paid within sixty (60) days of the date the Participant terminates employment. Unless determined otherwise by the Committee at, or, in the case of a Participant who is not an Executive Officer, after the date of grant, if a Participant terminates employment before payment of a Long-Term Incentive Award is authorized by the Committee for any reason other than death or Disability, the Participant shall forfeit all rights to such Long-Term Incentive Award.

9.3 *Interpretation.* Notwithstanding anything contained in the Plan to the contrary, to the extent required to so qualify any Annual Incentive Award, Long-Term Incentive Award, Restricted Unit or Restricted Stock intended to be qualified as other performance-based compensation within the meaning of Section 162(m)(4)(c) of the Code, the Committee shall not be entitled to exercise any discretion otherwise authorized under the Plan (such as the right to authorize payout at a level above that dictated by the achievement of the relevant Performance Goals) with respect to such Incentive Award if the ability to exercise discretion (as opposed to the exercise of such discretion) would cause such award to fail to qualify as other performance-based compensation under Section 162(m) of the Code.

SECTION 10

OTHER STOCK-BASED AWARDS

The Committee may grant other types of equity-based or equity-related Incentive Awards not otherwise described by the terms of the Plan (including the grant or offer for sale of unrestricted shares of Common Stock) in such amounts and subject to such terms and conditions, as the Committee shall determine. Such Incentive Awards may involve the transfer of actual shares of Common Stock to Participants, or payment in cash or otherwise of amounts based on the value of shares of Common Stock and may include, without limitation, Incentive Awards designed to comply with or take advantage of the applicable local laws of jurisdictions other than the United States.

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SECTION 11

CHANGE OF CONTROL

11.1 *General Rule.* Except as otherwise provided by the Committee, in the event of a Change of Control, the Committee may, but shall not be obligated to do any one or more of the following, in each case without Participant consent: (a) accelerate, vest or cause the restrictions to lapse with respect to, all or any portion of an Incentive Award, (b) cancel Incentive Awards for a cash payment equal to their fair value (as determined in the sole discretion of the Committee) which, in the case of Options and Stock Appreciation Rights, shall be deemed to be equal to the excess, if any, of the consideration to be paid in connection with the Change of Control to holders of the same number of shares of Common Stock subject to such Options or Stock Appreciation Rights (or, if no consideration is paid in any such transaction, the Fair Market Value of the shares of Common Stock subject to such Options or Stock Appreciation Rights) over the aggregate exercise price of the Options or Stock Appreciation Rights, (c) provide for the issuance of replacement awards that will substantially preserve the otherwise applicable terms of any affected Incentive Awards previously granted hereunder as determined by the Committee in its sole discretion, (d) terminate Options without providing accelerated vesting or (e) take any other action with respect to the Incentive Awards the Committee deems appropriate. For avoidance of doubt, the treatment of Incentive Awards upon a Change of Control may vary among Participants and types of Incentive Awards in the Committee's sole discretion.

11.2 *Settlement of Awards Subject to Performance Goals Upon a Change of Control.* Unless otherwise determined by the Committee, Incentive Awards subject to satisfying a Performance Goal or Goals shall be settled upon a Change of Control. The settlement amount of any such Incentive Award at the time of a Change in Control shall be determined by the Committee in its sole discretion based upon the extent to which the Performance Goals for any such Incentive Awards have been achieved after evaluating actual performance from the start of the Performance Cycle until the date of the Change of Control and the level of performance anticipated with respect to such Performance Goals as of the date of the Change of Control.

SECTION 12

AMENDMENT, MODIFICATION, AND TERMINATION OF PLAN

The Board may at any time terminate or suspend the Plan, and from time to time may amend or modify the Plan, except that shareholder approval will be required for any amendment to the Plan to the extent required by any Applicable Laws. No action of the Board may, without the consent of a Participant, alter or impair his or her rights under any previously granted Incentive Award, except to the extent required by any Applicable Laws.

SECTION 13

MISCELLANEOUS PROVISIONS

13.1 *Transferability of Awards.* No Incentive Award granted under the Plan may be sold, transferred, pledged or assigned, or otherwise alienated or hypothecated, other than in accordance with Section 13.2 below, by will or by laws of descent and distribution; provided that, the Committee may, in the appropriate award grant or otherwise, permit transfers of Non-Qualified Stock Options, Stock Appreciation Rights, Restricted Units or Restricted Shares to Family Members (including, without limitation, transfers affected by a domestic relations order) subject to such terms and conditions as the Committee shall determine.

13.2 *Beneficiary Designation.* Each Participant under the Plan may from time to time name any beneficiary or beneficiaries (who may be named contingently or successively) to whom any benefit under the Plan is to be paid or by whom any right under the Plan is to be exercised in case of his death. Each designation will revoke all prior designations by the same Participant, shall be in a form prescribed by the Committee, and will be effective

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only when filed by the Participant in writing with the Committee during his lifetime. In the absence of any such designation, benefits remaining unpaid or Incentive Awards outstanding at the Participant's death shall be paid to or exercised by the Participant's surviving spouse, if any, or otherwise to or by his estate.

13.3 *No Guarantee of Employment.* Nothing in the Plan shall interfere with or limit in any way the right of the Company or any Subsidiary to terminate any Participant's service relationship at any time, nor confer upon any Participant any right to continue his or her service relationship with the Company or any Subsidiary or affiliate.

13.4 *Tax Withholding.* The Company or any Subsidiary shall have the power to withhold, or require a Participant to remit to the Company or such Subsidiary promptly upon notification of the amount due, an amount, which may include shares of Common Stock, sufficient to satisfy Federal, state and local, including foreign, withholding tax requirements with respect to any Incentive Award (including payments made pursuant to Section 9), and the Company may defer payment of cash or issuance or delivery of Common Stock until such requirements are satisfied. The Committee may, in its discretion, permit a Participant to elect, subject to such conditions as the Committee shall impose (i) to have Common Stock otherwise issuable or deliverable under the Plan withheld by the Company or (ii) to deliver to the Company previously acquired shares of Common Stock, in each case, having a Fair Market Value sufficient to satisfy not more than the Participant's statutory minimum Federal, state and local tax obligations associated with the transaction.

13.5 *Indemnification.* Each person who is or shall have been a member of the Committee or of the Board shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by him in connection with or resulting from any claim, action, suit, or proceeding to which he may be made a party or in which he may be involved by reason of any action taken or failure to act under the Plan, provided he shall give the Company an opportunity, at its own expense, to handle and defend the same before he undertakes to handle and defend it on his own behalf. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under the Company's Articles of Incorporation or By-laws, by contract, as a matter of law, or otherwise.

13.6 *No Limitation on Compensation.* Nothing in the Plan shall be construed to limit the right of the Company to establish other plans or to pay compensation to Participants in cash or property in a manner which is not expressly authorized under the Plan.

13.7 *Requirements of Law.* The granting of Incentive Awards and the issuance of shares of Common Stock shall be subject to all Applicable Laws.

13.8 *Governing Law.* The Plan, and all Incentive Awards made and actions taken thereunder, shall be construed in accordance with and governed by the laws of the State of Delaware.

13.9 *Impact On Benefits.* Incentive Awards granted under the Plan are not compensation for purposes of calculating a Participant's rights under any employee benefit program unless specifically provided to the contrary by the Committee.

13.10 *Securities Law Compliance.* Instruments evidencing Incentive Awards may contain such other provisions, not inconsistent with the Plan, as the Committee deems advisable, including a requirement that the Participant represent to the Company in writing, when an Incentive Award is granted or when he receives shares with respect to such Incentive Award (or at such other time as the Committee deems appropriate) that he is accepting such Incentive Award, or receiving or acquiring such shares (unless they are then covered by a Securities Act of 1933 registration statement), for his own account for investment only and with no present intention to transfer, sell or otherwise dispose of such shares except such disposition by a legal representative as shall be required by will or the laws of any jurisdiction in winding up the estate of the Participant. Such shares

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shall be transferable, or may be sold or otherwise disposed of only if the proposed transfer, sale or other disposition shall be permissible pursuant to the Plan and if, in the opinion of counsel satisfactory to the Company, such transfer, sale or other disposition at such time will be in compliance with applicable securities laws and Applicable Laws.

13.11 *Term of Plan.* If approved by shareholders, the Plan shall be effective on the Effective Date. The Plan shall expire on April 8, 2019, unless sooner terminated pursuant to Section 12.

13.12 *Provisions Relating to Termination of Consultants and Independent Contractors.* To the extent that an Incentive Award is made to a non-Employee director, consultant or independent contractor the provisions of the Plan relating to termination of employment shall be deemed to refer to the termination of such individual's service with the Company or a Subsidiary.

SECTION 14

COMPLIANCE WITH SECTION 409A.

14.1 *In General.* The Plan is intended to be administered in a manner consistent with the requirements, where applicable, of Section 409A. For avoidance of doubt, Stock Options and Stock Appreciation Rights are intended to qualify for the stock rights exemptions from Section 409A. Where reasonably possible and practicable, the Plan shall be administered in a manner to avoid the imposition on Participants of immediate tax recognition and additional taxes pursuant to such Section 409A. Notwithstanding the foregoing, neither the Company nor the Committee shall have any liability to any person in the event Section 409A applies to any such Incentive Award in a manner that results in adverse tax consequences for the Participant or any of his or her transferees.

14.2 *Elective Deferrals.* No elective deferrals or re-deferrals are permitted under the Plan.

14.3 *Applicable Requirements.* To the extent any of the Incentive Awards granted under the Plan are deemed deferred compensation and hence subject to Section 409A, the following rules shall apply to such Incentive Awards:

- (a) If the Company decides that the payment of compensation under the Plan shall be deferred within the meaning of Section 409A, then, except as provided under Treas. Reg. Section 1.409A-1(b)(4)(ii), on granting the Incentive Award to which such compensation payment relates, the Company shall specify the date(s) at which such compensation will be paid in the Award Agreement.
- (b) Payment(s) of compensation that is subject to Section 409A shall only be made upon an event or at a time set forth in Treas. Reg. Section 1.409A-3, i.e., the Participant's separation from service, the Participant's becoming disabled, the Participant's death, at a time or a fixed schedule specified in the Plan or an Award Agreement, a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the assets of the Company, or the occurrence of an unforeseeable emergency.
- (c) Notwithstanding the foregoing, to the extent an amount was intended to be paid such that it would have qualified as a short-term deferral under Section 409A and the applicable regulations, then such payment is or could be delayed if the requirements of Treas. Reg. 1.409A-1(b)(4)(ii) are met.
- (d) Any payment made under the Plan to which Section 409A applies may not be accelerated, except in accordance with Treas. Reg. 1.409A-3(j)(4), i.e., upon a Participant's separation from service, the Participant becoming disabled, the Participant's death, a change of ownership or effective control, or in the ownership of a substantial portion of the assets, or upon an unforeseeable emergency (all as detailed in Treas. Reg. Section 1.409A-3(a)).

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- (e) Notwithstanding any provision of the Plan to the contrary, to the extent an Incentive Award subject to Section 409A shall be deemed to be vested or restrictions lapse, expire or terminate upon the occurrence of a Change of Control and such Change of Control does not constitute a change in the ownership or effective control or a change in the ownership of a substantial portion of the assets of the Company within the meaning of Section 409A(a)(2)(A)(v), then even though such Incentive Award may be deemed to be vested or restrictions lapse, expire or terminate upon the occurrence of the Change of Control or any other provision of the Plan, payment will be made, to the extent necessary to comply with the provisions of Section 409A, to the Participant on the earliest of (i) the Participant's separation from service with the Company (determined in accordance with Section 409A), (ii) the date payment otherwise would have been made pursuant to the regular payment terms of the Incentive Award in the absence of any provisions in the Plan to the contrary (provided such date is permissible under Section 409A) or (iii) the Participant's death.

- (f) Payments due to a Participant who is a specified employee within the meaning of Section 409A on account of the Participant's separation from service with the Company (determined in accordance with Section 409A) shall be made immediately after the six month period following the date of the Participant's separation from service or, if earlier, the Participant's date of death.

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WABCO HOLDINGS INC.
ONE CENTENNIAL AVENUE
P.O. BOX 6820
PISCATAWAY NJ 08855-6820

VOTE BY INTERNET - 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:

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

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

The Board of Directors recommends you vote	For All	Withhold All	For All Except	To withhold authority to vote for any individual nominee(s), mark For All Except and write the number(s) of the nominee(s) on the line below.
FOR the following:				
1. Election of Directors Nominees	"	"	"	

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01 Jacques Esculier 02 Kenneth J. Martin 03 Donald J. Stebbins

The Board of Directors recommends you vote FOR proposals 2, 3 and 4.

For Against Abstain

- | | |
|---|---|
| <p>2. Ratify the selection of Ernst & Young Bedrijfsrevisoren BCVBA/Reviseurs d Entreprises SCCRL as the Company's independent registered public accounting firm for the year ending December 31, 2013.</p> <p>3. Approve the Amended and Restated WABCO Holdings Inc. 2009 Omnibus Incentive Plan.</p> <p>4. Approve, on an advisory basis, the compensation paid to the Company's named executive officers (Say-on-Pay)</p> | <p>.. </p> <p>.. </p> <p>.. </p> |
|---|---|

NOTE: In their discretion, the proxies are authorized to vote upon such other matters that may properly come before the meeting or any adjournment 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 items 1, 2, 3 and 4.

For address change/comments, mark here. ..
 (see reverse for instructions) **Yes No**

Please indicate if you plan to attend this meeting

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.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Notice & Proxy Statement, Annual Report is/are available at www.proxyvote.com.

WABCO HOLDINGS INC.

THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS

ANNUAL MEETING OF SHAREHOLDERS

May 30, 2013

The shareholder(s) hereby appoint(s) Jacques Esculier, Ulrich Michel and Vincent Pickering, or any of them, as proxies, each with the power to appoint his substitute, and hereby authorizes 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 1:30 p.m., (Eastern Time) on Thursday, May 30, 2013, at the New York offices of Kramer, Levin, Naftalis & Frankel, LLP, 1177 Avenue of the Americas, New York 10036 and any adjournment or postponement 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 EACH PROPOSAL.

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

Address change/comments:

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

Continued and to be signed on reverse side