

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 2025

OR

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from to

Commission file number 001-41708

PHINIA INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

3000 University Drive, Auburn Hills, Michigan

(Address of Principal Executive Offices)

92-2483604

(I.R.S. Employer Identification No.)

48326

(Zip Code)

Registrant's telephone number, including area code (248) 732-1900

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	PHIN	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of April 18, 2025, the registrant had 39,804,566 shares of voting common stock outstanding.

PHINIA INC.
FORM 10-Q
THREE MONTHS ENDED MARCH 31, 2025

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

PHINIA INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in millions)	March 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents	\$ 373	\$ 484
Receivables, net	836	817
Inventories	479	444
Prepayments and other current assets	104	96
Total current assets	1,792	1,841
Property, plant and equipment, net	845	843
Investments and long-term receivables	120	111
Goodwill	484	471
Other intangible assets, net	376	374
Other non-current assets	131	128
Total assets	\$ 3,748	\$ 3,768
LIABILITIES AND EQUITY		
Short-term borrowings and current portion of long-term debt	\$ 25	\$ 25
Accounts payable	546	522
Other current liabilities	397	422
Total current liabilities	968	969
Long-term debt	964	963
Retirement-related liabilities	117	112
Other non-current liabilities	162	150
Total liabilities	2,211	2,194
Commitments and contingencies (Note 17)		
Common stock	1	1
Additional paid-in capital	1,970	1,976
Retained earnings	59	44
Accumulated other comprehensive loss	(166)	(217)
Treasury stock	(327)	(230)
Total equity	1,537	1,574
Total liabilities and equity	\$ 3,748	\$ 3,768

See accompanying Notes to Condensed Consolidated Financial Statements.

PHINIA INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(in millions, except per share amounts)	Three Months Ended March 31,	
	2025	2024
Net sales	\$ 796	\$ 863
Cost of sales	624	671
Gross profit	172	192
Selling, general and administrative expenses	107	104
Other operating expense, net	3	17
Operating income	62	71
Equity in affiliates' earnings, net of tax	(4)	(3)
Interest income	(4)	(4)
Interest expense	19	22
Other postretirement expense, net	1	—
Earnings before income taxes	50	56
Provision for income taxes	24	27
Net earnings	\$ 26	\$ 29
Earnings per share — basic	\$ 0.64	\$ 0.63
Earnings per share— diluted	\$ 0.63	\$ 0.62
Weighted average shares outstanding:		
Basic	40.7	46.1
Diluted	41.5	46.5

See accompanying Notes to Condensed Consolidated Financial Statements.

PHINIA INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)

(in millions)	Three Months Ended March 31,	
	2025	2024
Net earnings	\$ 26	\$ 29
Other comprehensive income (loss)		
Foreign currency translation adjustments ⁽¹⁾	52	(21)
Defined benefit pension plans ⁽¹⁾	(1)	(1)
Total other comprehensive income (loss)	51	(22)
Comprehensive income	<u>\$ 77</u>	<u>\$ 7</u>

⁽¹⁾ Net of income taxes.

See accompanying Notes to Condensed Consolidated Financial Statements.

PHINIA INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(in millions)	Three Months Ended March 31,	
	2025	2024
OPERATING		
Net cash provided by operating activities (see Note 20)	\$ 40	\$ 31
INVESTING		
Capital expenditures, including tooling outlays	(35)	(43)
Proceeds from asset disposals and other, net	—	1
Net cash used in investing activities	(35)	(42)
FINANCING		
Repayments of debt, including current portion	—	(3)
Dividends paid to PHINIA stockholders	(11)	(12)
Payments for purchase of treasury stock	(100)	(23)
Payments for stock-based compensation items	(6)	(3)
Net cash used in financing activities	(117)	(41)
Effect of exchange rate changes on cash	1	12
Net decrease in cash and cash equivalents	(111)	(40)
Cash and cash equivalents at beginning of year	484	365
Cash and cash equivalents at end of period	\$ 373	\$ 325

See accompanying Notes to Condensed Consolidated Financial Statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

INTRODUCTION

The accompanying Condensed Consolidated Financial Statements and notes present the condensed consolidated statements of operations, balance sheets, and cash flows of PHINIA Inc. (PHINIA or the Company). PHINIA is a leader in the development, design and manufacture of integrated components and systems that are designed to optimize performance, increase efficiency and reduce emissions for combustion and hybrid propulsion systems for commercial vehicles and industrial applications (medium-duty and heavy-duty trucks, buses and other off-highway construction, marine, agricultural and aerospace and defense), light commercial vehicles (vans and trucks) and light passenger vehicles (passenger cars, mini-vans, cross-overs and sport-utility vehicles). The Company is a global supplier to most major original equipment manufacturers (OEMs) seeking to meet evolving and increasingly stringent global regulatory requirements and satisfy consumer demands for an enhanced user experience. Additionally, the Company offers a wide range of original equipment service (OES) solutions and remanufactured products as well as an expanded range of products for the independent (non-OEM) aftermarket.

Transition to Standalone Company

On July 3, 2023, PHINIA became an independent publicly-traded company as a result of the legal and structural separation of the Fuel Systems and Aftermarket businesses from BorgWarner Inc. (BorgWarner or Former Parent). The separation was completed in the form of a distribution of the outstanding common stock of PHINIA to holders of record of common stock of BorgWarner on a pro rata basis (the Spin-Off). In connection with the Spin-Off, we entered into an agreement with the Former Parent which governs the Company's and the Former Parent's respective rights, responsibilities and obligations after the distribution with respect to taxes for any tax period ending on or before the distribution date, as well as tax periods beginning before and ending after the distribution date (Tax Matters Agreement).

NOTE 1 BASIS OF PRESENTATION

The Company's Condensed Consolidated Financial Statements were prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) pursuant to the rules and regulations of the Securities and Exchange Commission (SEC) for interim financial information. Certain information and footnote disclosures normally included in annual financial statements were condensed or omitted as permitted by such rules and regulations. In the opinion of management, all normal recurring adjustments necessary for a fair statement of results have been included. Operating results for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025. The balance sheet as of December 31, 2024 was derived from the audited financial statements as of that date. Certain amounts for the prior periods presented were reclassified to conform to the current period presentation. The Company has also corrected for certain immaterial errors that impacted footnote disclosures as of March 31, 2024.

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and accompanying notes, as well as amounts of revenues and expenses reported during the periods covered by those financial statements and accompanying notes. The Condensed Consolidated Financial Statements may not be indicative of the Company's future performance.

New Accounting Pronouncements

Recently Adopted Accounting Standards

Accounting Standards Update (ASU) 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." This update is intended to improve disclosures about a public entity's reportable segments and addresses requests from investors and other allocators of capital for additional, more detailed information about a reportable segment's expenses. This guidance was effective for annual

reporting periods beginning after December 15, 2023 and interim reporting periods beginning after December 15, 2024. The Company has adopted this guidance; refer to Note 19, "Reportable Segments and Related Information" to the Condensed Consolidated Financial Statements for more information.

Accounting Standards Not Yet Adopted

In December 2023, the Financial Accounting Standards Board (FASB) issued ASU 2023-09, "Income Taxes (Topic 740): Improvements to Income Tax Disclosures." This guidance requires entities to disaggregate information related to the effective tax rate reconciliation and income taxes paid. This guidance is effective for annual reporting periods beginning after December 15, 2024. The Company will provide the incremental disclosures in its Annual Report on Form 10-K for the year ended December 31, 2025.

In November 2024, the FASB issued ASU 2024-03 and ASU 2025-01, "Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)." This guidance requires entities to disclose disaggregated information about certain income statement expense line items in the notes to the financial statements. This guidance is effective for annual reporting periods beginning after December 15, 2026. The Company is currently evaluating the impact of these ASUs on its financial statements.

NOTE 2 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company manufactures and sells products and solutions, primarily to OEMs of commercial vehicle, industrial applications and light vehicles, to certain Tier One vehicle systems suppliers and into the aftermarket. The Company's payment terms are based on customary business practices and vary by customer type and products offered. The Company has evaluated the terms of its arrangements and determined that they do not contain significant financing components.

In limited instances, certain customers have provided payments in advance of receiving related products, typically at the onset of an arrangement prior to the beginning of production. As of March 31, 2025, the balance of contract liabilities was \$11 million, of which \$2 million was reflected in Other current liabilities and \$9 million was reflected in Other non-current liabilities. As of December 31, 2024, the balance of contract liabilities was \$7 million, of which \$3 million was reflected in Other current liabilities and \$4 million was reflected as Other non-current liabilities. These amounts are reflected as revenue over the term of the arrangement (typically three to seven years) as the underlying products are shipped and represent the Company's remaining performance obligations as of the end of the period.

The following table represents a disaggregation of revenue from contracts with customers by reportable segment and region for the three months ended March 31, 2025 and 2024. Refer to Note 19, "Reportable Segments and Related Information" to the Condensed Consolidated Financial Statements, for more information.

(In millions)	Three Months Ended March 31, 2025		
	Fuel Systems	Aftermarket	Total
Americas	\$ 177	\$ 179	\$ 356
Europe	190	127	317
Asia	106	17	123
Total	<u>\$ 473</u>	<u>\$ 323</u>	<u>\$ 796</u>

(In millions)	Three Months Ended March 31, 2024		
	Fuel Systems	Aftermarket	Total
Americas	\$ 187	\$ 192	\$ 379
Europe	227	125	352
Asia	113	19	132
Total	<u>\$ 527</u>	<u>\$ 336</u>	<u>\$ 863</u>

NOTE 3 RESEARCH AND DEVELOPMENT COSTS

The Company's net Research & Development (R&D) costs are primarily included in Selling, general and administrative expenses of the Condensed Consolidated Statements of Operations. Customer reimbursements are netted against gross R&D costs as they are considered a recovery of cost. Customer reimbursements for prototypes are recorded net of prototype costs based on customer contracts, typically either when the prototype is shipped or when it is accepted by the customer. Customer reimbursements for engineering services are recorded when performance obligations are satisfied in accordance with the contract. Financial risks and rewards transfer upon shipment, acceptance of a prototype component by the customer or upon completion of the performance obligation as stated in the respective customer agreement. The Company has various customer arrangements relating to R&D activities that it performs at its various R&D locations.

The following table presents the Company's gross and net costs on R&D activities:

(in millions)	Three Months Ended March 31,	
	2025	2024
Gross R&D costs	\$ 46	\$ 52
Customer reimbursements	(18)	(25)
Net R&D costs	<u>\$ 28</u>	<u>\$ 27</u>

Net R&D costs as a percentage of net sales were 3.5% and 3.1% for the three months ended March 31, 2025 and 2024, respectively.

NOTE 4 OTHER OPERATING EXPENSE, NET

Items included in Other operating expense, net consist of:

(in millions)	Three Months Ended March 31,	
	2025	2024
Restructuring	\$ 5	\$ 2
Transaction-related (benefits) costs	(1)	17
Other operating income, net	(1)	(2)
Other operating expense, net	\$ 3	\$ 17

Transaction-related (benefits) costs: The Company classifies certain expenses and benefits related to the Spin-Off, acquisitions and divestitures as transaction-related (benefits) costs. Spin-Off costs and adjustments include professional fees and other costs associated with the separation of the Company, including the management of certain historical liabilities allocated to the Company in connection with the Spin-Off, and adjustments related to the Tax Matters Agreement between the Company and Former Parent. During the three months ended March 31, 2025, the Company recorded transaction-related benefits of \$1 million, which included a \$7 million benefit related to adjustments under the Tax Matters Agreement, \$3 million of costs related to the Spin-Off, and \$3 million of costs related to the evaluation of strategic acquisition initiatives. During the three months ended March 31, 2024, the Company recorded transaction-related costs of \$17 million which primarily related to Spin-Off costs.

Restructuring: The Company recorded \$5 million and \$2 million in the three months ended March 31, 2025 and 2024, respectively, of restructuring costs for individually approved restructuring actions that primarily related to reductions in headcount in the Fuel Systems segment.

NOTE 5 INCOME TAXES

The Company's provision for income taxes is based upon an estimated annual effective tax rate for the year applied to domestic and foreign income. On a quarterly basis, the annual effective tax rate is adjusted, as appropriate, based upon changed facts and circumstances, if any, as compared to those forecasted at the beginning of the fiscal year and each interim period thereafter.

The Company's effective tax rate for the three months ended March 31, 2025 and 2024 was 48%. The effective tax rate period-over-period consisted of an increase in a pre-spin uncertain tax position reserve of \$7 million fully offset by a decrease resulting from a change in the jurisdictional mix of pre-tax earnings.

The annual effective tax rates differ from the U.S. statutory rate primarily due to foreign tax rates that vary from those in the U.S., jurisdictions with pretax losses for which no tax benefit could be realized, U.S. taxes on foreign earnings, and permanent differences between book and tax treatment for certain items including enhanced deduction of research and development expenses in certain jurisdictions.

The Organization for Economic Co-operation and Development (OECD) has a framework to implement a global minimum corporate tax of 15% for companies with global revenues and profits above certain thresholds (referred to as Pillar 2), with certain aspects of Pillar 2 effective January 1, 2024 and other aspects effective January 1, 2025. While it is uncertain whether the U.S. will enact legislation to adopt Pillar 2, certain countries in which the Company operates have adopted legislation, and other countries are in the process of introducing legislation to implement Pillar 2. For the three months ended March 31, 2025 the Company has provisionally calculated and accrued an additional top-up tax under the Pillar 2 Framework in certain jurisdictions where the effective tax rate fell below the minimum threshold of 15%. This amount is not significant to the total 2025 income tax provision for the Company.

NOTE 6 RECEIVABLES, NET

The table below provides details of Receivables, net as of March 31, 2025 and December 31, 2024:

(in millions)	March 31, 2025	December 31, 2024
Receivables, net:		
Customers	\$ 608	\$ 574
Indirect taxes	112	119
Due from Former Parent	70	80
Other	54	53
Gross receivables	844	826
Allowance for credit losses	(8)	(9)
Total receivables, net	<u>\$ 836</u>	<u>\$ 817</u>

NOTE 7 INVENTORIES

A summary of Inventories is presented below:

(in millions)	March 31, 2025	December 31, 2024
Raw material and supplies	\$ 240	\$ 234
Work-in-progress	46	40
Finished goods	193	170
Inventories	<u>\$ 479</u>	<u>\$ 444</u>

NOTE 8 OTHER CURRENT AND NON-CURRENT ASSETS

(in millions)	March 31, 2025	December 31, 2024
Prepayments and other current assets:		
Prepaid taxes	\$ 29	\$ 32
Prepaid customer tooling	20	14
Prepaid engineering	18	19
Prepaid software	12	10
Customer return assets	8	8
Prepaid insurance	4	4
Other	13	9
Total prepayments and other current assets	<u>\$ 104</u>	<u>\$ 96</u>
Investments and long-term receivables:		
Long-term receivables	\$ 58	\$ 52
Investment in equity affiliates	55	51
Investment in equity securities	4	5
Due from Former Parent	3	3
Total investments and long-term receivables	<u>\$ 120</u>	<u>\$ 111</u>
Other non-current assets:		
Operating leases	\$ 51	\$ 54
Deferred income taxes	47	43
Customer incentive payments	10	9
Other	23	22
Total other non-current assets	<u>\$ 131</u>	<u>\$ 128</u>

NOTE 9 GOODWILL AND OTHER INTANGIBLES

During the fourth quarter of each year, the Company assesses its goodwill and indefinite-lived intangibles assigned to each of its reporting units for impairment by either performing a qualitative assessment or a quantitative analysis. No events or circumstances were noted in the first three months of 2025 requiring additional assessment or testing.

A summary of the components in the carrying amount of goodwill as of March 31, 2025 and December 31, 2024 is as follows:

(in millions)	Fuel Systems	Aftermarket	Total
Gross goodwill balance, December 31, 2024	\$ 60	\$ 524	\$ 584
Accumulated impairment losses	—	(113)	(113)
Net goodwill balance, December 31, 2024	<u>\$ 60</u>	<u>\$ 411</u>	<u>\$ 471</u>
Goodwill during the period:			
Translation adjustment	3	10	13
Net goodwill balance, March 31, 2025	<u>\$ 63</u>	<u>\$ 421</u>	<u>\$ 484</u>

The Company's other intangible assets from acquisitions consist of the following:

		March 31, 2025			December 31, 2024		
(in millions)	Estimated useful lives (years)	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
Amortized intangible assets:							
Patented and unpatented technology	14 - 15	\$ 147	\$ 54	\$ 93	\$ 144	\$ 51	\$ 93
Customer relationships	14 - 15	264	124	140	259	118	141
Total amortized intangible assets		411	178	233	403	169	234
Unamortized trade names		143	—	143	140	—	140
Total other intangible assets		\$ 554	\$ 178	\$ 376	\$ 543	\$ 169	\$ 374

NOTE 10 PRODUCT WARRANTY

The Company provides warranties on some, but not all, of its products. Provisions for estimated expenses related to product warranty are made at the time products are sold. These estimates are established using historical information about the nature, frequency and average cost of warranty claim settlements as well as product manufacturing and industry developments and recoveries from third parties. Management actively studies trends of warranty claims and takes action to improve product quality and minimize warranty claims. Costs of product recalls, which may include the cost of the product being replaced as well as the customer's cost of the recall, including labor to remove and replace the recalled part, are accrued as part of the Company's warranty accrual at the time the Company believes it is probable that a loss will be incurred and the amount can be reasonably estimated. See Note 17, "Contingencies", for further discussion on the Company's quarterly process for accruals relating to commercial and legal matters. Management believes that the warranty accrual is appropriate; however, in certain cases, initial customer claims exceed the amount accrued. Facts may become known related to these claims that may result in additional losses that could be material to the Company's results of operations or cash flows. The Company's warranty provisions are primarily included in Cost of sales in the Condensed Consolidated Statements of Operations. The product warranty accrual is allocated to current and non-current liabilities in the Condensed Consolidated Balance Sheets.

The following table summarizes the activity in the product warranty accrual accounts:

(in millions)	2025	2024
Beginning balance, January 1	\$ 61	\$ 56
Provisions for current period sales	11	9
Payments	(12)	(10)
Other, primarily translation adjustment	1	—
Ending balance, March 31	<u>\$ 61</u>	<u>\$ 55</u>

The product warranty liability is classified in the Condensed Consolidated Balance Sheets as follows:

(in millions)	March 31, 2025	December 31, 2024
Other current liabilities	\$ 32	\$ 36
Other non-current liabilities	29	25
Total product warranty liability	<u>\$ 61</u>	<u>\$ 61</u>

NOTE 11 NOTES PAYABLE AND DEBT

As of March 31, 2025 and December 31, 2024, the Company had debt outstanding as follows:

(in millions)	March 31, 2025	December 31, 2024
5.000% Senior Notes due 10/01/25 (\$24 million par value)	\$ 24	\$ 24
6.750% Senior Notes due 04/15/29 (\$525 million par value)	518	518
6.625% Senior Notes due 10/15/32 (\$450 million par value)	444	444
Finance leases	3	2
Total long-term debt	<u>\$ 989</u>	<u>\$ 988</u>
Less: current portion	25	25
Long-term debt, net of current portion	<u>\$ 964</u>	<u>\$ 963</u>

The Company's long-term debt includes various covenants, none of which are expected to restrict future operations. The Company was in compliance with all covenants as of March 31, 2025.

As of March 31, 2025, the estimated fair values of the Company's long-term debt totaled \$998 million, which is \$12 million higher than carrying value for the same period. As of December 31, 2024, the estimated fair value of the Company's long-term debt totaled \$1,007 million, which is \$21 million higher than carrying value for the same period. Fair market values of the long-term debt are developed using observable values for similar debt instruments, which are considered Level 2 inputs as defined by ASC Topic 820. The carrying values of the Company's finance leases approximate fair value. The fair value estimates do not necessarily reflect the values the Company could realize in the current markets.

The Company has a \$500 million revolving credit facility (the Revolving Facility) which matures in July 2028. The Revolving Facility contains customary events of default and various financial covenants including debt to EBITDA and interest coverage ratio. The Company was in compliance with the financial covenants as of March 31, 2025. As of March 31, 2025 and December 31, 2024, the Company had no outstanding borrowings under the Revolving Facility, and availability of \$499 million.

NOTE 12 OTHER CURRENT AND NON-CURRENT LIABILITIES

Additional detail related to liabilities is presented in the table below:

(in millions)	March 31, 2025	December 31, 2024
Other current liabilities:		
Customer related	\$ 79	\$ 98
Payroll and employee related	78	106
Income taxes payable	36	35
Accrued interest	33	17
Product warranties (Note 10)	32	36
Operating leases	17	17
Accrued freight	16	17
Uncertain tax positions	14	7
Refundable customer deposits	10	9
Supplier related	10	8
Legal and professional fees	8	6
Other non-income taxes	5	3
Employee termination benefits	4	4
Deferred engineering	4	6
Other	51	53
Total other current liabilities	<u>\$ 397</u>	<u>\$ 422</u>
Other non-current liabilities:		
Deferred income taxes	\$ 60	\$ 55
Operating leases	37	39
Product warranties (Note 10)	29	25
Deferred income	16	11
Uncertain tax positions	9	8
Other	11	12
Total other non-current liabilities	<u>\$ 162</u>	<u>\$ 150</u>

NOTE 13 FINANCIAL INSTRUMENTS

The Company's financial instruments may include long-term debt, interest rate and cross-currency swaps, commodity derivative contracts and foreign currency derivative contracts. All derivative contracts are placed with counterparties that have a Standard and Poor's (S&P), or equivalent, investment grade credit rating at the time of the contracts' placement. An adjustment for non-performance risk is considered in the estimate of fair value in derivative assets based on the counterparty credit default swap (CDS) rate. When the Company is in a net derivative liability position, the non-performance risk adjustment is based on its CDS rate. At March 31, 2025 and December 31, 2024, the Company had no derivative contracts that contained credit-risk-related contingent features.

The Company is exposed to certain market risks relating to our ongoing business operations, including foreign currency exchange rate risk, commodity price risk and interest rate risk. The Company, at times, may use certain financial instruments, primarily derivative contracts, to protect against these risks. The Company uses financial instruments to manage foreign currency exchange rate risk related to forecasted cash flows, including capital expenditures, purchases, operating expenses or sales transactions, and the remeasurement of monetary assets and liabilities denominated in currencies other than the functional currency of the operating unit, and the foreign currency risk exposure associated with our net investment in certain foreign operations.

At March 31, 2025 and December 31, 2024, the USD equivalent notional values of outstanding currency derivative instruments used for foreign currency cash flow hedging were \$126 million and \$85 million, respectively. These amounts were primarily related to Euro denominated forward contracts at British Pound functional currency locations.

Derivative instruments designated as foreign currency cash flow hedges, as defined by ASC Topic 815, had no material gains or losses recognized in Accumulated other comprehensive loss at March 31, 2025 and December 31, 2024, or in Net earnings for the three months ended March 31, 2025 and 2024. At March 31, 2025 and December 31, 2024, there were no significant derivative asset or liability balances recorded in the Consolidated Balance Sheets as being payable to or receivable from counterparties under ASC Topic 815, "Derivatives and Hedging".

The table below shows deferred gains (losses) reported in Accumulated other comprehensive loss (AOCI) as well as the amount expected to be reclassified to income in one year or less for designated net investment hedges.

(in millions) Contract Type	Deferred gain (loss) in AOCI at		Gain (loss) expected to be reclassified to income in one year or less
	March 31, 2025	December 31, 2024	
Foreign currency	\$ (10)	\$ (11)	\$ —

The gains and losses attributable to the financial instrument designated as a net investment hedge were recognized in other comprehensive income (loss) during the periods presented below.

(in millions) Net investment hedges	Three Months Ended March 31,	
	2025	2024
Foreign currency	\$ 1	\$ (2)

The Company utilizes foreign currency derivatives not designated as hedging instruments to mitigate the variability of the remeasurement of monetary assets and liabilities denominated in currencies other than the operating units' functional currency. In February 2025, the Company entered into a \$100 million notional value Chinese Yuan (CNY), United States Dollar (USD) fixed rate cross currency swap intended to mitigate the remeasurement of an intercompany loan. The cross-currency swap derivative resulted in a \$1 million gain for the three months ended March 31, 2025 and is included in Selling, general and administrative expenses in the Condensed Consolidated Statements of Operations. At March 31, 2025, the \$1 million fair value of the cross currency swap was recorded in Prepayments and other current assets in the Condensed Consolidated Balance Sheets.

NOTE 14 RETIREMENT BENEFIT PLANS

The Company sponsors various defined contribution savings plans, primarily in the U.S., that allow employees to contribute a portion of their pre-tax and/or after-tax income in accordance with plan specified guidelines. The Company also has a number of defined benefit pension plans. Under specified conditions, the Company will make contributions to the plans and/or match a percentage of the employee contributions up to certain limits. The estimated contributions to the defined benefit pension plans for 2025 range from \$5 million to \$9 million, of which less than \$1 million has been contributed through the first three months of the year.

The components of net periodic benefit income recorded in the Condensed Consolidated Statements of Operations are as follows:

(in millions)	Three Months Ended March 31,	
	2025	2024
Service cost	\$ 1	\$ 1
Interest cost	11	11
Expected return on plan assets	(10)	(10)
Amortization of unrecognized loss	—	(1)
Net periodic benefit cost	<u>\$ 2</u>	<u>\$ 1</u>

The components of net periodic benefit cost other than the service cost component are included in Other postretirement expense, net in the Condensed Consolidated Statements of Operations.

NOTE 15 STOCKHOLDERS' EQUITY

The changes of the Stockholders' Equity items during the three months ended March 31, 2025 and 2024, are as follows:

(in millions)	Issued common stock	Additional paid-in-capital	Treasury stock	Retained earnings	Accumulated other comprehensive loss	Total equity
Balance, December 31, 2024	\$ 1	\$ 1,976	\$ (230)	\$ 44	(217)	\$ 1,574
Dividends declared (\$0.27 per share)	—	—	—	(11)	—	(11)
Stock-based compensation expense	—	4	—	—	—	4
Purchase of treasury stock	—	—	(100)	—	—	(100)
Excise tax on purchase of treasury stock	—	—	(1)	—	—	(1)
Net issuance of executive stock plan	—	(10)	4	—	—	(6)
Net earnings	—	—	—	26	—	26
Other comprehensive income	—	—	—	—	51	51
Balance, March 31, 2025	<u>\$ 1</u>	<u>\$ 1,970</u>	<u>\$ (327)</u>	<u>\$ 59</u>	<u>\$ (166)</u>	<u>\$ 1,537</u>

(in millions)	Issued common stock	Additional paid-in-capital	Treasury stock	Retained earnings	Accumulated other comprehensive loss	Total equity
Balance, December 31, 2023	\$ 1	\$ 2,031	\$ (23)	\$ 9	\$ (131)	\$ 1,887
Dividends declared (\$0.25 per share)	—	—	—	(12)	—	(12)
Stock-based compensation expense	—	4	—	—	—	4
Purchase of treasury stock	—	—	(23)	—	—	(23)
Net issuance of executive stock plan	—	(7)	4	—	—	(3)
Net earnings	—	—	—	29	—	29
Other comprehensive loss	—	—	—	—	(22)	(22)
Spin-Off related adjustments	—	(10)	—	—	—	(10)
Balance, March 31, 2024	<u>\$ 1</u>	<u>\$ 2,018</u>	<u>\$ (42)</u>	<u>\$ 26</u>	<u>\$ (153)</u>	<u>\$ 1,850</u>

NOTE 16 ACCUMULATED OTHER COMPREHENSIVE LOSS

The following tables summarize the activity within accumulated other comprehensive loss during the three months ended March 31, 2025 and 2024:

(in millions)	Foreign currency translation adjustments	Defined benefit pension plans	Total
Beginning balance, December 31, 2024	\$ (193)	\$ (24)	\$ (217)
Comprehensive income (loss) before reclassifications	52	(1)	51
Ending Balance, March 31, 2025	<u>\$ (141)</u>	<u>\$ (25)</u>	<u>\$ (166)</u>

(in millions)	Foreign currency translation adjustments	Defined benefit pension plans	Total
Beginning balance, December 31, 2023	\$ (98)	\$ (33)	\$ (131)
Comprehensive loss before reclassifications	(21)	(2)	(23)
Reclassification from accumulated other comprehensive loss	—	1	1
Ending Balance, March 31, 2024	<u>\$ (119)</u>	<u>\$ (34)</u>	<u>\$ (153)</u>

NOTE 17 CONTINGENCIES

In the normal course of business, the Company is party to various commercial and legal claims, actions and complaints, including matters involving warranty claims, intellectual property claims, governmental investigations and related proceedings, including relating to alleged or actual violations of vehicle emissions standards, general liability and various other risks.

It is not possible to predict with certainty whether or not the Company will ultimately be successful in any of these commercial and legal matters or, if not, what the impact might be. The Company records accruals for outstanding legal matters when it believes it is probable that a loss will be incurred and the amount can be reasonably estimated. The Company evaluates, on a quarterly basis, developments in commercial and legal matters that could affect the amount of any accrual and developments that would make a loss contingency both probable and reasonably estimable. If a loss contingency is not both probable and reasonably estimable, the Company does not establish an accrued liability. Except as set forth below, the Company's management does not expect that an adverse outcome in any of these commercial and legal claims, actions and complaints that are currently pending will have a material adverse effect on the Company's results of operations, financial position or cash flows. An adverse outcome could, nonetheless, be material to the results of operations, financial position or cash flows.

BorgWarner Dispute

In September 2024, the Former Parent filed a claim against the Company in Delaware Superior Court seeking, inter alia, a judicial declaration that the Company is obligated under the Tax Matters Agreement entered into by the Company and the Former Parent in connection with the Spin-Off to remit to the Former Parent monies refunded, or to be refunded, to the Company from tax authorities that relate to certain indirect tax payments made prior to the Spin-Off. In November 2024, the Company filed, in Delaware Superior Court, a response to the Former Parent's claim and asserted a number of counterclaims and, in December 2024, the Former Parent filed a motion to dismiss the Company's counterclaims, which the Company opposed. On April 10, 2025, the Delaware Superior Court denied the Former Parent's motion to dismiss the counterclaims. The Company believes it has meritorious arguments in response to the Former Parent's claim and with respect to its own claims, however, the

Company is unable to determine the ultimate outcome of this matter or determine an estimate of potential losses. It is reasonably possible, but not probable, that the resolution of this matter could have a material adverse effect on the Company's financial position, results of operations and/or cash flows.

NOTE 18 EARNINGS PER SHARE

The Company presents both basic and diluted earnings per share of common stock (EPS) amounts. Basic EPS is calculated by dividing net earnings by the weighted average shares of common stock outstanding during the reporting period. Diluted EPS is calculated by dividing net earnings by the weighted average shares of common stock and common stock equivalents outstanding during the reporting period.

The dilutive impact of stock-based compensation is calculated using the treasury stock method. The treasury stock method assumes that the Company uses the assumed proceeds from the exercise of awards to repurchase common stock at the average market price during the period. The assumed proceeds under the treasury stock method include the purchase price that the grantee will pay in the future and compensation cost for future service that the Company has not yet recognized.

The following table reconciles the numerators and denominators used to calculate basic and diluted earnings per share of common stock:

(in millions, except per share amounts)	Three Months Ended March 31,	
	2025	2024
Basic earnings per share:		
Net earnings	\$ 26	\$ 29
Weighted average shares of common stock outstanding	40.7	46.1
Basic earnings per share of common stock	\$ 0.64	\$ 0.63
Diluted earnings per share:		
Net earnings	\$ 26	\$ 29
Weighted average shares of common stock outstanding	40.7	46.1
Effect of stock-based compensation	0.8	0.4
Weighted average shares of common stock outstanding including dilutive shares	41.5	46.5
Diluted earnings per share of common stock	\$ 0.63	\$ 0.62
Anti-dilutive stock-based awards excluded from the calculation of diluted earnings per share	0.1	—

NOTE 19 REPORTABLE SEGMENTS AND RELATED INFORMATION

The Company's business is comprised of two reportable segments, which are further described below. These segments are strategic business groups, which are managed separately as each represents a specific grouping of related automotive components and systems.

- Fuel Systems.** This segment provides advanced fuel injection systems, fuel delivery modules, canisters, sensors, electronic control modules and associated software. Our highly engineered fuel injection systems portfolio includes pumps, injectors, fuel rail assemblies, engine control

modules, and complete systems, including software and calibration services, that reduce emissions and improve fuel economy for traditional and hybrid applications.

- **Aftermarket.** Through this segment, the Company sells products to independent aftermarket customers and OES customers. Its product portfolio includes a wide range of products as well as maintenance, test equipment and vehicle diagnostics solutions. The Aftermarket segment also includes sales of starters and alternators to OEMs.

Segment Adjusted Operating Income (AOI) is the measure of segment income or loss used by the Company. Segment AOI is comprised of segment operating income adjusted for restructuring, transaction-related costs, impairment charges and other items not reflective of ongoing operating income or loss, and acquisition-related intangibles amortization expense because it pertains to non-cash expenses that the Company does not use to evaluate core operating performance. Management believes Segment AOI is most reflective of the operational profitability or loss of its reportable segments. Segment AOI excludes certain corporate costs, which primarily represent corporate expenses not directly attributable to the individual segments.

The Company's chief operating decision maker (CODM) is the chief executive officer.

The CODM uses Segment AOI for the financial planning and review process. The CODM considers actual-to-forecast and actual-to-actual variances on a quarterly basis for Segment AOI when making decisions about the allocation of operating and capital resources to each segment. The CODM also uses Segment AOI for evaluating pricing strategy and to assess the performance of each segment by comparing the results of each segment with one another and in determining the compensation of certain employees.

The following tables show segment revenues and significant expenses for the Company's reportable segments:

(in millions)	Three Months Ended March 31, 2025			
	Fuel Systems	Aftermarket	Inter-segment Eliminations	Consolidated
Net sales from external customers	\$ 473	\$ 323	\$ —	\$ 796
Inter-segment eliminations	\$ 55	\$ —	\$ (55)	\$ —
Net Sales	\$ 528	\$ 323	\$ (55)	\$ 796
Less:				
Cost of sales	444	235		
Selling, general and administrative expenses (excluding Net R&D costs shown separately below) ¹	15	31		
Net R&D costs	25	3		
Other segment items ²	(1)	2		
Segment AOI	\$ 45	\$ 52		

(in millions)	Three Months Ended March 31, 2024			
	Fuel Systems	Aftermarket	Inter-segment Eliminations	Consolidated
Net sales from external customers	\$ 527	\$ 336	\$ —	\$ 863
Inter-segment eliminations	\$ 49	\$ 2	\$ (51)	\$ —
Net Sales	\$ 576	\$ 338	\$ (51)	\$ 863
Less:				
Cost of sales	482	240		
Selling, general and administrative expenses (excluding Net R&D costs shown separately below) ¹	16	34		
Net R&D costs	24	3		
Other segment items ²	(1)	1		
Segment AOI	\$ 55	\$ 60		

¹ Excludes acquisition-related intangible amortization.

² Other segment items include inter-segment fees and other income.

The following table shows a reconciliation of Segment AOI to Earnings before income taxes for the Company's reportable segments:

(in millions)	Three Months Ended March 31,	
	2025	2024
Fuel Systems	\$ 45	\$ 55
Aftermarket	52	60
Segment Adjusted Operating Income	97	115
Corporate, including stock-based compensation	24	18
Amortization of acquisition-related intangibles	7	7
Transaction-related (benefits) costs	(1)	17
Restructuring expense	5	2
Equity in affiliates' earnings, net of tax	(4)	(3)
Interest income	(4)	(4)
Interest expense	19	22
Other postretirement expense, net	1	—
Earnings before income taxes	\$ 50	\$ 56

Segment Information

Segment information as of March 31, 2025 and December 31, 2024 and for the three months ended March 31, 2025 and 2024 is presented in the tables below:

Assets

(in millions)	March 31, 2025	December 31, 2024
Fuel Systems	\$ 1,955	\$ 1,902
Aftermarket	1,388	1,332
Total	3,343	3,234
Corporate ¹	405	534
Consolidated	\$ 3,748	\$ 3,768

¹ Corporate assets include cash and cash equivalents, investments and long-term receivables, and deferred income taxes.

Depreciation/amortization

(in millions)	Three Months Ended March 31,	
	2025	2024
Fuel Systems	\$ 30	\$ 34
Aftermarket	6	6
Total	36	40
Corporate	1	1
Consolidated	\$ 37	\$ 41

Long-lived asset expenditures¹

(in millions)	Three Months Ended March 31,	
	2025	2024
Fuel Systems	\$ 31	\$ 38
Aftermarket	3	4
Total	34	42
Corporate	1	1
Consolidated	\$ 35	\$ 43

¹ Long-lived asset expenditures include capital expenditures and tooling outlays.

NOTE 20 OPERATING CASH FLOW AND OTHER SUPPLEMENTAL FINANCIAL INFORMATION

(in millions).	Three Months Ended March 31,	
	2025	2024
OPERATING		
Net earnings	\$ 26	\$ 29
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and tooling amortization	30	34
Intangible asset amortization	7	7
Restructuring expense, net of cash paid	1	2
Stock-based compensation expense	4	4
Deferred income tax expense	1	4
Other non-cash adjustments, net	(3)	2
Changes in assets and liabilities, excluding foreign currency translation adjustments:		
Receivables	(12)	(36)
Inventories	(25)	(6)
Prepayments and other current assets	(8)	(13)
Accounts payable and other current liabilities	12	6
Prepaid taxes and income taxes payable	3	12
Other assets and liabilities	4	(14)
Net cash provided by operating activities	<u>\$ 40</u>	<u>\$ 31</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid (received) during the year for:		
Interest, net	\$ (3)	\$ 14
Income taxes, net of refunds	\$ 12	\$ 15

Cautionary Statement Regarding Forward-Looking Information

Unless the context requires otherwise, references in this Quarterly Report on Form 10-Q (Form 10-Q) to “PHINIA,” the “Company,” “we,” “our” or “us” refer to PHINIA Inc. and its consolidated subsidiaries.

This Form 10-Q contains forward-looking statements within the meaning of the U.S. federal securities laws. Forward-looking statements are statements other than historical fact that provide current expectations or forecasts of future events based on certain assumptions and are not guarantees of future performance. Forward-looking statements use words such as “anticipate,” “believe,” “continue,” “could,” “designed,” “effect,” “estimate,” “evaluate,” “expect,” “forecast,” “goal,” “initiative,” “intend,” “likely,” “may,” “outlook,” “plan,” “potential,” “predict,” “project,” “pursue,” “seek,” “should,” “target,” “when,” “will,” “would,” and other words of similar meaning. Forward-looking statements are subject to risks, uncertainties, and factors relating to our business and operations, all of which are difficult to predict and which could cause our actual results to differ materially from the expectations expressed in or implied by such forward-looking statements. Risks, uncertainties, and factors that could cause actual results to differ materially from those implied by these forward-looking statements include, but are not limited to:

- adverse changes in general business and economic conditions, including recessions, adverse market conditions or downturns impacting the vehicle and industrial equipment industries;
- our ability to deliver new products, services and technologies in response to changing consumer preferences, increased regulation of greenhouse gas emissions, and acceleration of the market for electric vehicles;
- competitive industry conditions;
- failure to identify, consummate, effectively integrate or realize the expected benefits from acquisitions or partnerships;
- pricing pressures from OEMs;
- inflation rates and volatility in the costs of commodities used in the production of our products;
- changes in U.S. and foreign administrative policy, including tariffs, changes to existing trade agreements and import or export licensing requirements, and any resulting changes in international trade relations;
- our ability to protect our intellectual property;
- failure of or disruption in our information technology infrastructure, including a disruption related to cybersecurity;
- our ability to identify, attract, retain and develop a qualified global workforce;
- difficulties launching new vehicle programs;
- failure to achieve the anticipated savings and benefits from restructuring and product portfolio optimization actions;
- extraordinary events, including natural disasters or extreme weather events, fires or similar catastrophic events, political disruptions, terrorist attacks, pandemics or other public health crises, and acts of war;
- risks related to our international operations;
- the impact of economic, political, social and market conditions on our business in China;
- our reliance on a limited number of OEM customers;

- supply chain disruptions, including due to U.S. and foreign government action;
- work stoppages, production shutdowns and similar events or conditions;
- governmental investigations and related proceedings regarding vehicle emissions standards, including the ongoing investigation into diesel defeat devices;
- current and future environmental, health and safety, human rights and other laws and regulations;
- the impacts of climate change, regulations related to climate change and various stakeholders' emphasis on climate change and other related matters;
- compliance with and changes in other laws and regulations;
- liabilities related to product warranties, litigation and other claims;
- tax audits and changes in tax laws or tax rates taken by taxing authorities;
- impairment charges on goodwill and indefinite-lived intangible assets;
- the impact of changes in interest rates and asset returns on our pension funding obligations;
- the impact of restrictive covenants and other requirements on our financial and operating flexibility pursuant to the agreements governing our indebtedness;
- risks relating to the Spin-Off, including our ability to achieve some or all of the benefits that we expect to achieve from the Spin-Off, a determination that the Spin-Off does not qualify as tax-free for U.S. federal income tax purposes, and our or our Former Parent's failure to perform under, or additional disputes that may arise between the parties relating to, various transaction agreements executed in connection with the Spin-Off; and
- other risks and uncertainties described in Item 1A, "Risk Factors" of our annual Form 10-K and in our other reports filed from time to time with the Securities and Exchange Commission (the SEC).

We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date they are made. We undertake no obligation to publicly update forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

PHINIA is a leader in the development, design and manufacture of integrated components and systems that are designed to optimize performance, increase efficiency and reduce emissions for combustion and hybrid propulsion systems for commercial vehicles and industrial applications (medium-duty and heavy-duty trucks, buses and other off-highway construction, marine, agricultural and aerospace and defense), light commercial vehicles (vans and trucks) and light passenger vehicles (passenger cars, mini-vans, cross-overs and sport-utility vehicles). We are a global supplier to most major OEMs seeking to meet evolving and increasingly stringent global regulatory requirements and satisfy consumer demands for an enhanced user experience. Additionally, we offer a wide range of OES solutions and remanufactured products as well as an expanded range of products for the independent (non-OEM) aftermarket.

Transition to Standalone Company

On July 3, 2023, PHINIA became an independent publicly-traded company as a result of the legal and structural separation of the Fuel Systems and Aftermarket businesses from BorgWarner Inc. (BorgWarner or Former Parent). The separation was completed in the form of a distribution of the outstanding common stock of PHINIA to holders of record of common stock of BorgWarner on a pro rata basis (the Spin-Off). In connection with the Spin-Off, we entered into an agreement with the Former Parent which governs the Company's and the Former Parent's respective rights, responsibilities and obligations after the distribution with respect to taxes for any tax period ending on or before the distribution date, as well as tax periods beginning before and ending after the distribution date (Tax Matters Agreement).

Key Trends and Economic Factors

Commodities and Other Inflationary Impacts. Prices for commodities remain volatile, and since the beginning of 2021, the Company's business has experienced price increases for base metals (e.g., steel, aluminum and copper) but have mostly stabilized in Q1 2025 compared to 2024. New trade restrictions and/or increases in tariffs could have a material impact on our business, financial condition, or results of operations by increasing our input costs and decreasing demand in the commercial vehicle (CV) and light vehicle (LV) markets, although the nature of those trade restrictions and tariffs remains unclear. Additionally, these tariffs increase the risk for elevated inflation more generally, which may be driving an increase in other input costs. As a result, the Company may experience higher costs, especially with respect to products imported from certain regions subject to significant tariff increases, including, but not limited to, Mexico and China.

Outlook

We expect earnings and cash generation in 2025 to be challenged as we expect foreign currency and a softening of the original equipment markets to outpace our ability to drive operational efficiencies and grow our Aftermarket sales. Continued economic and political uncertainty has caused the CV and LV markets to soften. LV volumes in our key markets for 2025 are expected to decline by mid-single digit percentages. CV volumes in our key markets are expected to be consistent with 2024 levels, however lighter at the start of the year with recovery in the latter part of the year. Assuming constant foreign exchange rates, we expect flat to a modest increase in sales. Additionally, we may be impacted by other macroeconomic challenges in 2025, including but not limited to inflation, supply chain constraints, market volatility, higher tariffs relevant to our operations (particularly in Mexico and China) and changes in international trade relations.

The Company maintains a positive long-term outlook for its global business and is committed to new product development and strategic investments to enhance its product leadership strategy. There are several trends that are driving the Company's long-term growth that management expects to continue, including market share expansion in the CV market, growth in overall vehicle parc that supports aftermarket demand, increased consumer interest in hybrid and plug-in vehicles, and adoption of

additional product offerings enabling zero- and lower-carbon fuel solutions for combustion vehicles. In addition, we believe we are well positioned to continue to expand our differentiated offerings and capabilities across electronics, software and complete systems.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2025 vs. Three Months Ended March 31, 2024

The following table presents a summary of the Company's operating results:

(in millions)	Three Months Ended March 31,			
	2025		2024	
Net sales	% of net sales		% of net sales	
Fuel Systems	\$ 528	66.3 %	\$ 576	66.7 %
Aftermarket	323	40.6 %	338	39.2 %
Inter-segment eliminations	(55)	(6.9)%	(51)	(5.9)%
Total net sales	796	100.0 %	863	100.0 %
Cost of sales	624	78.4 %	671	77.8 %
Gross profit	172	21.6 %	192	22.2 %
Selling, general and administrative expenses	107	13.4 %	104	12.1 %
Other operating expense, net	3	0.4 %	17	2.0 %
Operating income	62	7.8 %	71	8.1 %
Equity in affiliates' earnings, net of tax	(4)	(0.5)%	(3)	(0.3)%
Interest income	(4)	(0.5)%	(4)	(0.5)%
Interest expense	19	2.4 %	22	2.5 %
Other postretirement expense, net	1	0.1 %	—	— %
Earnings before income taxes	50	6.3 %	56	6.4 %
Provision for income taxes	24	3.0 %	27	3.1 %
Net earnings	\$ 26	3.3 %	\$ 29	3.3 %

Net sales and Cost of sales

Net sales for the three months ended March 31, 2025 totaled \$796 million, a decrease of \$67 million, or 8%, compared to the three months ended March 31, 2024. Cost of sales and cost of sales as a percentage of net sales were \$624 million and 78%, respectively, during the three months ended March 31, 2025, compared to \$671 million and 78%, respectively, during the three months ended March 31, 2024. The change in net sales and cost of sales for the three months ended March 31, 2025 was primarily driven by unfavorable volume and mix driven by lower OEM sales across all regions, the end of the contract manufacturing agreements with the Former Parent, and negative impacts of foreign currency primarily due to the weakening of the Brazilian Real and Euro relative to the U.S. Dollar. Cost of sales was also negatively impacted by a \$7 million nonrecurrence of a supplier settlement and \$4 million of unfavorable impacts from recent tariff changes.

(in millions)	Net Sales	Cost of Sales	Gross Profit
Three Months Ended March 31, 2024	\$ 863	\$ 671	\$ 192
Volume and mix	(34)	(21)	(13)
Supplier costs	—	2	(2)
Employee costs	—	(2)	2
Contract manufacturing agreements	(17)	(17)	—
Foreign currency and other	(16)	(9)	(7)
Three Months Ended March 31, 2025	\$ 796	\$ 624	\$ 172

Selling, general and administrative expenses (SG&A)

SG&A for the three months ended March 31, 2025 was \$107 million as compared to \$104 million for the three months ended March 31, 2024. SG&A as a percentage of net sales was 13% and 12% for the three months ended March 31, 2025 and 2024, respectively. The change in SG&A expenses was primarily attributable to increased employee costs, partially offset by other administrative cost savings resulting from moving to a fully staffed standalone company and exiting transition service agreements with the Former Parent and other outside services.

(in millions)	Three Months Ended March 31,		Change (\$)
	2025	2024	
Employee costs	\$ 40	\$ 35	\$ 5
Research & development	28	27	1
Information technology	8	8	—
Intangible amortization	7	7	—
Other	24	27	(3)
Selling, general and administrative expenses	\$ 107	\$ 104	\$ 3

Other operating expense, net

Other operating expense, net was \$3 million and \$17 million for the three months ended March 31, 2025 and 2024, respectively. The decrease in other operating expense, net was primarily driven by a decrease in transaction-related costs, primarily professional fees and other costs associated with the Spin-Off. Other operating expense, net was comprised of the following:

(in millions)	Three Months Ended March 31,		Change (\$)
	2025	2024	
Restructuring	\$ 5	\$ 2	\$ 3
Transaction-related (benefits) costs	(1)	17	(18)
Other operating loss, net	(1)	(2)	1
Other operating expense, net	\$ (2)	\$ 15	\$ (17)

Equity in affiliates' earnings, net of tax

Equity in affiliates' earnings, net of tax was \$4 million and \$3 million in the three months ended March 31, 2025 and 2024, respectively. This line item is driven by the results of the Company's unconsolidated joint venture.

Interest expense

Interest expense was \$19 million and \$22 million in the three months ended March 31, 2025 and 2024, respectively. The decrease was primarily related to reduced interest rates as a result of the restructuring of the Company's debt positions. See Note 11, "Notes Payable and Debt", for further discussion.

Interest income

Interest income was \$4 million in the three months ended March 31, 2025 and 2024.

Provision for income taxes

Provision for income taxes for the three months ended March 31, 2025 and 2024 was \$24 million and \$27 million, respectively, resulting in an effective tax rate of 48% in both periods. The effective tax rate period-over-period consisted of an increase in a pre-spin uncertain tax position reserve of \$7 million fully offset by a decrease resulting from a change in the jurisdictional mix of pre-tax earnings. Excluding the impact of items not related to the Company's ongoing operations, the Company's effective tax rate associated with ongoing operations was 36% for the quarter ended March 31, 2025 compared to 38% for the quarter ended March 31, 2024. The Company continues to expect its 2025 full year effective tax rate to be between 38% and 42%.

For further details, see Note 5, "Income Taxes," to the Condensed Consolidated Financial Statements for the three months ended March 31, 2025 and 2024.

Use of Non-GAAP Financial Measures

This Form 10-Q contains information about PHINIA's financial results that is not presented in accordance with accounting principles generally accepted in the United States (GAAP). Such non-GAAP financial measures are reconciled to their most directly comparable GAAP financial measures in this Form 10-Q. The reconciliations include all information reasonably available to the Company at the date of this Form 10-Q and the adjustments that management can reasonably predict.

Management believes that these non-GAAP financial measures are useful to management, investors, and banking institutions in their analysis of the Company's business and operating performance. Management also uses this information for operational planning and decision-making purposes.

Non-GAAP financial measures are not and should not be considered a substitute for any GAAP measure. Additionally, because not all companies use identical calculations, the non-GAAP financial measures as presented by PHINIA may not be comparable to similarly titled measures reported by other companies.

Net earnings per diluted share and adjusted net earnings per diluted share

The Company's net earnings per diluted share was \$0.63 and \$0.62 for the three months ended March 31, 2025 and 2024, respectively. The Company's adjusted net earnings per diluted share was \$0.94 and \$1.08 for the three months ended March 31, 2025 and 2024, respectively. The Company defines adjusted net earnings per diluted share, a non-GAAP measure, as net earnings per diluted share adjusted to exclude: (i) the impact of restructuring expense, transaction-related costs, impairment charges and other gains, losses and tax effects and adjustments not reflective of the Company's ongoing operations; and (ii) acquisition-related intangibles amortization expense because it pertains to non-cash expenses that the Company does not use to evaluate core operating performance. Management believes that adjusted net earnings per diluted share is useful to investors in assessing the Company's ongoing financial performance, as it provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of the Company's core operating performance.

	Three Months Ended March 31,	
	2025	2024
Net earnings per diluted share	\$ 0.63	\$ 0.62
Amortization of acquisition-related intangibles	0.17	0.15
Restructuring expense	0.12	0.04
Transaction-related (benefits) costs	(0.02)	0.37
Tax effects and adjustments	0.04	(0.10)
Adjusted net earnings per diluted share	<u>\$ 0.94</u>	<u>\$ 1.08</u>

Results by Reportable Segment for the three months ended March 31, 2025 and 2024

The Company's business is aggregated into two reportable segments: Fuel Systems and Aftermarket.

Segment Adjusted Operating Income (AOI) is the measure of segment income or loss used by the Company. Segment AOI is comprised of segment operating income adjusted for restructuring, transaction-related costs, acquisition-related intangible asset amortization expense, impairment charges and other items not reflective of ongoing operating income or loss. The Company believes Segment AOI is most reflective of the operational profitability or loss of its reportable segments.

Segment AOI excludes certain corporate costs, which primarily represent corporate expenses not directly attributable to the individual segments. Corporate expenses not allocated to Segment AOI were \$24 million and \$18 million for the three months ended March 31, 2025 and 2024, respectively. The increase in corporate expenses in 2025 was primarily related to additional costs resulting from moving to a fully staffed standalone company and exiting transition service agreements with the Former Parent and other outside services.

Refer to Note 19, "Reportable Segments and Related Information" to the Condensed Consolidated Financial Statements, for more information.

The following table presents Net sales and Segment AOI for the Company's reportable segments:

(in millions)	Three Months Ended March 31,					
	2025			2024		
	Net Sales to Customers	Segment AOI	% Margin	Net Sales to Customers	Segment AOI	% Margin
Fuel Systems	\$ 473	\$ 45	9.5 %	\$ 527	\$ 55	10.4 %
Aftermarket	323	52	16.1 %	336	60	17.9 %
Totals	\$ 796	\$ 97		\$ 863	\$ 115	

The following table presents the year-over-year change in net sales and Segment AOI for the Company's reportable segments for the three months ended:

(in millions)	Fuel Systems		Aftermarket	
	Net sales	Segment AOI	Net sales	Segment AOI
March 31, 2024	\$ 527	\$ 55	\$ 336	\$ 60
Volume and mix	(25)	(7)	(9)	(6)
Contract manufacturing agreements	(17)	—	—	—
Customer pricing	(2)	(2)	2	2
Foreign currency and other	(10)	(1)	(6)	(4)
March 31, 2025	\$ 473	\$ 45	\$ 323	\$ 52

The **Fuel Systems** segment's Segment Adjusted Operating margin was 9.5% for the three months ended March 31, 2025, compared to 10.4% for the three months ended March 31, 2024. The Segment Adjusted Operating margin decrease was primarily due to unfavorable mix, the nonrecurrence of a supplier settlement and impacts of recent tariff changes.

The **Aftermarket** segment's Segment Adjusted Operating margin was 16.1% for the three months ended March 31, 2025, compared to 17.9% for the three months ended March 31, 2024. The Segment Adjusted Operating margin decreased primarily due to unfavorable mix and impacts of recent tariff changes on the segment's OEM sales.

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Company maintains various liquidity sources, including cash and cash equivalents and the unused portion of its \$500 million revolving credit facility maturing in July 2028 (the Revolving Facility). As of March 31, 2025, the Company had liquidity of \$872 million, comprised of cash and cash equivalent balances of \$373 million and availability on the Revolving Facility of \$499 million. Given the Company's strong liquidity position, management believes that it will have sufficient liquidity and will maintain compliance with all covenants through at least the next 12 months.

At March 31, 2025 and December 31, 2024, the Company had \$373 million and \$484 million of cash and cash equivalents, respectively, of which \$298 million and \$409 million, respectively, was held by our subsidiaries outside of the United States. We believe our existing cash and cash flows generated from operations and indebtedness incurred in conjunction with the Spin-Off discussed below will be responsive to the needs of our current and planned operations for at least the next 12 months and the foreseeable future thereafter.

We utilize certain arrangements with various financial institutions to sell eligible trade receivables from certain customers in North America and Europe. We may terminate any or all of these arrangements at

any time subject to prior written notice. While we do not depend on these arrangements for our liquidity, if we elected to terminate these arrangements, there would be a one-time unfavorable timing impact on the collection of any outstanding receivables.

Cash Flows

Operating Activities

Net cash provided by operating activities was \$40 million and \$31 million in the three months ended March 31, 2025 and 2024, respectively. The increase in cash from operating activities for the three months ended March 31, 2025 compared with the three months ended March 31, 2024 was primarily due to lower interest payments and the nonrecurrence of separation-related impacts on accounts receivable, partially offset by lower net earnings adjusted for non-cash charges.

Investing Activities

Net cash used in investing activities was \$35 million and \$42 million in the three months ended March 31, 2025 and 2024, respectively, primarily related to capital expenditures. As a percentage of sales, capital expenditures were 4.4% and 5.0% for the three months ended March 31, 2025 and 2024, respectively.

Financing Activities

Net cash used in financing activities was \$117 million and \$41 million in the three months ended March 31, 2025 and 2024, respectively, primarily related to the increase of stock repurchases.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies and estimates disclosures appear in “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Policies And Estimates,” in the Company’s Form 10-K filed on February 13, 2025. There were no material changes to this information during the quarter ended March 31, 2025.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Quantitative and qualitative disclosures about market risk appear in “Item 7A - Quantitative and Qualitative Disclosures About Market Risk” and “Item 1A - Risk Factors” in the Company’s Form 10-K filed on February 13, 2025. Excluding the information discussed below, there were no material changes to this information during the quarter ended March 31, 2025.

Currency Exchange Rate Risk

Currency exchange rate risk refers to the possibility that the Company may incur economic losses due to adverse changes in currency exchange rates. The Company operates globally and transacts in multiple currencies in addition to its reporting currency, the U.S. dollar. Although the Company generally uses the national or regional currency as the functional currency of its local entities, the Company has a significant amount of transactions in non-functional currency denominations including U.S. Dollar, Euro, Chinese Renminbi, Great British Pound and Mexico Peso. Foreign currency exposures are reviewed periodically, and any natural offsets are considered prior to entering into a derivative financial instrument. The Company mitigates its currency exchange rate risk by establishing local production facilities and related supply chain participants in the markets it serves, by invoicing customers in the same currency as the source of the products and by funding some of its investments in foreign markets through local currency loans.

In addition, the Company executed an intercompany loan designated as a net investment hedge to mitigate specific exchange rate translation risk. As of March 31, 2025 and December 31, 2024, the

Company deferred a pre-tax loss of \$10 million and \$11 million, respectively, for the designated net investment hedge within the cumulative translation account within accumulated other comprehensive income, a component of total shareholders' equity.

Currency translation adjustments, including the impact of the net investment hedges discussed above, during the three months ended March 31, 2025 and 2024, are shown in the following tables, which provide the percentage change in U.S. Dollars against the respective currencies and the approximate impacts of these changes recorded within other comprehensive income (loss) for the respective periods.

<u>(in millions, except for percentages)</u>	March 31, 2025		
Euro	5 %	\$	26
Brazilian Real	8 %	\$	12
British Pound	3 %	\$	10
Chinese Renminbi	1 %	\$	3

<u>(in millions, except for percentages)</u>	March 31, 2024		
Euro	(2)%	\$	(5)
Brazilian Real	(3)%	\$	(6)
British Pound	(1)%	\$	(1)
Chinese Renminbi	(2)%	\$	(7)

For additional information regarding the level of business outside the United States, which is subject to foreign currency exchange rate market risk, refer to Note 19, "Reportable Segments and Related Information," to the Condensed Consolidated Financial Statements in Item 1 of this Form 10-Q.

Item 4. Controls and Procedures

The Company maintains disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed by the Company in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosures. Under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, the Company has evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that these controls and procedures are effective.

There have been no changes in internal control over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of its business, the Company is involved in a number of lawsuits and claims, both actual and potential. Proceedings that were previously disclosed may no longer be reported because, as a result of rulings in the case, settlements, changes in our business, or other developments, in our judgment, they are no longer material to the Company's business, financial position or results of operations. Refer to Note 17, "Contingencies," to the Condensed Consolidated Financial Statements of this Form 10-Q for additional information.

SEC regulations require disclosure of certain environmental matters when a governmental authority is a party to the proceedings and such proceedings involve potential monetary sanctions that the Company reasonably believes will exceed a specified threshold. Pursuant to these regulations, the Company uses a threshold of \$1 million for purposes of determining whether disclosure of any such proceedings is required.

Item 1A. Risk Factors

We face a number of risks and uncertainties that could materially and adversely affect our business, financial condition or results of operations. A discussion of our risk factors can be found in Part I, Item 1A. Risk Factors in the Company's Form 10-K filed on February 13, 2025. Readers should not interpret the disclosure of any risk factor to imply that the risk has not already materialized. During the three months ended March 31, 2025, there were no material changes to our previously disclosed risk factors.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities

In August 2024, the Company's Board of Directors increased the capacity under our previously announced share repurchase program by \$250 million. On February 12, 2025, an additional \$200 million of capacity was approved, for a total share repurchase program of \$600 million. As of March 31, 2025, the Company had repurchased \$336 million of common stock under its repurchase program, excluding the impact of Federal excise tax. Under the repurchase program, shares may be repurchased in open market transactions, privately negotiated transactions, or pursuant to one or more accelerated stock repurchase programs or Rule 10b5-1 plans in compliance with SEC requirements. The exact amount and timing of any purchases will depend on a number of factors, including trading price, trading volume, and general market conditions. The repurchase program has no expiration date and may be suspended, discontinued, or resumed at any time. Repurchased shares will be deemed common stock held in treasury and may subsequently be reissued.

Employee transactions include shares of the Company's common stock withheld by the Company in connection with employees' payment of taxes associated with the vesting of their restricted stock awards granted under the PHINIA Inc. 2023 Stock Incentive Plan.

The following table provides information about the Company's purchases of its equity securities that are registered pursuant to Section 12 of the Exchange Act during the quarter ended March 31, 2025:

Issuer Purchases of Equity Securities

Period	Total number of shares purchased	Average price per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under plans or programs (in millions)
January 1, 2025 - January 31, 2025				
Common Stock Repurchase Program	830,324	\$ 49.39	830,324	\$ 323
February 1, 2025 - February 28, 2025				
Common Stock Repurchase Program	525,601	\$ 51.37	525,601	\$ 296
Employee transactions	115,012	\$ 50.82		
March 1, 2025 - March 31, 2025				
Common Stock Repurchase Program	733,394	\$ 43.61	733,394	\$ 264
Employee transactions	860	\$ 42.88		

Item 5. Other Information

Trading Arrangements

During the three months ended March 31, 2025, none of the individuals serving as the Company's directors or "officers," as defined in Rule 16a-1(f) of the Exchange Act, at that time adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" or a "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

10.1	<u>Form of Performance Stock Unit Award Agreement for U.S. Employees under the PHINIA Inc. 2023 Stock Incentive Plan.*+</u>
10.2	<u>Form of Performance Stock Unit Award Agreement for Non-U.S. Employees under the PHINIA Inc. 2023 Stock Incentive Plan.* +</u>
10.3	<u>Form of Stock Unit Award Agreement for Non-U.S. Employees under the PHINIA Inc. 2023 Stock Incentive Plan.* +</u>
10.4	<u>Form of Deferred Cash Award Agreement for Employees (China).* +</u>
31.1	<u>Rule 13a-(14a)/15d-(14a) Certification of Chief Executive Officer.*</u>
31.2	<u>Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer.*</u>
32	<u>Section 1350 Certification of Chief Executive Officer and Chief Financial Officer.**</u>
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.*
101.SCH	Inline XBRL Taxonomy Extension Schema Document.*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.*
104.1	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).*

* Filed herewith.

** Furnished herewith.

+ Indicates management contract or compensatory plan or arrangement.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PHINIA Inc.

By: /s/ Samantha M. Pombier
(Signature)

Samantha M. Pombier
Vice President and Controller (Principal Accounting
Officer and Duly Authorized Officer)

Date: April 25, 2025

**PHINIA INC.
2023 STOCK INCENTIVE PLAN**

Performance Stock Unit Award Agreement – U.S. Employees

PHINIA Inc., a Delaware corporation (the “Company”), hereby awards to the employee indicated below (the “Employee”) a Performance Stock Unit Award (the “Award”) under the PHINIA Inc. 2023 Stock Incentive Plan (the “Plan”), as specified below, effective as of the Grant Date, according to the terms and conditions of this Performance Stock Unit Award Agreement (this “Agreement”) and the Plan. All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein. The parties hereto agree as follows:

Grant Information:

Employee Name: [Participant Name]

Grant Date: [Grant Date]

Target Number of Performance Stock Units: [Number of Awards Granted]

Performance Period: January 1, 2025 – December 31, 2027

Potential Payout %: 0% - 200% of the Target Number of Performance Stock Units

Terms and Conditions:

1. Vesting of Performance Stock Units. Subject to the terms and conditions of this Agreement, the Plan and the Statement of Performance Goals approved by the Committee and provided to the Employee with respect to this Award (the “Statement of Performance Goals”), the Performance Stock Units shall become earned (“Earned Performance Stock Units”) to the extent that the Performance Goals for the Performance Stock Units are achieved, as set forth or contemplated in the Statement of Performance Goals, provided that, except as otherwise provided in this Agreement, the Employee remains continuously employed by or in the service of the Company or an Affiliate through the last day of the Performance Period. Earned Performance Stock Units will be determined in accordance with the Statement of Performance Goals on the date on which the Committee determines the level of attainment for the Performance Goals (the “Determination Date”). Provided that the Employee remains continuously employed by or in the service of the Company or an Affiliate through the last day of the Performance Period, the total Earned Performance Stock Units will vest on the Determination Date.

Notwithstanding the foregoing, if the number of Earned Performance Stock Units results in a fractional number, then the number of Earned Performance Stock Units shall be rounded down to the nearest whole number.

2. Tracking and Settlement of Award.
-

- (a) Bookkeeping Account. On the Grant Date, the Company shall credit the Employee's Performance Stock Units to a Performance Stock Unit account established and maintained for the Employee on the books of the Company. The account shall constitute the record of the Performance Stock Units awarded to the Employee under this Agreement, is solely for accounting purposes, and shall not require a segregation of any Company assets.
- (b) Issuance of Shares or Cash Payment. The Company shall deliver Shares to the Employee in settlement of the Performance Stock Units awarded by this Agreement equal to the number of the Employee's Earned Performance Stock Units (including any additional Performance Stock Units acquired as a result of dividend equivalents that have vested). Such delivery of Shares with respect to such Performance Stock Units (and related dividend equivalents) shall be made to the Employee upon (or within 30 days after) the earliest to occur of the following events, to the extent the Performance Stock Units are not then subject to a "substantial risk of forfeiture" for purposes of Section 409A of the Code: (i) March 15, 2027; (ii) a Change in Control that qualifies as a change in the ownership or effective control of the Company or a change in the ownership or substantial portion of the assets of the Company (each as defined in Section 409A of the Code) (a "409A Change in Control"); and (iii) the Employee's "separation from service" (within the meaning of Section 409A of the Code) that occurs within two years after a 409A Change in Control.

The payment timing set forth above in this Section 2(b) shall apply in all instances, notwithstanding Section 16 of the Plan or the provisions of any individual employment, severance or change in control agreement to which the Employee is a party.

- 3. Termination of Employment. Except as otherwise provided in this Section 3 or Section 4 or as otherwise determined by the Committee in its sole discretion, the Employee shall forfeit the Performance Stock Units that are unvested as of the effective date of the Employee's Termination of Employment. For purposes of this Agreement (including for purposes of the Retirement definition), "Termination of Employment" shall mean the termination of the Employee's employment by and service to the Company and its Affiliates. Notwithstanding the foregoing, except as otherwise determined by the Committee, in its sole discretion, at the time of the Employee's Termination of Employment, Sections 3(a)-(b) below shall apply, to the extent applicable.
 - (a) Death, Disability, Retirement or Involuntary Termination without Cause. If the Employee experiences a Termination of Employment prior to the end of the Performance Period due to the Employee's death, Disability, Retirement or involuntary termination without Cause, in each case that occurs on or after the first anniversary of the Grant Date and is not related to a Termination of Employment for Cause, the Employee shall remain eligible to vest in a pro rata portion of the Performance Stock Units that the Employee would have otherwise earned (determined at the end of the Performance Period and based on actual results) had the Employee not experienced such Termination of Employment. Such pro rata portion shall be calculated as follows, rounded down to the nearest whole number: (i) the actual number of Performance Stock Units that the

Employee would have earned absent the Employee's Termination of Employment, calculated in accordance with the Statement of Performance Goals, multiplied by (ii) a fraction, the numerator of which is the number of whole months during which the Employee was employed during the Performance Period, and the denominator of which is 36.

- (b) Effective Date of Termination of Employment. For purposes of this Agreement, any Termination of Employment shall be effective as of the earlier of (1) the date that the Company receives the Employee's notice of resignation of employment (except in the case of advance written notice of Retirement, in which case the date for purposes of this clause (1) shall be the Retirement date provided in the notice), or (2) the date that the Employee ceases to be employed or provide services. In connection with the foregoing, the applicable termination date shall not be extended by any notice period mandated under local law (e.g., "garden leave" or similar period pursuant to local law).
4. Change in Control. In the event of a Change in Control, this Award shall be treated in accordance with Section 16 of the Plan or as set forth in the Employee's Change of Control Employment Agreement (if applicable); provided, however, that for purposes of Section 16.1(a)(5) of the Plan, the Employee will be considered to have terminated the Employee's employment or service for "good reason" if the Employee's termination either (a) meets the requirements set forth in Exhibit A attached to this Agreement or (b) constitutes a "good reason" termination under the Employee's employment, retention, change in control, severance or similar agreement with the successor, purchaser, the Company, or any affiliate thereof, if any; and provided further that this Award shall in all events be paid at the time set forth in Section 2(b) notwithstanding any payment timing provisions in the Plan or such Change of Control Employment Agreement (if applicable).
5. Stockholder Rights; Dividend Equivalents.
- (a) No Stockholder Rights. Prior to the actual delivery of Shares to the Employee in settlement of the Performance Stock Units awarded and vested hereunder (if any), the Employee shall have no rights as a stockholder with respect to the Performance Stock Units or any underlying Shares, including but not limited to voting or dividend rights.
 - (b) Dividend Equivalents. If the Company pays any cash dividend in respect of Shares after the Grant Date and before the Performance Stock Units are settled in accordance with Section 2(b) of this Agreement, the Employee's Performance Stock Unit account shall be credited with an additional number of Performance Stock Units determined by multiplying (i) the number of Performance Stock Units that are unvested as of the dividend record date by (ii) the cash dividend paid on each Share, dividing the result of such multiplication by (iii) the Fair Market Value of a Share on the dividend payment date, and (iv) rounding the result to the nearest whole number. Credits shall be made effective as of the date of the cash dividend in respect of Shares. Dividend equivalents credited to the Employee's account shall be subject to the same restrictions and Performance Goals as the Performance Stock Units in respect of which the dividends were credited,

including, without limitation, the vesting conditions and distribution provisions contained herein and the terms set forth in the Statement of Performance Goals.

6. Withholding. Regardless of any action the Company and/or the affiliate that employs the Employee (the “Employer”) take with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by the Employee is and remains the Employee’s responsibility, and the Company and the Employer: (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Stock Units, including the grant of the Performance Stock Units, the vesting of the Performance Stock Units, the subsequent sale of any Shares delivered in settlement of the Performance Stock Units and the receipt of any dividends or dividend equivalents; and (ii) do not commit to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Employee’s liability for Tax-Related Items.

To the extent that the Company is required to withhold any Tax-Related Items in connection with the vesting or settlement of the Performance Stock Units, or any other payment or vesting event under this Agreement, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of such payment or the realization of such benefit that the Employee make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld. If the Employee’s benefit is to be received in the form of Shares, then the Company will withhold a number of Shares having a value equal to the amount required to be withheld. The Shares used for tax or other withholding will be valued at an amount equal to the fair market value of such Shares on the date the benefit is to be included in the Employee’s income. The market value of the Shares to be withheld pursuant to this Section 6 to satisfy applicable withholding taxes or other amounts will equal the minimum amount of taxes required to be withheld.

If the Employee is subject to taxation in more than one jurisdiction, the Employee acknowledges that the Company, the Employer or another subsidiary or Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction. By accepting this grant of Performance Stock Units, the Employee expressly consents to the withholding of Shares as provided for hereunder. All other Tax-Related Items related to the Performance Stock Units and any Shares delivered in settlement thereof are the Employee’s sole responsibility.

7. Acquisition of Shares for Investment Purposes Only. By accepting this Award, the Employee hereby agrees with the Company as follows:
- (a) The Employee is acquiring the Shares covered by this Award for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the “1933 Act”), and shall not dispose of any of such Shares in transactions which, in the opinion of counsel to the Company, violate the 1933 Act, or the rules and regulations thereunder, or any applicable state securities or “blue sky” laws;

- (b) If any of the Shares covered by this Award shall be registered under the 1933 Act, no public offering (otherwise than on a national securities exchange, as defined in the Exchange Act) of any such Shares shall be made by the Employee (or any other person) under such circumstances that he or she (or any other such person) may be deemed an underwriter, as defined in the 1933 Act; and
 - (c) The Company shall have the authority to include stop-transfer orders, legends or other restrictions relating to the Shares covered by this Award referring to the foregoing.
8. Clawback; Recoupment. The Employee acknowledges and agrees that the terms and conditions set forth in the PHINIA Inc. Compensation Recovery Policy (as amended and restated from time to time, the “Clawback Policy”) are incorporated in this Agreement by reference. To the extent the Clawback Policy is applicable to the Employee, it may create additional rights for the Company with respect to the Employee’s Performance Stock Units and other applicable compensation, including, without limitation, annual cash incentive compensation awards granted to the Employee by the Company. Notwithstanding any provisions in this Agreement to the contrary, any equity compensation awards granted under the Plan and such other applicable compensation, including, without limitation, annual cash incentive compensation, will be subject to potential mandatory cancellation, forfeiture and/or repayment by the Employee to the Company to the extent the Employee is, or in the future becomes, subject to (a) any Company clawback or recoupment policy, including the Clawback Policy, and any other policies that are adopted by the Company, whether to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to awards and the recovery of amounts relating thereto. By accepting this Award under the Plan and pursuant to this Agreement, the Employee consents to be bound by the terms of the Clawback Policy, if applicable, and agrees and acknowledges that the Employee is obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup this Award, any gains or earnings related to this Award, or any other applicable compensation, including, without limitation, annual cash incentive compensation, that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from the Employee of any such amounts, including from the Employee’s accounts or from any other compensation, to the extent permissible under Section 409A of the Code.

9. Miscellaneous.

- (a) Non-transferability. Neither the Performance Stock Units nor this Award may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution or as otherwise permitted by the Company or the Plan, and neither the Performance Stock Units nor this Award shall be subject to execution, attachment or similar process. In addition, by accepting this Award, the Employee agrees not to sell any Shares acquired under this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale.
- (b) Notices. Any written notice required or permitted under this Agreement shall be deemed given when delivered personally, as appropriate, either to the Employee or to the Executive Compensation Department of the Company, or when deposited in a United States Post Office as registered mail, postage prepaid, addressed, as appropriate, either to the Employee at Employee's address in the Company's records or such other address as Employee may designate in writing to the Company, or to the Attention: Executive Compensation, PHINIA Inc., at its corporate headquarters or such other address as the Company may designate in writing to the Employee. Notice also may be given under this Agreement to the Employee by the Company by electronic means, including e-mail or through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
- (c) Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.
- (d) Governing Law. The Plan and this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without taking into account its conflict of laws provisions.
- (e) Provisions of the Plan and other Agreements. This Award is granted pursuant to the Plan, and this Award and this Agreement are in all respects governed by the Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this Agreement solely by reference, expressly cited herein or otherwise. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate with respect to the administration of the Plan and this Agreement, all of which shall be binding upon the Employee. To the extent applicable, this Award is also subject to all of the applicable terms and provisions set forth in the Employee's Change of Control Employment Agreement, except as explicitly superseded by this Agreement. If there is any conflict between the terms of this Agreement and the terms of the Plan, other than with respect to any provisions relating to Termination of Employment or Change in Control, the Plan's terms shall supersede and replace the conflicting terms of this Agreement to the minimum extent necessary to resolve the conflict. Notwithstanding any terms of

the Plan to the contrary, the termination provisions of Section 3 and the change in control provisions of Section 4 of this Agreement control. If there is any conflict between the terms of this Agreement and the terms of the Change of Control Employment Agreement, the terms of the Change of Control Employment Agreement shall apply, except with respect to any provisions of this Agreement regarding payment timing which shall, in all events, control.

- (f) Section 16 Compliance. To the extent necessary to comply with, or to avoid disgorgement of profits under the short-swing profit rules of, Section 16 of the Exchange Act, the Employee shall not sell or otherwise dispose of any Shares issued in settlement of the Performance Stock Units.
- (g) Code Section 409A. For purposes of clarity and notwithstanding anything to the contrary set forth in the Plan, to the extent applicable, this Award is intended to comply with Section 409A of the Code and the regulations thereunder and shall be administered and interpreted in a manner consistent with such intent. If the Employee is a “specified employee” within the meaning of Section 409A of the Code at the time of the Employee’s separation from service, then, to the extent required by Section 409A of the Code, any payment made to the Employee as a result of such separation from service shall be delayed until the first day of the seventh month following the month in which such separation from service occurs, or, if earlier, the date of the Employee’s death.
- (h) No Right to Continued Employment. Nothing contained in the Plan or this Agreement shall confer upon the Employee any right to continued employment nor shall it interfere in any way with the right of the Company and/or the Employer to terminate the employment of the Employee at any time.
- (i) Discretionary Nature of Plan; No Right to Additional Awards. The Employee acknowledges and agrees that the Plan is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time. The grant of this Award under the Plan is a one-time benefit and does not create any contractual or other right to receive an additional award under the Plan or benefits in lieu of an additional award under the Plan. Future awards, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of an award, the number of Shares subject to an award, and the vesting provisions of an award.
- (j) Termination Indemnities. The value of this Award is an extraordinary item of compensation outside the scope of the Employee’s employment contract, if any. As such, this Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments.
- (k) Acceptance of Award. By accepting this Award, the Employee agrees and is deemed to accept all the terms and conditions of this Award, as set forth in this Agreement and in the Plan.

- (l) Binding Effect. Subject to the limitations stated above, this Agreement shall be binding upon and inure to the benefit of the parties' respective heirs, legal representatives, successors, and assigns.
- (l) Amendment of this Agreement. Except as otherwise provided in the Plan, the Company and the Employee may amend this Agreement only by a written instrument signed by both parties.
- (m) Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute but one agreement.
- (n) Entire Agreement; Headings. This Agreement is the entire agreement between the parties hereto, and all prior oral and written representations are merged into this Agreement. The headings in this Agreement are inserted for convenience and identification only and are not intended to describe, interpret, define or limit the scope, extent, or intent of this Agreement or any provision hereof.
- (o) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to this Award by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

* * * * *

IN WITNESS WHEREOF, PHINIA INC. and the Employee have executed this Agreement to be effective as of the date first written above.

PHINIA INC.

By: Brady D. Ericson

Title: Chief Executive Officer

I acknowledge receipt of a copy of the Plan (either as an attachment hereto or that has been previously received by me) and that I have carefully read this Agreement, the Plan and the Statement of Performance Goals. I agree to be bound by all of the provisions set forth in this Agreement, the Plan and the Statement of Performance Goals.

[Acceptance Date]__ [Participant Name]__
Date Employee

Exhibit A
To Performance Stock Unit Award Agreement

Definition of "Good Reason"

For purposes of Section 4 of the Agreement, the Employee will be treated as having terminated the Employee's employment for "good reason" if, after a Change in Control, the Employee terminates employment after any of the following events occurs:

- a) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, office, title and reporting requirements), authority, duties or responsibilities as of the date of the Change in Control or any higher position, authority, duties or responsibilities assigned to the Employee after the date of the Change in Control, or any other diminution in the Employee's position, authority, duties or responsibilities (whether or not occurring solely as a result of the Company's ceasing to be a publicly traded entity), excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company and/or the Employer within 30 days after receipt of notice thereof given by the Employee; or
- b) any failure by the Company and/or the Employer to:
 - 1. pay the Employee an annual base salary at least equal to twelve times the highest monthly base salary paid or payable, including any monthly base salary which has been earned but deferred, to the Employee by the Company and/or the Employer in respect of the twelve-month period immediately preceding the month in which the Change in Control occurs; or
 - 2. provide the Employee, for each fiscal year ending prior to the second anniversary of the effective date of the Change in Control, an annual bonus opportunity at least equal to the bonus opportunity in effect for the Employee under the Company's Management Incentive Bonus Plan, or any comparable annual bonus under any predecessor or successor plan, immediately prior to the Change in Control,

in either case, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company and/or the Employer within 30 days after receipt of notice thereof given by the Employee; or

- c) the Company and/or the Employer requiring the Employee, without the Employee's consent, to:
 - 1. be based at any office or location that is more than 35 miles from the location where the Employee was employed immediately preceding the date of the Change in Control; or
 - 2. travel on Company business to a substantially greater extent than required immediately prior to the date of the Change in Control.

For purposes of this Exhibit A, any good faith determination of "good reason" made by the Employee shall be conclusive.

STATEMENT OF PERFORMANCE GOALS
FOR PERFORMANCE STOCK UNITS

This Statement of Performance Goals applies to the Performance Stock Units granted to the Employee on the Grant Date and applies with respect to the Performance Stock Unit Award Agreement between the Company and the Employee (the "Agreement"). Capitalized terms used in this Statement of Performance Goals that are not specifically defined in this Statement of Performance Goals have the meanings assigned to them in the Agreement.

Performance Goal

The Performance Goal for this Award of Performance Stock Units shall be Relative Total Stockholder Return or RTSR (as defined below). The maximum Shares that may be earned upon achievement of the Performance Goal is 200% of the Target Number of Performance Stock Units.

Definitions

For purposes of the Award, the following terms shall have the following meanings:

"Beginning Stock Price" with respect to any company means the average Split Adjusted closing price per share of such company's common stock as reported on the principal stock exchange on which the common stock is then traded during the month of December immediately prior to the first day of the Performance Period.

"Company Rank" means the number the Company ranks with respect to its Total Stockholder Return when compared to the entities in the Peer Group and shall be determined by listing, from highest Total Stockholder Return to lowest Total Stockholder Return, each entity in the Peer Group plus the Company and counting up (beginning with one) from the entity with the lowest Total Stockholder Return.

"Compensation Peer Group" means the following entities: Allison Transmission Holdings, Inc., American Axle & Manufacturing Holdings, Inc., Atmus Filtration Technologies Inc., Autoliv, Inc., Dana Incorporated, Donaldson Company, Inc., Dorman Products, Inc., Federal Signal Corporation, Fox Factory Holding Corp., Garrett Motion Inc., Gentex Corporation, LCI Industries, Modine Manufacturing Company, Oshkosh Corporation, Sensata Technologies Holding plc, Standard Motor Products, Inc., The Timken Company, and Visteon Corporation.

"Ending Stock Price" with respect to any company means the average Split Adjusted closing price per share of such company's common stock as reported on the principal stock exchange on which the common stock is then traded during the month of December immediately prior to the end of the Performance Period.

"Peer Group" means the entities in the Compensation Peer Group, other than such entities that do not remain in the Peer Group as of the end of the Performance Period after application of the Peer Group Adjustment Protocol.

"Peer Group Adjustment Protocol" means, unless otherwise determined by the Committee: (i) if an entity in the Compensation Peer Group files for bankruptcy and/or liquidation, is operating under

bankruptcy protection, or is delisted from its primary stock exchange because it fails to meet the exchange listing requirements, then such entity will remain in the Peer Group, but RTSR for the Performance Period will be calculated as if such entity achieved Total Stockholder Return placing it at the bottom (chronologically, if more than one such entity) of the Peer Group; and (ii) if, by the last day of the Performance Period, an entity in the Compensation Peer Group has been acquired and/or is no longer existing as a public company that is traded on its primary stock exchange (other than for the reasons as described in subsection (i) above), then such entity will not remain in the Peer Group and RTSR for the Performance Period will be calculated as if such entity had never been a member of the Peer Group.

“Relative Total Stockholder Return” or “RTSR” means the quotient of (i) Company Rank minus 1, divided by (ii) the total number of entities in the Peer Group.

“Split Adjusted” means that closing prices per share will be adjusted for corporate actions including ordinary dividends, special dividends, stock dividends and stock splits.

“Total Stockholder Return” with respect to a company means, with respect to each of the Shares and the common stock of each of the members of the Peer Group, a rate of return reflecting stock price appreciation, plus dividends, from the beginning of the Performance Period through the end of the Performance Period. In general, Total Stockholder Return shall be determined for each of the Company and each Peer Group entity as a percentage (rounded to the nearest two decimal places) based on the quotient of (i) the difference between the Ending Stock Price and the Beginning Stock Price, divided by (ii) the Beginning Stock Price.

Performance Goals

From 0% to 200% of the Performance Stock Units will be earned based on achievement of the Performance Goal during the Performance Period as follows:

Performance Level	RTSR	Payout Scale (Performance Stock Units Earned as a % of Target)
Below Threshold	Ranked at below 25 th percentile	0%
Threshold	Ranked at 25 th percentile	50%
Target	Ranked at 50 th percentile	100%
Maximum	Ranked at or above 75 th percentile	200%

Linear interpolation will be used between each of the levels shown on the table above. No Performance Stock Units will be earned if performance is below the “Threshold” level. No more than 200% of the Target Number of Performance Stock Units may be earned regardless of performance in excess of the “Maximum” level.

To determine the number of Earned Performance Stock Units, the actual “Performance Stock Units Earned as a % of Target” payout percentage will be multiplied by the Employee’s Target Number of Performance Stock Units.

Notwithstanding the foregoing, if the Company's Total Stockholder Return is negative, the number of Earned Performance Stock Units shall be capped at 100% of the Target Number of Performance Stock Units.

Determination of Earned Performance Stock Units

Except as otherwise provided in the Agreement and Plan, following the end of the Performance Period (and in any event within the calendar year following the calendar year in which the Performance Period ends), the Committee shall determine and certify to what extent the Performance Goal is satisfied and will determine the number of Earned Performance Stock Units for the Employee.

PHINIA INC.
2023 STOCK INCENTIVE PLAN

Performance Stock Unit Award Agreement – Non-U.S. Employees

PHINIA Inc., a Delaware corporation (the “Company”), hereby awards to the employee indicated below (the “Employee”) a Performance Stock Unit Award (the “Award”) under the PHINIA Inc. 2023 Stock Incentive Plan (the “Plan”), as specified below, effective as of the Grant Date, according to the terms and conditions of this Performance Stock Unit Award Agreement (this “Agreement”) and the Plan. All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein. The parties hereto agree as follows:

Grant Information:

Employee Name: [Participant Name]

Grant Date: [Grant Date]

Target Number of Performance Stock Units: [Number of Awards Granted]

Performance Period: January 1, 2025 – December 31, 2027

Potential Payout %: 0% - 200% of the Target Number of Performance Stock Units

Terms and Conditions:

1. Vesting of Performance Stock Units. Subject to the terms and conditions of this Agreement, the Plan and the Statement of Performance Goals approved by the Committee and provided to the Employee with respect to this Award (the “Statement of Performance Goals”), the Performance Stock Units shall become earned (“Earned Performance Stock Units”) to the extent that the Performance Goals for the Performance Stock Units are achieved, as set forth or contemplated in the Statement of Performance Goals, provided that, except as otherwise provided in this Agreement, the Employee remains continuously employed by or in the service of the Company or an Affiliate through the last day of the Performance Period. Earned Performance Stock Units will be determined in accordance with the Statement of Performance Goals on the date on which the Committee determines the level of attainment for the Performance Goals (the “Determination Date”). Provided that the Employee remains continuously employed by or in the service of the Company or an Affiliate through the last day of the Performance Period, the total Earned Performance Stock Units will vest on the Determination Date.

Notwithstanding the foregoing, if the number of Earned Performance Stock Units results in a fractional number, then the number of Earned Performance Stock Units shall be rounded down to the nearest whole number.

2. Tracking and Settlement of Award.
-

- (a) Bookkeeping Account. On the Grant Date, the Company shall credit the Employee's Performance Stock Units to a Performance Stock Unit account established and maintained for the Employee on the books of the Company. The account shall constitute the record of the Performance Stock Units awarded to the Employee under this Agreement, is solely for accounting purposes, and shall not require a segregation of any Company assets.
- (b) Issuance of Shares or Cash Payment. The Company shall deliver Shares to the Employee in settlement of the Performance Stock Units awarded by this Agreement equal to the number of the Employee's Earned Performance Stock Units (including any additional Performance Stock Units acquired as a result of dividend equivalents that have vested). Such delivery of Shares with respect to such Performance Stock Units (and related dividend equivalents) shall be made to the Employee upon (or within 30 days after) the earliest to occur of the following events, to the extent the Performance Stock Units are not then subject to a "substantial risk of forfeiture" for purposes of Section 409A of the Code: (i) March 15, 2027; (ii) a Change in Control that qualifies as a change in the ownership or effective control of the Company or a change in the ownership or substantial portion of the assets of the Company (each as defined in Section 409A of the Code) (a "409A Change in Control"); and (iii) the Employee's "separation from service" (within the meaning of Section 409A of the Code) that occurs within two years after a 409A Change in Control.

The payment timing set forth above in this Section 2(b) shall apply in all instances, notwithstanding Section 16 of the Plan or the provisions of any individual employment, severance or change in control agreement to which the Employee is a party.

- 3. Termination of Employment. Except as otherwise provided in this Section 3 or Section 4 or as otherwise determined by the Committee in its sole discretion, the Employee shall forfeit the Performance Stock Units that are unvested as of the effective date of the Employee's Termination of Employment. For purposes of this Agreement (including for purposes of the Retirement definition), "Termination of Employment" shall mean the termination of the Employee's employment by and service to the Company and its Affiliates. Notwithstanding the foregoing, except as otherwise determined by the Committee, in its sole discretion, at the time of the Employee's Termination of Employment, Sections 3(a)-(b) below shall apply, to the extent applicable. In each case, Performance Stock Units that vest pursuant to this Section 3 shall be paid at the time provided for in Section 2(b).
 - (a) Death, Disability, Retirement or Involuntary Termination without Cause. If the Employee experiences a Termination of Employment prior to the end of the Performance Period due to the Employee's death, Disability, Retirement or involuntary termination without Cause, in each case that occurs on or after the first anniversary of the Grant Date and is not related to a Termination of Employment for Cause, the Employee shall remain eligible to vest in a pro rata portion of the Performance Stock Units that the Employee would have otherwise earned (determined at the end of the Performance Period and based on actual results) had the Employee not experienced such Termination of Employment. Such pro rata portion shall be calculated as follows, rounded down to the nearest

whole number: (i) the actual number of Performance Stock Units that the Employee would have earned absent the Employee's Termination of Employment, calculated in accordance with the Statement of Performance Goals, multiplied by (ii) a fraction, the numerator of which is the number of whole months during which the Employee was employed during the Performance Period, and the denominator of which is 36.

- (b) Effective Date of Termination of Employment. For purposes of this Agreement, any Termination of Employment shall be effective as of the earlier of (1) the date that the Company receives the Employee's notice of resignation of employment (except in the case of advance written notice of Retirement, in which case the date for purposes of this clause (1) shall be the Retirement date provided in the notice), or (2) the date that the Employee ceases to be employed or provide services. In connection with the foregoing, the applicable termination date shall not be extended by any notice period mandated under local law (e.g., "garden leave" or similar period pursuant to local law).
4. Change in Control. In the event of a Change in Control, this Award shall be treated in accordance with Section 16 of the Plan or as set forth in the Employee's Change of Control Employment Agreement (if applicable); provided, however, that for purposes of Section 16.1(a)(5) of the Plan, the Employee will be considered to have terminated the Employee's employment or service for "good reason" if the Employee's termination either (a) meets the requirements set forth in Exhibit A attached to this Agreement or (b) constitutes a "good reason" termination under the Employee's employment, retention, change in control, severance or similar agreement with the successor, purchaser, the Company, or any affiliate thereof, if any; and provided further that this Award shall in all events be paid at the time set forth in Section 2(b) notwithstanding any payment timing provisions in the Plan or such Change of Control Employment Agreement (if applicable).
5. Stockholder Rights; Dividend Equivalents.
- (a) No Stockholder Rights. Prior to the actual delivery of Shares to the Employee in settlement of the Performance Stock Units awarded and vested hereunder (if any), the Employee shall have no rights as a stockholder with respect to the Performance Stock Units or any underlying Shares, including but not limited to voting or dividend rights.
 - (b) Dividend Equivalents. If the Company pays any cash dividend in respect of Shares after the Grant Date and before the Performance Stock Units are settled in accordance with Section 2(b) of this Agreement, the Employee's Performance Stock Unit account shall be credited with an additional number of Performance Stock Units determined by multiplying (i) the number of Performance Stock Units that are unvested as of the dividend record date by (ii) the cash dividend paid on each Share, dividing the result of such multiplication by (iii) the Fair Market Value of a Share on the dividend payment date, and (iv) rounding the result to the nearest whole number. Credits shall be made effective as of the date of the cash dividend in respect of Shares. Dividend equivalents credited to the Employee's account shall be subject to the same restrictions and Performance Goals as the Performance Stock Units in respect of which the dividends were credited,

including, without limitation, the vesting conditions and distribution provisions contained herein and the terms set forth in the Statement of Performance Goals.

6. Withholding. Regardless of any action the Company and/or the affiliate that employs the Employee (the “Employer”) take with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by the Employee is and remains the Employee’s responsibility, and the Company and the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Stock Units, including the grant of the Performance Stock Units, the vesting of the Performance Stock Units, the subsequent sale of any Shares delivered in settlement of the Performance Stock Units and the receipt of any dividends or dividend equivalents; and (b) do not commit to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Employee’s liability for Tax-Related Items.

To the extent that the Company is required to withhold any Tax-Related Items in connection with the vesting or settlement of the Performance Stock Units, or any other payment or vesting event under this Agreement, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of such payment or the realization of such benefit that the Employee make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld. If the Employee’s benefit is to be received in the form of Shares, then the Company will withhold a number of Shares having a value equal to the amount required to be withheld. The Shares used for tax or other withholding will be valued at an amount equal to the fair market value of such Shares on the date the benefit is to be included in the Employee’s income. The market value of the Shares to be withheld pursuant to this Section 6 to satisfy applicable withholding taxes or other amounts will equal the minimum amount of taxes required to be withheld.

If the Employee is subject to taxation in more than one jurisdiction, the Employee acknowledges that the Company, the Employer or another subsidiary or Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction. By accepting this grant of Performance Stock Units, the Employee expressly consents to the withholding of Shares as provided for hereunder. All other Tax-Related Items related to the Performance Stock Units and any Shares delivered in settlement thereof are the Employee’s sole responsibility.

7. Acquisition of Shares for Investment Purposes Only. By accepting this Award, the Employee hereby agrees with the Company as follows:
- (a) The Employee is acquiring the Shares covered by this Award for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the “1933 Act”), and shall not dispose of any of such Shares in transactions which, in the opinion of counsel to the Company, violate the 1933 Act, or the rules and regulations thereunder, or any applicable state securities or “blue sky” laws;

- (b) If any of the Shares covered by this Award shall be registered under the 1933 Act, no public offering (otherwise than on a national securities exchange, as defined in the Exchange Act) of any such Shares shall be made by the Employee (or any other person) under such circumstances that he or she (or any other such person) may be deemed an underwriter, as defined in the 1933 Act; and
 - (c) The Company shall have the authority to include stop-transfer orders, legends or other restrictions relating to the Shares covered by this Award referring to the foregoing.
8. Clawback; Recoupment. The Employee acknowledges and agrees that the terms and conditions set forth in the PHINIA Inc. Compensation Recovery Policy (as amended and restated from time to time, the “Clawback Policy”) are incorporated in this Agreement by reference. To the extent the Clawback Policy is applicable to the Employee, it may create additional rights for the Company with respect to the Employee’s Performance Stock Units and other applicable compensation, including, without limitation, annual cash incentive compensation awards granted to the Employee by the Company. Notwithstanding any provisions in this Agreement to the contrary, any equity compensation awards granted under the Plan and such other applicable compensation, including, without limitation, annual cash incentive compensation, will be subject to potential mandatory cancellation, forfeiture and/or repayment by the Employee to the Company to the extent the Employee is, or in the future becomes, subject to (a) any Company clawback or recoupment policy, including the Clawback Policy, and any other policies that are adopted by the Company, whether to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to awards and the recovery of amounts relating thereto. By accepting this Award under the Plan and pursuant to this Agreement, the Employee consents to be bound by the terms of the Clawback Policy, if applicable, and agrees and acknowledges that the Employee is obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup this Award, any gains or earnings related to this Award, or any other applicable compensation, including, without limitation, annual cash incentive compensation, that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from the Employee of any such amounts, including from the Employee’s accounts or from any other compensation, to the extent permissible under Section 409A of the Code.

9. Miscellaneous.

- (a) Non-transferability. Neither the Performance Stock Units nor this Award may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution or as otherwise permitted by the Company or the Plan, and neither the Performance Stock Units nor this Award shall be subject to execution, attachment or similar process. In addition, by accepting this Award, the Employee agrees not to sell any Shares acquired under this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale.
- (b) Notices. Any written notice required or permitted under this Agreement shall be deemed given when delivered personally, as appropriate, either to the Employee or to the Executive Compensation Department of the Company, or when deposited in a United States Post Office as registered mail, postage prepaid, addressed, as appropriate, either to the Employee at Employee's address in the Company's records or such other address as Employee may designate in writing to the Company, or to the Attention: Executive Compensation, PHINIA Inc., at its corporate headquarters or such other address as the Company may designate in writing to the Employee. Notice also may be given under this Agreement to the Employee by the Company by electronic means, including e-mail or through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
- (c) Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.
- (d) Governing Law. The Plan and this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without taking into account its conflict of laws provisions.
- (e) Provisions of the Plan and Other Agreements. This Award is granted pursuant to the Plan, and this Award and this Agreement are in all respects governed by the Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this Agreement solely by reference, expressly cited herein or otherwise. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate with respect to the administration of the Plan and this Agreement, all of which shall be binding upon the Employee. To the extent applicable, this Award is also subject to all of the applicable terms and provisions set forth in the Employee's Change of Control Employment Agreement, except as explicitly superseded by this Agreement. If there is any conflict between the terms of this Agreement and the terms of the Plan, other than with respect to any provisions relating to Termination of Employment or Change in Control, the Plan's terms shall supersede and replace the conflicting terms of this Agreement to the minimum extent necessary to resolve the conflict. Notwithstanding any terms of

the Plan to the contrary, the termination provisions of Section 3 and the change in control provisions of Section 4 of this Agreement control. If there is any conflict between the terms of this Agreement and the terms of the Change of Control Employment Agreement, the terms of the Change of Control Employment Agreement shall apply, except with respect to any provisions of this Agreement regarding payment timing which shall, in all events, control.

- (f) Section 16 Compliance. To the extent necessary to comply with, or to avoid disgorgement of profits under the short-swing profit rules of, Section 16 of the Exchange Act, the Employee shall not sell or otherwise dispose of any Shares issued in settlement of the Performance Stock Units.
- (g) Code Section 409A. For purposes of clarity and notwithstanding anything to the contrary set forth in the Plan, to the extent applicable, this Award is intended to comply with Section 409A of the Code and the regulations thereunder and shall be administered and interpreted in a manner consistent with such intent. If the Employee is a “specified employee” within the meaning of Section 409A of the Code at the time of the Employee’s separation from service, then, to the extent required by Section 409A of the Code, any payment made to the Employee as a result of such separation from service shall be delayed until the first day of the seventh month following the month in which such separation from service occurs, or, if earlier, the date of the Employee’s death.
- (h) No Right to Continued Employment. Nothing contained in the Plan or this Agreement shall confer upon the Employee any right to continued employment nor shall it interfere in any way with the right of the Company and/or the Employer to terminate the employment of the Employee at any time.
- (i) Discretionary Nature of Plan; No Right to Additional Awards. The Employee acknowledges and agrees that the Plan is established voluntarily by the Company, is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time, unless otherwise provided in the Plan or this Agreement. The grant of this Award under the Plan is voluntary and occasional and does not create any contractual or other right to receive an additional award under the Plan or benefits in lieu of an additional award under the Plan, even if Awards have been granted repeatedly in the past. Future awards, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of an award, the number of Shares subject to an award, and the vesting provisions of an award. The Employee is voluntarily participating in the Plan, and the future value of the underlying Shares is unknown and cannot be predicted with certainty. Furthermore, in consideration of the grant of the Award, no claim or entitlement or damages shall arise from forfeiture or termination of the Award or diminution in value of the Award or the Shares resulting from the Employee’s termination of employment (for any reason whatsoever and whether or not in breach of local labor laws, except if and only as otherwise expressly provided for in the Non-U.S. Addendum (as defined below).

- (j) Termination Indemnities. The value of this Award is an extraordinary item of compensation outside the scope of the Employee's employment contract, if any. As such, this Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments.
- (k) Acceptance of Award. By accepting this Award, the Employee agrees and is deemed to accept all the terms and conditions of this Award, as set forth in this Agreement and in the Plan.
- (l) Binding Effect. Subject to the limitations stated above, this Agreement shall be binding upon and inure to the benefit of the parties' respective heirs, legal representatives, successors, and assigns.
- (l) Amendment of this Agreement. Except as otherwise provided in the Plan, the Company and the Employee may amend this Agreement only by a written instrument signed by both parties.
- (m) Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute but one agreement.
- (n) Entire Agreement; Headings. This Agreement is the entire agreement between the parties hereto, and all prior oral and written representations are merged into this Agreement. The headings in this Agreement are inserted for convenience and identification only and are not intended to describe, interpret, define or limit the scope, extent, or intent of this Agreement or any provision hereof.
- (o) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to this Award by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
- (p) Private Placement. The grant of the Performance Stock Units outside of the United States is not intended to be a public offering of securities in the Employee's country of residence (or country of employment, if different) but instead is intended to be a private placement. As a private placement, the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Performance Stock Units is not subject to the supervision of the local securities authorities.
- (q) Consent to Collection, Processing and Transfer of Personal Data. Pursuant to applicable personal data protection laws, the Company and the Employer hereby notify the Employee of the following in relation to the Employee's personal data and the collection, use, processing and transfer of such data in relation to the Company's grant of this Award and the Employee's participation in the Plan. The collection, use, processing and transfer of the Employee's personal data is

necessary for the Company's administration of the Plan and the Employee's participation in the Plan. The Employee's denial and/or objection to the collection, use, processing and transfer of personal data may affect the Employee's participation in the Plan. As such, the Employee voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

The Company and the Employer hold certain personal information about the Employee, including name, home address, email address and telephone number, date of birth, social security number, passport number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Performance Stock Units, or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Employee or collected, where lawful, from third parties, and the Company and the Employer each will process the Data for the exclusive purpose of implementing, administering and managing the Employee's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which the Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Employee's country of residence (and country of employment, if different). Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Employee's participation in the Plan.

The Company and the Employer each will transfer Data internally as necessary for the purpose of implementation, administration and management of the Employee's participation in the Plan, and the Company and the Employer each may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the United States or elsewhere, and the Employee understands that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Employee's country. The Employee hereby authorizes (where required under applicable law) them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Employee's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Employee's behalf by a broker or other third party with whom the Employee may elect to deposit any Shares acquired pursuant to the Plan.

The Employee understands that the Employee may request a list with the names and addresses of any potential recipients of the Data by contacting the Employee's local human resources representative. The Employee understands that Data will be held only as long as is necessary to implement, administer and

manage the Employee's participation in the Plan. The Employee understands that the Employee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Employee's local human resources representative. The Employee understands, however, that refusing or withdrawing the Employee's consent may affect the Employee's ability to participate in the Plan. For more information on the consequences of the Employee's refusal to consent or withdrawal of consent, the Employee understands that the Employee may contact the Employee's local human resources representative.

- (r) EU Age Discrimination. For purposes of this Agreement, if the Employee is a local national of and employed in a country that is a member of the European Union, the grant of the Performance Stock Units and the terms and conditions governing the Award are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent a court or tribunal of competent jurisdiction determines that any provision of this Award is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.
- (s) Repatriation; Compliance with Laws. The Employee agrees, as a condition of the grant of the Performance Stock Units, to repatriate all Shares and/or payments attributable to the Performance Stock Units and/or cash acquired under the Plan (including, but not limited to, dividends, dividend equivalents, and any proceeds derived from the sale of the Shares delivered in settlement of the Performance Stock Units) in accordance with all foreign exchange rules and regulations applicable to the Employee. In addition, the Employee also agrees to take any and all actions, and consents to any and all actions taken by the Company and its subsidiaries and Affiliates, as may be required to allow the Company and its subsidiaries and Affiliates to comply with all applicable laws, rules and regulations relating to the grant of the Award and the issuance of the Shares upon vesting. Finally, the Employee agrees to take any and all actions as may be required to comply with the Employee's personal legal and tax obligations under all applicable laws, rules and regulations.
- (t) English Language. The Employee acknowledges and agrees that it is the Employee's express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted with respect to the Performance Stock Units, be drawn up in English. If the Employee has received this Agreement, the Plan or any other documents related to the Performance Stock Units translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.
- (u) Additional Requirements. The Company reserves the right to impose other requirements on the Performance Stock Units, any Shares acquired pursuant to

the Performance Stock Units, and the Employee's participation in the Plan, to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Performance Stock Units and the Plan. Such requirements may include (but are not limited to) requiring the Employee to sign any agreements or undertakings that may be necessary to accomplish the foregoing.

- (v) Non-U.S. Addendum. Notwithstanding any provisions herein to the contrary, the Performance Stock Units shall be subject to any special terms and conditions for the Employee's country of residence (and country of employment, if different), as may be set forth in the addendum attached as Appendix A to this Agreement (the "Non-U.S. Addendum"). Further, if the Employee transfers the Employee's residence and/or employment to another country reflected in the Non-U.S. Addendum, the special terms and conditions for such country will apply to the Employee to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Performance Stock Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's transfer). In all circumstances, the Non-U.S. Addendum shall constitute part of this Agreement.

* * * * *

IN WITNESS WHEREOF, PHINIA INC. and the Employee have executed this Agreement to be effective as of the date first written above.

PHINIA INC.

By: Brady D. Ericson

Title: Chief Executive Officer

I acknowledge receipt of a copy of the Plan (either as an attachment hereto or that has been previously received by me) and that I have carefully read this Agreement, the Non-U.S. Addendum, the Plan and the Statement of Performance Goals. I agree to be bound by all of the provisions set forth in this Agreement, the Non-U.S. Addendum, the Plan and the Statement of Performance Goals.

[Acceptance Date] [Participant Name]
Date Employee

Exhibit A
To Performance Stock Unit Award Agreement

Definition of "Good Reason"

For purposes of Section 4 of the Agreement, the Employee will be treated as having terminated the Employee's employment for "good reason" if, after a Change in Control, the Employee terminates employment after any of the following events occurs:

- a) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, office, title and reporting requirements), authority, duties or responsibilities as of the date of the Change in Control or any higher position, authority, duties or responsibilities assigned to the Employee after the date of the Change in Control, or any other diminution in the Employee's position, authority, duties or responsibilities (whether or not occurring solely as a result of the Company's ceasing to be a publicly traded entity), excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company and/or the Employer within 30 days after receipt of notice thereof given by the Employee; or
- b) any failure by the Company and/or the Employer to:
 - 1. pay the Employee an annual base salary at least equal to twelve times the highest monthly base salary paid or payable, including any monthly base salary which has been earned but deferred, to the Employee by the Company and/or the Employer in respect of the twelve-month period immediately preceding the month in which the Change in Control occurs; or
 - 2. provide the Employee, for each fiscal year ending prior to the second anniversary of the effective date of the Change in Control, an annual bonus opportunity at least equal to the bonus opportunity in effect for the Employee under the Company's Management Incentive Bonus Plan, or any comparable annual bonus under any predecessor or successor plan, immediately prior to the Change in Control,in either case, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company and/or the Employer within 30 days after receipt of notice thereof given by the Employee; or
- c) the Company and/or the Employer requiring the Employee, without the Employee's consent, to:
 - 1. be based at any office or location that is more than 35 miles from the location where the Employee was employed immediately preceding the date of the Change in Control; or
 - 2. travel on Company business to a substantially greater extent than required immediately prior to the date of the Change in Control.

For purposes of this Exhibit A, any good faith determination of "good reason" made by the Employee shall be conclusive.

STATEMENT OF PERFORMANCE GOALS
FOR PERFORMANCE STOCK UNITS

This Statement of Performance Goals applies to the Performance Stock Units granted to the Employee on the Grant Date and applies with respect to the Performance Stock Unit Award Agreement between the Company and the Employee (the "Agreement"). Capitalized terms used in this Statement of Performance Goals that are not specifically defined in this Statement of Performance Goals have the meanings assigned to them in the Agreement.

Performance Goal

The Performance Goal for this Award of Performance Stock Units shall be Relative Total Stockholder Return or RTSR (as defined below). The maximum Shares that may be earned upon achievement of the Performance Goal is 200% of the Target Number of Performance Stock Units.

Definitions

For purposes of the Award, the following terms shall have the following meanings:

"Beginning Stock Price" with respect to any company means the average Split Adjusted closing price per share of such company's common stock as reported on the principal stock exchange on which the common stock is then traded during the month of December immediately prior to the first day of the Performance Period.

"Company Rank" means the number the Company ranks with respect to its Total Stockholder Return when compared to the entities in the Peer Group and shall be determined by listing, from highest Total Stockholder Return to lowest Total Stockholder Return, each entity in the Peer Group plus the Company and counting up (beginning with one) from the entity with the lowest Total Stockholder Return.

"Compensation Peer Group" means the following entities: Allison Transmission Holdings, Inc., American Axle & Manufacturing Holdings, Inc., Atmus Filtration Technologies Inc., Autoliv, Inc., Dana Incorporated, Donaldson Company, Inc., Dorman Products, Inc., Federal Signal Corporation, Fox Factory Holding Corp., Garrett Motion Inc., Gentex Corporation, LCI Industries, Modine Manufacturing Company, Oshkosh Corporation, Sensata Technologies Holding plc, Standard Motor Products, Inc., The Timken Company, and Visteon Corporation.

"Ending Stock Price" with respect to any company means the average Split Adjusted closing price per share of such company's common stock as reported on the principal stock exchange on which the common stock is then traded during the month of December immediately prior to the end of the Performance Period.

"Peer Group" means the entities in the Compensation Peer Group, other than such entities that do not remain in the Peer Group as of the end of the Performance Period after application of the Peer Group Adjustment Protocol.

"Peer Group Adjustment Protocol" means, unless otherwise determined by the Committee: (i) if an entity in the Compensation Peer Group files for bankruptcy and/or liquidation, is operating under

bankruptcy protection, or is delisted from its primary stock exchange because it fails to meet the exchange listing requirements, then such entity will remain in the Peer Group, but RTSR for the Performance Period will be calculated as if such entity achieved Total Stockholder Return placing it at the bottom (chronologically, if more than one such entity) of the Peer Group; and (ii) if, by the last day of the Performance Period, an entity in the Compensation Peer Group has been acquired and/or is no longer existing as a public company that is traded on its primary stock exchange (other than for the reasons as described in subsection (i) above), then such entity will not remain in the Peer Group and RTSR for the Performance Period will be calculated as if such entity had never been a member of the Peer Group.

“Relative Total Stockholder Return” or “RTSR” means the quotient of (i) Company Rank minus 1, divided by (ii) the total number of entities in the Peer Group.

“Split Adjusted” means that closing prices per share will be adjusted for corporate actions including ordinary dividends, special dividends, stock dividends and stock splits.

“Total Stockholder Return” with respect to a company means, with respect to each of the Shares and the common stock of each of the members of the Peer Group, a rate of return reflecting stock price appreciation, plus dividends, from the beginning of the Performance Period through the end of the Performance Period. In general, Total Stockholder Return shall be determined for each of the Company and each Peer Group entity as a percentage (rounded to the nearest two decimal places) based on the quotient of (i) the difference between the Ending Stock Price and the Beginning Stock Price, divided by (ii) the Beginning Stock Price.

Performance Goals

From 0% to 200% of the Performance Stock Units will be earned based on achievement of the Performance Goal during the Performance Period as follows:

Performance Level	RTSR	Payout Scale (Performance Stock Units Earned as a % of Target)
Below Threshold	Ranked at below 25 th percentile	0%
Threshold	Ranked at 25 th percentile	50%
Target	Ranked at 50 th percentile	100%
Maximum	Ranked at or above 75 th percentile	200%

Linear interpolation will be used between each of the levels shown on the table above. No Performance Stock Units will be earned if performance is below the “Threshold” level. No more than 200% of the Target Number of Performance Stock Units may be earned regardless of performance in excess of the “Maximum” level.

To determine the number of Earned Performance Stock Units, the actual “Performance Stock Units Earned as a % of Target” payout percentage will be multiplied by the Employee’s Target Number of Performance Stock Units.

Notwithstanding the foregoing, if the Company's Total Stockholder Return is negative, the number of Earned Performance Stock Units shall be capped at 100% of the Target Number of Performance Stock Units.

Determination of Earned Performance Stock Units

Except as otherwise provided in the Agreement and Plan, following the end of the Performance Period (and in any event within the calendar year following the calendar year in which the Performance Period ends), the Committee shall determine and certify to what extent the Performance Goal is satisfied and will determine the number of Earned Performance Stock Units for the Employee.

APPENDIX A

NON-U.S. ADDENDUM

Additional Terms and Conditions for Grant of Performance Stock Units Under the PHINIA Inc. 2023 Stock Incentive Plan

February 2025

Terms and Conditions

This Appendix A (this “Non-U.S. Addendum”) includes additional terms and conditions that govern the performance stock units (the “Performance Stock Units”) granted to you under the PHINIA Inc. 2023 Stock Incentive Plan (the “Plan”) if you reside in one of the countries listed below. Certain capitalized terms used but not defined in this Non-U.S. Addendum have the meanings set forth in the Plan and/or your award agreement that relates to the Performance Stock Units (the “Agreement”). By accepting the Performance Stock Units, you agree to be bound by the terms and conditions contained in the paragraphs below in addition to the terms of the Plan, the Agreement, and the terms of any other document that may apply to you or the Performance Stock Units.

Notifications

This Non-U.S. Addendum also includes information regarding exchange controls and certain other issues of which you should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of **February 2025**. Such laws are often complex and change frequently. As a result, it is strongly recommended that you not rely on the information in this Non-U.S. Addendum as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time the Performance Stock Units vest or you sell Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation, and PHINIA Inc. (the “Company”) is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, if you transferred employment after the Performance Stock Units were granted to you, or if you are considered a resident of another country for local law purposes, the information contained herein may not apply.

COUNTRIES COVERED BY THIS NON-U.S. ADDENDUM:

Germany, the Republic of Korea, and the United Kingdom.

GERMANY

Terms and Conditions

There are no country-specific terms and conditions.

Notifications

Exchange Control Information. Cross-border payments in excess of €50,000 must be reported monthly to the German Federal Bank. If you use a German bank to transfer a cross-border payment in excess of €50,000 in connection with the sale of Shares acquired under the Plan, the bank will make the report for you. In addition, you must report any receivables, payables, or debts in foreign currency exceeding an amount of €6,000,000 on a monthly basis.

Data Privacy. Please consult the notice addressing the EU General Data Protection Regulation, which is attached hereto as **Addendum 1** and which replaces Section 9(q) of the Agreement.

THE REPUBLIC OF KOREA

Terms and Conditions

There are no country-specific terms and conditions.

Notifications

Tax Reporting. If you hold financial accounts outside of South Korea (i.e., non-Korean bank accounts, brokerage accounts, etc.) that have monthly balances that exceed 500 million won (or the local currency equivalent) on any month-end date during a calendar year, you must report such accounts to the Korean tax authorities in June of the year immediately following the year in which the 500 million threshold is exceeded. Significant penalties can be assessed if these reports are not timely filed.

In addition, effective January 1, 2024, local employers in South Korea are required to report pertinent information to the Korean tax authorities by March 10 of the calendar year following the calendar year in which stock-based compensation becomes taxable for personal income tax purposes (e.g., when the Shares are delivered). Any Shares received in 2024 in connection with the vesting of any Performance Stock Units will be included in a report filed in 2025.

THE UNITED KINGDOM

Terms and Conditions

Retirement. For purposes of Section 3(a) of the Agreement, “Retirement” shall only have the meaning set forth in Section 2.29(b) of the Plan.

Withholding. Section 6 of the Agreement is hereby amended and replaced in its entirety to read as follows:

- “6. **Withholding.** Regardless of any action the Company and/or the affiliate that employs the Employee (the “Employer”) take with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social security, payroll tax, payment on account or other tax-related withholding, including, without limitation, United Kingdom income tax and primary class 1 (employee’s) national insurance contributions that the Employer is liable to account for (“Tax-Related Items”), the Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by the Employee is and remains the Employee’s responsibility, and the Company and the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Stock Units, including the grant of the Performance Stock Units, the vesting of the Performance Stock Units, the subsequent sale of any Shares delivered in settlement of the Performance Stock Units and the receipt of any dividends or dividend equivalents; and (b) do not commit to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Employee’s liability for Tax-Related Items.

To the extent that the Company or the Employer is required to withhold any Tax-Related Items in connection with the vesting or settlement of the Performance Stock Units or any other payment or vesting event under this Agreement (the “Withholding Tax Obligation”), and the amounts available to the Company for such withholding are insufficient, the Employee agrees that it shall be a condition to the receipt of such payment or the realization of such benefit that the Employee make arrangements satisfactory to the Company for payment of the Withholding Tax Obligation. If the Employee’s benefit is to be received in the form of Shares, then, unless otherwise determined by the Committee, the Employee agrees that the Company will withhold a number of Shares with an aggregate Fair Market Value equal to the amount required to satisfy the Withholding Tax Obligation, in which case the Employee will be taken to have foregone the right to receive the number of Shares so withheld in order to make good the amount due from the Employee in respect of such Withholding Tax Obligation.

If the Employee is subject to taxation in more than one jurisdiction, the Employee acknowledges that the Company, the Employer or another subsidiary or Affiliate may be required to withhold or account for Tax-

Related Items in more than one jurisdiction. By accepting this grant of Performance Stock Units, the Employee expressly consents to the withholding of Shares as provided for hereunder. All other Tax-Related Items related to the Performance Stock Units and any Shares delivered in settlement thereof are the Employee's sole responsibility.

The Employee hereby agrees that, together with the Employer, the Employee shall, in respect of the Shares to be delivered to the Employee on the vesting of the Performance Stock Units awarded under this Agreement, enter into a joint election under Section 431(1) of the United Kingdom Income Tax (Earnings and Pensions) Act 2003 in accordance with Sections 431(4) and (5) of the said Act and the Employee hereby further agrees that the Employee will deliver the said election, duly signed, to the Company, failing which the grant of the said Performance Stock Units by the Company shall be void and of no effect."

Termination Indemnities. Section 9(j) of the Agreement is hereby amended and replaced in its entirety to read as follows:

- "(j) Termination Indemnities. The value of this Award is an extraordinary item of compensation outside the scope of the Employee's employment contract, if any. As such, this Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments, except as otherwise required by law. The Employee's participation in the Plan is a matter entirely separate from any pension right or term or condition of employment and participation in the Plan shall in no respect affect the Employee's pension rights or terms or conditions of employment and, in particular (but without limitation), upon a Termination of Employment, the Employee shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Plan which the Employee might otherwise have had, whether such compensation is claimed by way of damages from wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise, except as otherwise required by law."

Notifications

Data Privacy. Please consult the notice addressing the UK General Data Protection Regulation, which is attached hereto as **Addendum 1** and which replaces Section 9(q) of the Agreement.

ADDENDUM 1

Data Privacy Notice for Participants in the European Union and the United Kingdom

PHINIA Inc. 2023 Stock Incentive Plan (the “Plan”)

Dear Participant:

The EU General Data Protection Regulation (the “**EU GDPR**”) came into force on 25 May 2018. The United Kingdom’s implementation of the EU GDPR (the “**UK GDPR**”) applies following the United Kingdom’s withdrawal from the European Union (the UK GDPR, collectively with the EU GDPR, the “**GDPR**”). For the purposes of the GDPR, PHINIA Inc. (the “**Company**”) wants to make European Economic Area- and United Kingdom-based participants in the Plan aware that the Company holds certain Data (as defined below) about the participants. The Company also wants to explain why the Company holds this Data and to let each participant know how to raise any questions regarding the Company’s use of the Data. The purpose of this communication is to provide participants with this information.

This document constitutes a Notice under the GDPR. Copies of this Notice are also available for viewing online on the Fidelity web portal or by request using the contact details set out below.

This communication supplements information relating to the use of your Data set out in the relevant agreement, or agreements, including any addenda, issued to you under the Plan (the “**Agreements**”). Should there be any inconsistency between the terms of this Notice and the Agreements relating to the Company’s use of your Data, then this Notice is the document that will apply.

The term “**Data**” as used in this Notice includes your name, home address, email address, telephone number, date of birth, social insurance number, passport number or other identification number, salary, nationality and job title, as well as details of any shares, directorships, awards or any other equity or share rights you may have in the Company (whether awarded, cancelled, purchased, exercised, vested, unvested or outstanding).

Data Controller Entity: The Company is the Data Controller. The Company is a Delaware corporation, with its principal United States office at 3000 University Drive, Auburn Hill, Michigan 48326.

Purposes: Data is held for the exclusive purpose of implementing, administering and managing your participation in the Plan and to comply with all related legal obligations.

Legitimate Interests: The Company holds the Data for the legitimate interests of permitting participants to participate in the Plan, including implementing, administering and maintaining the Plan and each participant’s participation in the Plan and complying with related legal obligations.

International Transfers of Data: As the Company is based in the United States and the Agreements are performed in the United States, the Company can only meet its contractual obligations to you under the Agreements if your Data is processed by the Company in the United States. The performance of the contractual obligations of the Company to you is one of the legal bases for the transfer of the Data from

the European Economic Area or the United Kingdom to the United States. You should be aware that the United States may have different data privacy laws and protections than the data privacy laws in place in the European Economic Area and the United Kingdom.

Retention Period: Records relating to the Plan which contain Data are kept for the period required by law. This may be on an indefinite basis, as these Records are part of the statutory records of the Company.

Other Recipients: To fulfil its obligations under the Agreements, the Company may share Data with its subsidiary companies that employ participants in the Plan. In addition, Data may be transferred to certain third parties assisting in the implementation, administration and management of the Plan, such as share plan administrators and transfer agents. At your instruction, the Data will be shared with a broker or other third party whom you have instructed the Company to deposit shares or other securities acquired upon the vesting of any awards under the Agreements. Data may also be shared with the Company's information technology and human resources service providers, with its legal and professional advisors and with governmental, including taxation, authorities in the United States or other jurisdictions.

These recipients of Data may process the Data as processors (when processing the Data on behalf and upon instructions of the Company), or as distinct controllers (when processing the Data for their own purposes, such as fulfilling their own obligations).

Data Subject Rights: Participants have a number of rights under the GDPR. Depending upon the circumstances, these may include the right of data portability (where the Company helps a participant move Data to someone else at the participant's request), the right to object to, and/or the right to request the limitation of, the processing of the Data, the right to require the Company to update and correct the Data, the right to require erasure of the Data and the right for the participant to review the Data held by the Company and to require the Company to cease processing it and to have the Data processed by the Company restricted. You must understand, however, that the processing of the Data is necessary for the performance of the Plan and that if you do not provide your Data, or raise any such objection or request, it may affect your ability to participate in the Plan. For more information on the exercise of the above rights and in particular the consequences of a potential request for erasure or objection, please contact the Company using the contact details below.

You also have the right to lodge a complaint with the competent data protection supervisory authority of the EU Member State in which you are resident or with the Information Commissioner if you are a resident of the United Kingdom.

Data Security: The Company recognizes the importance of treating Data in a lawful, fair and transparent manner. The Company will apply appropriate technical and organizational measures to prevent the unlawful processing and/or the accidental loss or destruction of the Data.

Contact: If you have any questions concerning the processing of your Data or the terms of this Notice, you should contact Aaron Prince, VP Total Rewards, by using the following email address: aprince@phinia.com.

**PHINIA INC.
2023 STOCK INCENTIVE PLAN**

Stock Unit Award Agreement – Non-U.S. Employees

PHINIA Inc., a Delaware corporation (the “Company”), hereby awards to the employee indicated below (the “Employee”) a Stock Unit Award (the “Award”) under the PHINIA Inc. 2023 Stock Incentive Plan (the “Plan”), as specified below, effective as of the Grant Date, according to the terms and conditions of this Stock Unit Award Agreement (this “Agreement”) and the Plan. All capitalized terms shall have the meanings ascribed to them in the Plan, unless specifically set forth otherwise herein. The parties hereto agree as follows:

Grant Information:

Employee Name: [Participant Name]

Grant Date: [Grant Date]

Number of Stock Units Awarded: [Number of Awards Granted] Stock Units

Each Stock Unit represents a contingent right to receive one Share (or a cash payment equivalent to the value of one Share) upon satisfaction of the conditions in this Agreement and the Plan.

Terms and Conditions:

1. Vesting of Stock Units. Subject to the terms and conditions of this Agreement and to the provisions of the Plan, the Stock Units shall vest in accordance with the following schedule, provided that the Employee remains continuously employed by or in the service of the Company or an Affiliate through the applicable vesting date (each date set forth below, a “Vesting Date”):

<u>Vesting Date</u>	<u>Vested Percentage</u>
[Vest Date #1]	33 1/3% of the Stock Units
[Vest Date #2]	33 1/3% of the Stock Units
[Vest Date #3]	Remainder of the Stock Units

Notwithstanding the foregoing, if the application of the above vesting schedule would result in the vesting of a fractional Stock Unit, then the number of Stock Units that vest on such date shall be rounded down to the nearest whole number.

2. Tracking and Settlement of Award.
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- (a) Bookkeeping Account. On the Grant Date, the Company shall credit the Employee's Stock Units to a Stock Unit account established and maintained for the Employee on the books of the Company. The account shall constitute the record of the Stock Units awarded to the Employee under this Agreement, is solely for accounting purposes, and shall not require a segregation of any Company assets.
 - (b) Issuance of Shares or Cash Payment. The Company shall deliver Shares to the Employee in settlement of the Stock Units awarded by this Agreement equal to the number of the Employee's vested Stock Units (including any additional Stock Units acquired as a result of dividend equivalents that have vested). Such delivery of Shares shall be made to the Employee as soon as practicable on or after the applicable Vesting Date set forth in Section 1 with respect to such Stock Units (and related dividend equivalents), but in no event later than December 31 of the year in which such Vesting Date occurs.
 - 3. Termination of Employment. Except as otherwise provided in this Section 3 or Section 4 or as otherwise determined by the Committee in its sole discretion, the Employee shall forfeit the Stock Units that are unvested as of the effective date of the Employee's Termination of Employment. For purposes of this Agreement (including for purposes of the Retirement definition), "Termination of Employment" shall mean the termination of the Employee's employment by and service to the Company and its Affiliates. Notwithstanding the foregoing, except as otherwise determined by the Committee, in its sole discretion, at the time of the Employee's Termination of Employment, Sections 3(a)-(c) below shall apply, to the extent applicable. In each case, Stock Units that vest pursuant to this Section 3 shall be paid at the time provided for in Section 2(b).
 - (a) Death or Disability. If the Employee's Termination of Employment occurs on or after the first anniversary of the Grant Date and is due to the Employee's death or Disability, then all the unvested Stock Units shall immediately vest.
 - (b) Retirement. If the Employee's Termination of Employment is due to Retirement occurring on or after the first anniversary of the Grant Date and not related to a Termination of Employment for Cause, and the Employee has provided the Company with at least six months' advance written notice, then, upon such Termination of Employment, a pro rata portion of the unvested Stock Units shall vest. The pro rata portion of the unvested Stock Units eligible to vest shall be determined by subtracting (1) the number of Stock Units that have previously vested, if any, from (2) the product of the total number of Stock Units multiplied by a fraction, the numerator of which is the number of whole months during which the Employee was employed from the Grant Date to the date of such Termination of Employment and the denominator of which is the number of full months covered by the vesting period set forth in Section 1.
 - (c) Effective Date of Termination of Employment. For purposes of this Agreement, any Termination of Employment shall be effective as of the earlier of (1) the date that the Company receives the Employee's notice of resignation of employment (except in the case of advance written notice of Retirement, in which case the date for purposes of this clause (1) shall be the Retirement date provided in the
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notice), or (2) the date that the Employee ceases to be employed or provide services. In connection with the foregoing, the applicable termination date shall not be extended by any notice period mandated under local law (e.g., “garden leave” or similar period pursuant to local law).

4. Change in Control. In the event of a Change in Control, this Award shall be treated in accordance with Section 16 of the Plan or as set forth in the Employee’s Change of Control Employment Agreement (if applicable), provided, however, that for purposes of Section 16.1(a)(5) of the Plan, the Employee will be considered to have terminated the Employee’s employment or service for “good reason” if the Employee’s termination either (a) meets the requirements set forth in Exhibit A attached to this Agreement or (b) constitutes a “good reason” termination under the Employee’s employment, retention, change in control, severance or similar agreement with the successor, purchaser, the Company, or any affiliate thereof, if any.
 5. Stockholder Rights; Dividend Equivalents.
 - (a) No Stockholder Rights. Prior to the actual delivery of Shares to the Employee in settlement of the Stock Units awarded and vested hereunder (if any), the Employee shall have no rights as a stockholder with respect to the Stock Units or any underlying Shares, including but not limited to voting or dividend rights.
 - (b) Dividend Equivalents. If the Company pays any cash dividend in respect of Shares after the Grant Date and before the Stock Units are settled in accordance with Section 2(b) of this Agreement, the Employee’s Stock Unit account shall be credited with an additional number of Stock Units determined by multiplying (i) the number of Stock Units that are unvested as of the dividend record date by (ii) the cash dividend paid on each Share, dividing the result of such multiplication by (iii) the Fair Market Value of a Share on the dividend payment date, and (iv) rounding the result to the nearest whole number. Credits shall be made effective as of the date of the cash dividend in respect of Shares. Dividend equivalents credited to the Employee’s account shall be subject to the same restrictions as the Stock Units in respect of which the dividends were credited, including, without limitation, the vesting conditions and distribution provisions contained herein.
 6. Withholding. Regardless of any action the Company and/or the affiliate that employs the Employee (the “Employer”) take with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by the Employee is and remains the Employee’s responsibility, and the Company and the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Units, including the grant of the Stock Units, the vesting of the Stock Units, the subsequent sale of any Shares delivered in settlement of the Stock Units and the receipt of any dividends or dividend equivalents; and (b) do not commit to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Employee’s liability for Tax-Related Items.
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To the extent that the Company is required to withhold any Tax-Related Items in connection with the vesting or settlement of the Stock Units, or any other payment or vesting event under this Agreement, and the amounts available to the Company for such withholding are insufficient, it shall be a condition to the receipt of such payment or the realization of such benefit that the Employee make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld. If the Employee's benefit is to be received in the form of Shares, then the Company will withhold a number of Shares having a value equal to the amount required to be withheld. The Shares used for tax or other withholding will be valued at an amount equal to the fair market value of such Shares on the date the benefit is to be included in the Employee's income. The market value of the Shares to be withheld pursuant to this Section 6 to satisfy applicable withholding taxes or other amounts will equal the minimum amount of taxes required to be withheld.

If the Employee is subject to taxation in more than one jurisdiction, the Employee acknowledges that the Company, the Employer or another subsidiary or Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction. By accepting this grant of Stock Units, the Employee expressly consents to the withholding of Shares as provided for hereunder. All other Tax-Related Items related to the Stock Units and any Shares delivered in settlement thereof are the Employee's sole responsibility.

7. Acquisition of Shares for Investment Purposes Only. By accepting this Award, the Employee hereby agrees with the Company as follows:
- (a) The Employee is acquiring the Shares covered by this Award for investment purposes only and not with a view to resale or other distribution thereof to the public in violation of the Securities Act of 1933, as amended (the "1933 Act"), and shall not dispose of any of such Shares in transactions which, in the opinion of counsel to the Company, violate the 1933 Act, or the rules and regulations thereunder, or any applicable state securities or "blue sky" laws;
 - (b) If any of the Shares covered by this Award shall be registered under the 1933 Act, no public offering (otherwise than on a national securities exchange, as defined in the Exchange Act) of any such Shares shall be made by the Employee (or any other person) under such circumstances that he or she (or any other such person) may be deemed an underwriter, as defined in the 1933 Act; and
 - (c) The Company shall have the authority to include stop-transfer orders, legends or other restrictions relating to the Shares covered by this Award referring to the foregoing.
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8. Clawback; Recoupment. The Employee acknowledges and agrees that the terms and conditions set forth in the PHINIA Inc. Compensation Recovery Policy (as amended and restated from time to time, the "Clawback Policy") are incorporated in this Agreement by reference. To the extent the Clawback Policy is applicable to the Employee, it may create additional rights for the Company with respect to the Employee's Stock Units and other applicable compensation, including, without limitation, annual cash incentive compensation awards granted to the Employee by the Company. Notwithstanding any provisions in this Agreement to the contrary, any equity compensation awards granted under the Plan and such other applicable compensation, including, without limitation, annual cash incentive compensation, will be subject to potential mandatory cancellation, forfeiture and/or repayment by the Employee to the Company to the extent the Employee is, or in the future becomes, subject to (a) any Company clawback or recoupment policy, including the Clawback Policy, and any other policies that are adopted by the Company, whether to comply with the requirements of any applicable laws, rules, regulations, stock exchange listing standards or otherwise, or (b) any applicable laws that impose mandatory clawback or recoupment requirements under the circumstances set forth in such laws, including as required by the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, or other applicable laws, rules, regulations or stock exchange listing standards, as may be in effect from time to time, and which may operate to create additional rights for the Company with respect to awards and the recovery of amounts relating thereto. By accepting this Award under the Plan and pursuant to this Agreement, the Employee consents to be bound by the terms of the Clawback Policy, if applicable, and agrees and acknowledges that the Employee is obligated to cooperate with, and provide any and all assistance necessary to, the Company in its efforts to recover or recoup this Award, any gains or earnings related to this Award, or any other applicable compensation, including, without limitation, annual cash incentive compensation, that is subject to clawback or recoupment pursuant to such laws, rules, regulations, stock exchange listing standards or Company policy. Such cooperation and assistance shall include, but is not limited to, executing, completing and submitting any documentation necessary to facilitate the recovery or recoupment by the Company from the Employee of any such amounts, including from the Employee's accounts or from any other compensation, to the extent permissible under Section 409A of the Code.
9. Miscellaneous.
- (a) Non-transferability. Neither the Stock Units nor this Award may be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution or as otherwise permitted by the Company or the Plan, and neither the Stock Units nor this Award shall be subject to execution, attachment or similar process. In addition, by accepting this Award, the Employee agrees not to sell any Shares acquired under this Award other than as set forth in the Plan and at a time when applicable laws, Company policies or an agreement between the Company and its underwriters do not prohibit a sale.
 - (b) Notices. Any written notice required or permitted under this Agreement shall be deemed given when delivered personally, as appropriate, either to the Employee or to the Executive Compensation Department of the Company, or when deposited in a United States Post Office as registered mail, postage prepaid,
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addressed, as appropriate, either to the Employee at Employee's address in the Company's records or such other address as Employee may designate in writing to the Company, or to the Attention: Executive Compensation, PHINIA Inc., at its corporate headquarters or such other address as the Company may designate in writing to the Employee. Notice also may be given under this Agreement to the Employee by the Company by electronic means, including e-mail or through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

- (c) Failure to Enforce Not a Waiver. The failure of the Company to enforce at any time any provision of this Agreement shall in no way be construed to be a waiver of such provision or of any other provision hereof.
 - (d) Governing Law. The Plan and this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without taking into account its conflict of laws provisions.
 - (e) Provisions of the Plan and Other Agreements. This Award is granted pursuant to the Plan, and this Award and this Agreement are in all respects governed by the Plan and subject to all of the terms and provisions thereof, whether such terms and provisions are incorporated in this Agreement solely by reference, expressly cited herein or otherwise. It is expressly understood that the Committee is authorized to administer, construe, and make all determinations necessary or appropriate with respect to the administration of the Plan and this Agreement, all of which shall be binding upon the Employee. To the extent applicable, this Award is also subject to all of the applicable terms and provisions set forth in the Employee's Change of Control Employment Agreement. If there is any conflict between the terms of this Agreement and the terms of the Plan, other than with respect to any provisions relating to Termination of Employment or Change in Control, the Plan's terms shall supersede and replace the conflicting terms of this Agreement to the minimum extent necessary to resolve the conflict. Notwithstanding any terms of the Plan to the contrary, the termination provisions of Section 3 and the change in control provisions of Section 4 of this Agreement control. If there is any conflict between the terms of this Agreement and the terms of the Change of Control Employment Agreement, the terms of the Change of Control Employment Agreement shall apply.
 - (f) Section 16 Compliance. To the extent necessary to comply with, or to avoid disgorgement of profits under the short-swing profit rules of, Section 16 of the Exchange Act, the Employee shall not sell or otherwise dispose of any Shares issued in settlement of the Stock Units.
 - (g) Code Section 409A. For purposes of clarity and notwithstanding anything in the contrary set forth in the Plan, to the extent applicable, this Award is intended to comply with Section 409A of the Code and the regulations thereunder and shall be administered and interpreted in a manner consistent with such intent. If the Employee is a "specified employee" within the meaning of Section 409A of the Code at the time of the Employee's separation from service, then, to the extent required by Section 409A of the Code, any payment made to the Employee as a
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result of such separation from service shall be delayed until the first day of the seventh month following the month in which such separation from service occurs, or, if earlier, the date of the Employee's death.

- (h) No Right to Continued Employment. Nothing contained in the Plan or this Agreement shall confer upon the Employee any right to continued employment nor shall it interfere in any way with the right of the Company and/or the Employer to terminate the employment of the Employee at any time.
 - (i) Discretionary Nature of Plan; No Right to Additional Awards. The Employee acknowledges and agrees that the Plan is established voluntarily by the Company, is discretionary in nature and limited in duration, and may be amended, cancelled, or terminated by the Company, in its sole discretion, at any time, unless otherwise provided in the Plan or this Agreement. The grant of this Award under the Plan is voluntary and occasional and does not create any contractual or other right to receive an additional award under the Plan or benefits in lieu of an additional award under the Plan, even if Awards have been granted repeatedly in the past. Future awards, if any, will be at the sole discretion of the Company, including, but not limited to, the form and timing of an award, the number of Shares subject to an award, and the vesting provisions of an award. The Employee is voluntarily participating in the Plan, and the future value of the underlying Shares is unknown and cannot be predicted with certainty. Furthermore, in consideration of the grant of the Award, no claim or entitlement or damages shall arise from forfeiture or termination of the Award or diminution in value of the Award or the Shares resulting from the Employee's termination of employment (for any reason whatsoever and whether or not in breach of local labor laws, except if and only as otherwise expressly provided for in the Non-U.S. Addendum (as defined below).
 - (j) Termination Indemnities. The value of this Award is an extraordinary item of compensation outside the scope of the Employee's employment contract, if any. As such, this Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments.
 - (k) Acceptance of Award. By accepting this Award, the Employee agrees and is deemed to accept all the terms and conditions of this Award, as set forth in this Agreement and in the Plan.
 - (l) Binding Effect. Subject to the limitations stated above, this Agreement shall be binding upon and inure to the benefit of the parties' respective heirs, legal representatives, successors, and assigns.
 - (l) Amendment of this Agreement. Except as otherwise provided in the Plan, the Company and the Employee may amend this Agreement only by a written instrument signed by both parties.
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- (m) Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute but one agreement.
- (n) Entire Agreement; Headings. This Agreement is the entire agreement between the parties hereto, and all prior oral and written representations are merged into this Agreement. The headings in this Agreement are inserted for convenience and identification only and are not intended to describe, interpret, define or limit the scope, extent, or intent of this Agreement or any provision hereof.
- (o) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to this Award by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
- (p) Private Placement. The grant of the Stock Units outside of the United States is not intended to be a public offering of securities in the Employee's country of residence (or country of employment, if different) but instead is intended to be a private placement. As a private placement, the Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and the grant of the Stock Units is not subject to the supervision of the local securities authorities.
- (q) Consent to Collection, Processing and Transfer of Personal Data. Pursuant to applicable personal data protection laws, the Company and the Employer hereby notify the Employee of the following in relation to the Employee's personal data and the collection, use, processing and transfer of such data in relation to the Company's grant of this Award and the Employee's participation in the Plan. The collection, use, processing and transfer of the Employee's personal data is necessary for the Company's administration of the Plan and the Employee's participation in the Plan. The Employee's denial and/or objection to the collection, use, processing and transfer of personal data may affect the Employee's participation in the Plan. As such, the Employee voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

The Company and the Employer hold certain personal information about the Employee, including name, home address, email address and telephone number, date of birth, social security number, passport number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Stock Units, or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Employee's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Employee or collected, where lawful, from third parties, and the Company and the Employer each will process the Data for the exclusive purpose of implementing, administering and managing the Employee's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which the Data is collected and with confidentiality

and security provisions as set forth by applicable laws and regulations in the Employee's country of residence (and country of employment, if different). Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Employee's participation in the Plan.

The Company and the Employer each will transfer Data internally as necessary for the purpose of implementation, administration and management of the Employee's participation in the Plan, and the Company and the Employer each may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the United States or elsewhere, and the Employee understands that the recipients' country (e.g., the United States) may have different data privacy laws and protections than the Employee's country. The Employee hereby authorizes (where required under applicable law) them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Employee's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Employee's behalf by a broker or other third party with whom the Employee may elect to deposit any Shares acquired pursuant to the Plan.

The Employee understands that the Employee may request a list with the names and addresses of any potential recipients of the Data by contacting the Employee's local human resources representative. The Employee understands that Data will be held only as long as is necessary to implement, administer and manage the Employee's participation in the Plan. The Employee understands that the Employee may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Employee's local human resources representative. The Employee understands, however, that refusing or withdrawing the Employee's consent may affect the Employee's ability to participate in the Plan. For more information on the consequences of the Employee's refusal to consent or withdrawal of consent, the Employee understands that the Employee may contact the Employee's local human resources representative.

- (r) EU Age Discrimination. For purposes of this Agreement, if the Employee is a local national of and employed in a country that is a member of the European Union, the grant of the Stock Units and the terms and conditions governing the Award are intended to comply with the age discrimination provisions of the EU Equal Treatment Framework Directive, as implemented into local law (the "Age Discrimination Rules"). To the extent a court or tribunal of competent jurisdiction determines that any provision of this Award is invalid or unenforceable, in whole or in part, under the Age Discrimination Rules, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to
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the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

- (s) Repatriation; Compliance with Laws. The Employee agrees, as a condition of the grant of the Stock Units, to repatriate all Shares and/or payments attributable to the Stock Units and/or cash acquired under the Plan (including, but not limited to, dividends, dividend equivalents, and any proceeds derived from the sale of the Shares delivered in settlement of the Stock Units) in accordance with all foreign exchange rules and regulations applicable to the Employee. In addition, the Employee also agrees to take any and all actions, and consents to any and all actions taken by the Company and its subsidiaries and Affiliates, as may be required to allow the Company and its subsidiaries and Affiliates to comply with all applicable laws, rules and regulations relating to the grant of the Award and the issuance of the Shares upon vesting. Finally, the Employee agrees to take any and all actions as may be required to comply with the Employee's personal legal and tax obligations under all applicable laws, rules and regulations.
 - (t) English Language. The Employee acknowledges and agrees that it is the Employee's express intent that this Agreement, the Plan and all other documents, notices and legal proceedings entered into, given or instituted with respect to the Stock Units, be drawn up in English. If the Employee has received this Agreement, the Plan or any other documents related to the Stock Units translated into a language other than English, and if the meaning of the translated version is different than the English version, the English version shall control.
 - (u) Additional Requirements. The Company reserves the right to impose other requirements on the Stock Units, any Shares acquired pursuant to the Stock Units, and the Employee's participation in the Plan, to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Stock Units and the Plan. Such requirements may include (but are not limited to) requiring the Employee to sign any agreements or undertakings that may be necessary to accomplish the foregoing.
 - (v) Non-U.S. Addendum. Notwithstanding any provisions herein to the contrary, the Stock Units shall be subject to any special terms and conditions for the Employee's country of residence (and country of employment, if different), as may be set forth in the addendum attached as Appendix A to this Agreement (the "Non-U.S. Addendum"). Further, if the Employee transfers the Employee's residence and/or employment to another country reflected in the Non-U.S. Addendum, the special terms and conditions for such country will apply to the Employee to the extent the Company determines, in its sole discretion, that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or to facilitate the operation and administration of the Stock Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Employee's transfer). In all circumstances, the Non-U.S. Addendum shall constitute part of this Agreement.
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IN WITNESS WHEREOF, PHINIA INC. and the Employee have executed this Agreement to be effective as of the date first written above.

PHINIA INC.

By: Brady D. Ericson

Title: Chief Executive Officer

I acknowledge receipt of a copy of the Plan (either as an attachment hereto or that has been previously received by me) and that I have carefully read this Agreement, the Non-U.S. Addendum and the Plan. I agree to be bound by all of the provisions set forth in this Agreement, the Non-U.S. Addendum and the Plan.

[Acceptance Date] [Participant Name]
Date Employee

Exhibit A
To Stock Unit Award Agreement

Definition of "Good Reason"

For purposes of Section 4 of the Agreement, the Employee will be treated as having terminated the Employee's employment for "good reason" if, after a Change in Control, the Employee terminates employment after any of the following events occurs:

- a) the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, office, title and reporting requirements), authority, duties or responsibilities as of the date of the Change in Control or any higher position, authority, duties or responsibilities assigned to the Employee after the date of the Change in Control, or any other diminution in the Employee's position, authority, duties or responsibilities (whether or not occurring solely as a result of the Company's ceasing to be a publicly traded entity), excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company and/or the Employer within 30 days after receipt of notice thereof given by the Employee; or

b) any failure by the Company and/or the Employer to:

1. pay the Employee an annual base salary at least equal to twelve times the highest monthly base salary paid or payable, including any monthly base salary which has been earned but deferred, to the Employee by the Company and/or the Employer in respect of the twelve-month period immediately preceding the month in which the Change in Control occurs; or
2. provide the Employee, for each fiscal year ending prior to the second anniversary of the effective date of the Change in Control, an annual bonus opportunity at least equal to the bonus opportunity in effect for the Employee under the Company's Management Incentive Bonus Plan, or any comparable annual bonus under any predecessor or successor plan, immediately prior to the Change in Control,

in either case, other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company and/or the Employer within 30 days after receipt of notice thereof given by the Employee; or

c) the Company and/or the Employer requiring the Employee, without the Employee's consent, to:

1. be based at any office or location that is more than 35 miles from the location where the Employee was employed immediately preceding the date of the Change in Control; or
2. travel on Company business to a substantially greater extent than required immediately prior to the date of the Change in Control.

For purposes of this Exhibit A, any good faith determination of "good reason" made by the Employee shall be conclusive.

APPENDIX A

NON-U.S. ADDENDUM

Additional Terms and Conditions for Grant of Stock Units Under the PHINIA Inc. 2023 Stock Incentive Plan

February 2025

Terms and Conditions

This Appendix A (this “Non-U.S. Addendum”) includes additional terms and conditions that govern the stock units (the “Stock Units”) granted to you under the PHINIA Inc. 2023 Stock Incentive Plan (the “Plan”) if you reside in one of the countries listed below. Certain capitalized terms used but not defined in this Non-U.S. Addendum have the meanings set forth in the Plan and/or your award agreement that relates to the Stock Units (the “Agreement”). By accepting the Stock Units, you agree to be bound by the terms and conditions contained in the paragraphs below in addition to the terms of the Plan, the Agreement, and the terms of any other document that may apply to you or the Stock Units.

Notifications

This Non-U.S. Addendum also includes information regarding exchange controls and certain other issues of which you should be aware with respect to participation in the Plan. The information is based on the securities, exchange control, and other laws in effect in the respective countries as of **February 2025**. Such laws are often complex and change frequently. As a result, it is strongly recommended that you not rely on the information in this Non-U.S. Addendum as the only source of information relating to the consequences of your participation in the Plan because the information may be out of date at the time the Stock Units vest or you sell Shares acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to your particular situation, and PHINIA Inc. (the “Company”) is not in a position to assure you of a particular result. Accordingly, you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation.

Finally, if you are a citizen or resident of a country other than the one in which you are currently working, if you transferred employment after the Stock Units were granted to you, or if you are considered a resident of another country for local law purposes, the information contained herein may not apply.

COUNTRIES COVERED BY THIS NON-U.S. ADDENDUM:

Germany, the Republic of Korea, and the United Kingdom.

GERMANY

Terms and Conditions

There are no country-specific terms and conditions.

Notifications

Exchange Control Information. Cross-border payments in excess of €50,000 must be reported monthly to the German Federal Bank. If you use a German bank to transfer a cross-border payment in excess of €50,000 in connection with the sale of Shares acquired under the Plan, the bank will make the report for you. In addition, you must report any receivables, payables, or debts in foreign currency exceeding an amount of €6,000,000 on a monthly basis.

Data Privacy. Please consult the notice addressing the EU General Data Protection Regulation, which is attached hereto as **Addendum 1** and which replaces Section 9(q) of the Agreement.

THE REPUBLIC OF KOREA

Terms and Conditions

There are no country-specific terms and conditions.

Notifications

Tax Reporting. If you hold financial accounts outside of South Korea (i.e., non-Korean bank accounts, brokerage accounts, etc.) that have monthly balances that exceed 500 million won (or the local currency equivalent) on any month-end date during a calendar year, you must report such accounts to the Korean tax authorities in June of the year immediately following the year in which the 500 million threshold is exceeded. Significant penalties can be assessed if these reports are not timely filed.

In addition, effective January 1, 2024, local employers in South Korea are required to report pertinent information to the Korean tax authorities by March 10 of the calendar year following the calendar year in which stock-based compensation becomes taxable for personal income tax purposes (e.g., when the Shares are delivered). Any Shares received in 2024 in connection with the vesting of any Stock Units will be included in a report filed in 2025.

THE UNITED KINGDOM

Terms and Conditions

Retirement. For purposes of Section 3(b) of the Agreement, “Retirement” shall only have the meaning set forth in Section 2.29(b) of the Plan.

Withholding. Section 6 of the Agreement is hereby amended and replaced in its entirety to read as follows:

- “6. Withholding. Regardless of any action the Company and/or the affiliate that employs the Employee (the “Employer”) take with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social security, payroll tax, payment on account or other tax-related withholding, including, without limitation, United Kingdom income tax and primary class 1 (employee’s) national insurance contributions that the Employer is liable to account for (“Tax-Related Items”), the Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by the Employee is and remains the Employee’s responsibility, and the Company and the Employer: (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Stock Units, including the grant of the Stock Units, the vesting of the Stock Units, the subsequent sale of any Shares delivered in settlement of the Stock Units and the receipt of any dividends or dividend equivalents; and (b) do not commit to structure the terms of the grant or any aspect of this Award to reduce or eliminate the Employee’s liability for Tax-Related Items.

To the extent that the Company or the Employer is required to withhold any Tax-Related Items in connection with the vesting or settlement of the Stock Units or any other payment or vesting event under this Agreement (the “Withholding Tax Obligation”), and the amounts available to the Company for such withholding are insufficient, the Employee agrees that it shall be a condition to the receipt of such payment or the realization of such benefit that the Employee make arrangements satisfactory to the Company for payment of the Withholding Tax Obligation. If the Employee’s benefit is to be received in the form of Shares, then, unless otherwise determined by the Committee, the Employee agrees that the Company will withhold a number of Shares with an aggregate Fair Market Value equal to the amount required to satisfy the Withholding Tax Obligation, in which case the Employee will be taken to have foregone the right to receive the number of Shares so withheld in order to make good the amount due from the Employee in respect of such Withholding Tax Obligation.

If the Employee is subject to taxation in more than one jurisdiction, the Employee acknowledges that the Company, the Employer or another subsidiary or Affiliate may be required to withhold or account for Tax-Related Items in more than one jurisdiction. By accepting this grant of

Stock Units, the Employee expressly consents to the withholding of Shares as provided for hereunder. All other Tax-Related Items related to the Stock Units and any Shares delivered in settlement thereof are the Employee's sole responsibility.

The Employee hereby agrees that, together with the Employer, the Employee shall, in respect of the Shares to be delivered to the Employee on the vesting of the Stock Units awarded under this Agreement, enter into a joint election under Section 431(1) of the United Kingdom Income Tax (Earnings and Pensions) Act 2003 in accordance with Sections 431(4) and (5) of the said Act and the Employee hereby further agrees that the Employee will deliver the said election, duly signed, to the Company, failing which the grant of the said Stock Units by the Company shall be void and of no effect."

Termination Indemnities. Section 9(j) of the Agreement is hereby amended and replaced in its entirety to read as follows:

- "(j) Termination Indemnities. The value of this Award is an extraordinary item of compensation outside the scope of the Employee's employment contract, if any. As such, this Award is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension, or retirement benefits or similar payments, except as otherwise required by law. The Employee's participation in the Plan is a matter entirely separate from any pension right or term or condition of employment and participation in the Plan shall in no respect affect the Employee's pension rights or terms or conditions of employment and, in particular (but without limitation), upon a Termination of Employment, the Employee shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under the Plan which the Employee might otherwise have had, whether such compensation is claimed by way of damages from wrongful dismissal or other breach of contract or by way of compensation for loss of office or otherwise, except as otherwise required by law."

Notifications

Data Privacy. Please consult the notice addressing the UK General Data Protection Regulation, which is attached hereto as **Addendum 1** and which replaces Section 9(q) of the Agreement.

ADDENDUM 1

Data Privacy Notice for Participants in the European Union and the United Kingdom

PHINIA Inc. 2023 Stock Incentive Plan (the “Plan”)

Dear Participant:

The EU General Data Protection Regulation (the “**EU GDPR**”) came into force on 25 May 2018. The United Kingdom's implementation of the EU GDPR (the “**UK GDPR**”) applies following the United Kingdom's withdrawal from the European Union (the UK GDPR, collectively with the EU GDPR, the “**GDPR**”). For the purposes of the GDPR, PHINIA Inc. (the “**Company**”) wants to make European Economic Area- and United Kingdom-based participants in the Plan aware that the Company holds certain Data (as defined below) about the participants. The Company also wants to explain why the Company holds this Data and to let each participant know how to raise any questions regarding the Company's use of the Data. The purpose of this communication is to provide participants with this information.

This document constitutes a Notice under the GDPR. Copies of this Notice are also available for viewing online on the Fidelity web portal or by request using the contact details set out below.

This communication supplements information relating to the use of your Data set out in the relevant agreement, or agreements, including any addenda, issued to you under the Plan (the “**Agreements**”). Should there be any inconsistency between the terms of this Notice and the Agreements relating to the Company's use of your Data, then this Notice is the document that will apply.

The term “**Data**” as used in this Notice includes your name, home address, email address, telephone number, date of birth, social insurance number, passport number or other identification number, salary, nationality and job title, as well as details of any shares, directorships, awards or any other equity or share rights you may have in the Company (whether awarded, cancelled, purchased, exercised, vested, unvested or outstanding).

Data Controller Entity: The Company is the Data Controller. The Company is a Delaware corporation, with its principal United States office at 3000 University Drive, Auburn Hill, Michigan 48326.

Purposes: Data is held for the exclusive purpose of implementing, administering and managing your participation in the Plan and to comply with all related legal obligations.

Legitimate Interests: The Company holds the Data for the legitimate interests of permitting participants to participate in the Plan, including implementing, administering and maintaining the Plan and each participant's participation in the Plan and complying with related legal obligations.

International Transfers of Data: As the Company is based in the United States and the Agreements are performed in the United States, the Company can only meet its contractual obligations to you under the Agreements if your Data is processed by the Company in the United States. The performance of the contractual obligations of the Company to you is one of the legal bases for the transfer of the Data from the European Economic Area or the United Kingdom to the United States. You should be aware that the

United States may have different data privacy laws and protections than the data privacy laws in place in the European Economic Area and the United Kingdom.

Retention Period: Records relating to the Plan which contain Data are kept for the period required by law. This may be on an indefinite basis, as these Records are part of the statutory records of the Company.

Other Recipients: To fulfil its obligations under the Agreements, the Company may share Data with its subsidiary companies that employ participants in the Plan. In addition, Data may be transferred to certain third parties assisting in the implementation, administration and management of the Plan, such as share plan administrators and transfer agents. At your instruction, the Data will be shared with a broker or other third party whom you have instructed the Company to deposit shares or other securities acquired upon the vesting of any awards under the Agreements. Data may also be shared with the Company's information technology and human resources service providers, with its legal and professional advisors and with governmental, including taxation, authorities in the United States or other jurisdictions.

These recipients of Data may process the Data as processors (when processing the Data on behalf and upon instructions of the Company), or as distinct controllers (when processing the Data for their own purposes, such as fulfilling their own obligations).

Data Subject Rights: Participants have a number of rights under the GDPR. Depending upon the circumstances, these may include the right of data portability (where the Company helps a participant move Data to someone else at the participant's request), the right to object to, and/or the right to request the limitation of, the processing of the Data, the right to require the Company to update and correct the Data, the right to require erasure of the Data and the right for the participant to review the Data held by the Company and to require the Company to cease processing it and to have the Data processed by the Company restricted. You must understand, however, that the processing of the Data is necessary for the performance of the Plan and that if you do not provide your Data, or raise any such objection or request, it may affect your ability to participate in the Plan. For more information on the exercise of the above rights and in particular the consequences of a potential request for erasure or objection, please contact the Company using the contact details below.

You also have the right to lodge a complaint with the competent data protection supervisory authority of the EU Member State in which you are resident or with the Information Commissioner if you are a resident of the United Kingdom.

Data Security: The Company recognizes the importance of treating Data in a lawful, fair and transparent manner. The Company will apply appropriate technical and organizational measures to prevent the unlawful processing and/or the accidental loss or destruction of the Data.

Contact: If you have any questions concerning the processing of your Data or the terms of this Notice, you should contact Aaron Prince, VP Total Rewards, by using the following email address: aprince@phinia.com.

Deferred Cash Award Agreement – China

This Deferred Cash Award Agreement (this “Agreement”) dated as of «**Grant Date**» (the “Grant Date”), by and between «**Legal Entity**» (the “Company”), a company established under the laws of the People’s Republic of China (the “P.R.C.”), and «**Name**» (the “Employee”), is entered into as follows:

WITNESSETH:

WHEREAS, the Company has determined that the Employee be granted an opportunity to receive a deferred cash award (“Phantom Units”) pursuant to the terms of this Agreement as an incentive for the Employee’s continued services to the Company.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants hereinafter set forth:

1. Award of Phantom Units. The Company hereby awards to the Employee on the Grant Date, «**Shares_Granted**» Phantom Units. Each Phantom Unit awarded hereunder represents a contingent right to receive a cash payment equal to the Fair Market Value (as defined below) of one share of common stock, par value \$0.01 (“Stock”), of PHINIA Inc., a Delaware corporation (“PHINIA”), upon satisfaction of the conditions for vesting as provided in Section 3 of this Agreement and subject further to the additional terms and conditions of this Agreement (the “Award”). For purposes of this Agreement, “Fair Market Value” shall mean, per share of Stock on a particular date, the last sales price on that date on the New York Stock Exchange, as reported on the composite tape or other reporting system thereof. If there is no regular public trading market for the Stock, “Fair Market Value” shall be determined by the Company in its sole discretion. The Employee will have 90 days from the Grant Date to accept the terms and conditions of this Agreement. If the Employee does not accept such terms and conditions within this timeframe, the Company may cancel the Award without any notice to the Employee.
2. Vesting of Phantom Units. Subject to the terms and conditions of this Agreement, the Phantom Units shall vest in accordance with the following schedule, provided that the Employee remains continuously employed by or in the service of the Company through the applicable vesting date (each date set forth below, a “Vesting Date”):

<u>Vesting Date</u>	<u>Vested Percentage</u>
February 28, 2026	33 1/3% of the Phantom Units
February 28, 2027	33 1/3% of the Phantom Units
February 28, 2028	Remainder of the Phantom Units

provided however, that:

- a. In the event of (i) the Employee's termination of employment by the Company for Cause (as defined in Appendix A attached to this Agreement) or (ii) the Employee's voluntary termination of employment with the Company, the Employee shall immediately forfeit any Phantom Units not yet vested and paid as of the date of the Employee's termination of employment and thereby forfeit all rights to receive a cash payment in settlement of such unvested Phantom Units;
- b. In the event a Change in Control (as defined in Appendix A attached to this Agreement) occurs before the date the Phantom Units become 100% vested, the restrictions applicable to any unvested Phantom Units covered by this Award will remain in effect unless, after the Change in Control and before the date the Phantom Units become 100% vested:
 - i. The Employee's employment is involuntarily terminated by the Company (other than for Cause) as a result of the Change in Control; or
 - ii. The Employee voluntarily terminates the Employee's employment for Good Reason (as defined in Appendix A attached to this Agreement).

If (i) or (ii) above occurs after a Change in Control and before the Phantom Units become 100% vested, the restrictions applicable to any then unvested Phantom Units covered by this Award will lapse and the Phantom Units will be free of all restrictions and become fully vested as of the date the Employee's employment terminates; and

- c. In the event of the Employee's death, Disability or Retirement that occurs on or after the first anniversary of the Grant Date (each, as defined in Appendix A attached to this Agreement), or in the event of the Employee's involuntary termination of employment without Cause that occurs prior to the Phantom Units becoming 100% vested, the Company shall have the discretion to waive, in whole or in part, any continued employment requirement with respect to the Phantom Units that remain unvested as of such event to the extent such waiver does not violate any applicable laws or result in any adverse tax consequences to the Employee.
- 3. Cash Payment. As soon as administratively practicable following each Vesting Date, the Company shall make a cash payment in local currency, less any applicable tax withholding and/or any other required withholdings pursuant to Section 9 of this Agreement, to the Employee in settlement of the vested Phantom Units equal to (a) the number of Phantom Units that vested on such Vesting Date, multiplied by (b) the Fair Market Value of a share of Stock on such Vesting Date.
 - 4. Compliance with Laws. As a condition of the grant of the Phantom Units, the Employee agrees to take any and all actions, and consent to any and all actions
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taken by the Company, PHINIA, or their subsidiaries and affiliates, as may be required to allow the Company, PHINIA, and their subsidiaries and affiliates to comply with all laws, rules and regulations applicable to the Employee. Finally, the Employee agrees to take any and all actions as may be required to comply with the Employee's personal legal and tax obligations under all laws, rules and regulations applicable to the Employee.

5. Non-transferability. The Phantom Units and any rights and privileges pertaining thereto are not subject to anticipation, alienation, sale, transfer, assignment, pledge, or encumbrance by the Employee or by the Employee's beneficiary, in any manner, by operation of law or otherwise, and shall not be subject to execution, attachment or similar process.
6. No Right to Continued Employment. Nothing contained in this Agreement shall confer upon the Employee any right to continued employment with the Company nor shall it interfere in any way with the right of the Company to terminate the employment of the Employee in accordance with the law.
7. Discretionary Nature of Grant; No Vested Rights. The Employee acknowledges and agrees that the grant of Phantom Units is discretionary in nature and limited in duration. The grant of the Phantom Units is a one-time benefit and does not create any contractual or other right to receive an award or benefits in lieu of Phantom Units in the future. Future awards, if any, will be at the sole discretion of the Company. The Employee further acknowledges and agrees that the future value of the Phantom Units is unknown, may increase or decrease from the Grant Date and cannot be predicted with certainty. The Employee also acknowledges that the Employee has carefully read this Agreement and agrees to be bound by all of the provisions set forth in this Agreement.
8. Currency Fluctuation. The Company shall not be liable for any foreign exchange rate fluctuation, where applicable, between the Employee's local currency and the United States dollar that may affect the value of the Phantom Units or of any amounts due to the Employee pursuant to the settlement of the Phantom Units.
9. Withholding. Regardless of any action the Company may take with respect to any or all income tax, social insurance, housing fund, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Employee acknowledges that the ultimate liability for all Tax-Related Items legally due by the Employee is and remains the Employee's responsibility, and that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Phantom Units, including the grant of the Phantom Units, the vesting of the Phantom Units and any cash payments made in settlement of the Phantom Units; and (b) does not commit to structure the terms of the grant or any aspect of the Phantom Units to reduce or eliminate the Employee's liability for Tax-Related Items.

To the extent that the Company is required to withhold any Tax-Related Items in connection with the vesting or settlement of the Phantom Units and the amounts available to the Company for such withholding are insufficient, it shall be a

condition to the receipt of such payment that the Employee make arrangements satisfactory to the Company for payment of the balance of such taxes or other amounts required to be withheld.

By accepting this grant of Phantom Units, the Employee expressly consents to the withholding provisions as provided for hereunder. All other Tax-Related Items related to the Phantom Units shall be the Employee's sole responsibility.

10. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to the Phantom Units by electronic means, and the Employee hereby consents to receive such documents by electronic delivery.
 11. Addendum. Notwithstanding any provisions herein to the contrary, if the Employee transfers the Employee's residence and/or employment to another country, the Company may establish additional special terms and conditions to this Agreement as may be necessary or advisable to accommodate the Employee's transfer. Such terms and conditions shall be reflected in an addendum to this Agreement (the "Addendum"), and in all circumstances, such Addendum shall constitute part of this Agreement.
 12. Additional Requirements. The Company reserves the right to impose other requirements on the Phantom Units to the extent the Company determines, in its sole discretion, that such other requirements are necessary or advisable in order to comply with local law or to facilitate the operation and administration of the Phantom Units. Such requirements may include (but are not limited to) requiring the Employee to sign any agreements or undertakings that may be necessary to accomplish the foregoing.
 13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the P.R.C. without taking into account its conflict of laws provisions.
 14. Binding Effect. Subject to the limitations stated above, this Agreement shall be binding upon and inure to the benefit of the parties' respective heirs, legal representatives, successors and assigns.
 15. Changes in Capital or Corporate Structure. In the event of any merger, reorganization, consolidation, recapitalization, stock split, extraordinary distribution with respect to the Stock or other change in corporate structure affecting the Stock, the number of Phantom Units awarded under this Agreement shall be adjusted accordingly (as determined by the Company in its sole discretion) in such manner as the Company deems equitable to prevent the diminution or enlargement of the benefits or potential benefits to be made available under this Agreement.
 16. Entire Agreement. This Agreement is the entire agreement between the parties hereto, and all prior oral and written representations are superseded by this Agreement. The headings in this Agreement are inserted for convenience and
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identification only and are not intended to describe, interpret, define or limit the scope, extent, or intent of this Agreement or any provision hereof.

17. Notices. Any notice or other communication required or permitted under this Agreement must be in writing and must be delivered personally, sent by certified, registered or express mail, or sent by overnight courier, at the sender's expense. Notice shall be deemed given when delivered personally or, if mailed, three days after the date of deposit in the P.R.C. mail or, if sent by overnight courier, on the regular business day following the date sent. Notice to the Company should be sent to Attention: Vice President Total Rewards, PHINIA World Headquarters, 3000 University Drive, Auburn Hills, Michigan 48326. Notices to or with respect to the Employee shall be directed to the Employee, or to the Employee's executors, personal representatives or distributees, if the Employee is deceased, or the assignees of the Employee, at the Employee's last home address on the records of the Company.
 18. Amendment of this Agreement. Subject to Section 19 of this Agreement, the Company and the Employee may amend this Agreement only by a written instrument signed by both parties.
 19. Compliance with P.R.C. Law. It is intended that this Agreement comply with any applicable requirements of the State Administration of Foreign Exchange ("SAFE") and other laws in effect in the P.R.C. This Agreement shall be administered in a manner consistent with this intent, and any provision that would cause this Agreement to fail to meet these SAFE requirements and other laws in the P.R.C. shall have no force and effect until amended to comply with SAFE requirements and other laws in the P.R.C. The Employee hereby agrees in advance to any such required amendment.
 20. Counterparts. This Agreement may be executed in one or more counterparts, all of which together shall constitute but one agreement.
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IN WITNESS WHEREOF, the Company and the Employee have executed this Agreement to be effective as of the date first written above.

EMPLOYEE

By: Aaron Prince **«Name»**

Its: Vice President Total Rewards

APPENDIX A

Definitions

1. Cause. For purposes of the Agreement, "Cause" shall mean any of the circumstances listed in Article 39 or Article 40(2) of the Labor Contract Law of the P.R.C. ("LCL"), or equivalent circumstances if the LCL is amended or superseded following the date of execution of the Agreement.
 2. Change in Control. For purposes of the Agreement, "Change in Control" shall mean the occurrence of any of the following events:
 - a. the acquisition by any individual, entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended from time to time) (a "Person") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act")) of 20% or more of either:
 1. the then outstanding Stock (the "Outstanding Company Common Stock"); or
 2. the combined voting power of the then outstanding voting securities of PHINIA entitled to vote generally in the election of directors (the "Outstanding Company Voting Securities");
 - provided, however, that for purposes of this clause (a), the following acquisitions shall not constitute a Change in Control:
 - I. any acquisition directly from PHINIA;
 - II. any acquisition by PHINIA;
 - III. any acquisition by any employee benefit plan (or related trust) sponsored or maintained by PHINIA or any corporation controlled by PHINIA; or
 - IV. any acquisition by any corporation pursuant to a transaction described in clause (c)(1), (c)(2) and (c)(3) below; or
 - b. individuals who, as of the Grant Date, constitute the board of directors of PHINIA (the "Incumbent Board") and cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director subsequent to the Grant Date whose election, or nomination for election by PHINIA's stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board shall be considered as though such individual were a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the board of directors of PHINIA; or
 - c. consummation by PHINIA of a reorganization, statutory share exchange, merger or consolidation or similar transaction involving PHINIA or any of
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its subsidiaries or sale or other disposition of all or substantially all of the assets of PHINIA or the acquisition of assets of another entity by PHINIA or any of its subsidiaries (each of the foregoing, a "Business Combination"), in each case, unless, following such Business Combination:

1. all or substantially all of the individuals and entities who were the beneficial owners, respectively, of the Outstanding Company Common Stock and Outstanding Company Voting Securities immediately prior to such Business Combination beneficially own, directly or indirectly, more than 60% of, respectively, the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) and the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors (or, for a non-corporate entity, equivalent governing body), as the case may be, of the entity resulting from such Business Combination (including, without limitation, an entity which as a result of such transaction owns PHINIA or all or substantially all of PHINIA's assets either directly or indirectly through one or more subsidiaries) in substantially the same proportions as their ownership, immediately prior to such Business Combination of the Outstanding Company Common Stock and Outstanding Company Voting Securities, as the case may be;
 2. no Person (excluding any corporation resulting from such Business Combination or any employee plan (or related trust) of PHINIA or such corporation resulting from such Business Combination) beneficially owns, directly or indirectly, 20% or more of, respectively, the then outstanding shares of common stock (or, for a non-corporate entity, equivalent securities) of the entity resulting from such Business Combination or the combined voting power of the then outstanding voting securities of such entity except to the extent that such ownership existed prior to the Business Combination; and
 3. at least a majority of the members of the board of directors (or, for a non-corporate entity, equivalent governing body) of the entity resulting from such Business Combination were members of the Incumbent Board at the time of the execution of the initial agreement, or of the action of the board of directors of PHINIA, providing for such Business Combination; or
- d. approval by the stockholders of PHINIA of a complete liquidation or dissolution of PHINIA.

Notwithstanding the foregoing, if the Award is considered deferred compensation subject to the provisions of Section 409A of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), and if a payment under the Award is triggered

upon a "Change in Control", then the foregoing definition shall be deemed amended as necessary to comply with Section 409A of the Code.

3. Disability. For purposes of the Agreement, "Disability" shall mean that the Employee (a) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, (b) is, by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than 3 months under an accident or health plan covering the Company's employees, or (c) is determined to be permanently disabled by the Company in its sole discretion.
 4. Good Reason. For purposes of Section 2(b) of the Agreement, the Employee will be treated as having terminated the Employee's employment for Good Reason if, on or after a Change in Control occurs, the Employee terminates employment after any of the following events occurs without the Employee's consent:
 - a. the assignment to the Employee of any duties inconsistent in any respect with the Employee's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as of the date of the Change in Control or any higher position, authority, duties or responsibilities assigned to the Employee after the date of the Change in Control, or any other diminution in the Employee's position, authority, duties or responsibilities (whether or not occurring solely as a result of PHINIA's ceasing to be a publicly traded entity), excluding for this purpose an isolated, insubstantial and inadvertent action not taken in bad faith and which is remedied by the Company within 30 days after receipt of notice thereof given by the Employee; or
 - b. other than an isolated, insubstantial and inadvertent failure not occurring in bad faith and which is remedied by the Company within 30 days after receipt of notice thereof given by the Employee, any failure by the Company to:
 1. pay the Employee an annual base salary at least equal to twelve times the highest monthly base salary paid or payable, including any monthly base salary which has been earned but deferred, to the Employee by the Company in respect of the twelve-month period immediately preceding the month in which the Change in Control occurs; or
 2. provide the Employee, for each fiscal year ending prior to the second anniversary of the effective date of the Change in Control, an annual bonus opportunity at least equal to the bonus opportunity in effect for the Employee under PHINIA's Management Incentive Bonus Plan, or any comparable annual bonus under any
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predecessor or successor plan immediately prior to the Change in Control; or

c. the Company requiring the Employee, without the Employee's consent, to:

1. be based at any office or location other than the location where the Employee was employed immediately preceding the date of the Change in Control or any office or location less than 35 miles from such location; or
2. travel on Company business to a substantially greater extent than required immediately prior to the date of the Change in Control.

For purposes of the Agreement, any good faith determination of "Good Reason" made by the Employee shall be conclusive.

5. Retirement. For purposes of the Agreement, "Retirement" shall mean the Employee's termination of employment with the Company (a) upon the Employee reaching the statutory retirement age under P.R.C. law, or (b) with the written consent of the Company that such termination of employment shall constitute retirement.
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**DEFERRED CASH AWARD IN PHANTOM UNITS
FREQUENTLY ASKED QUESTIONS – NON-U.S. PARTICIPANTS**

1. What is a phantom unit?

A phantom unit is simply a right to receive a future cash payment equal to the fair market value of a share of PHINIA stock. There are certain conditions that you must satisfy before the Company will issue the cash payment. You are not able to sell or otherwise transfer the phantom units.

2. What are the conditions that must be satisfied before I receive the cash payment?

To receive the cash payment, you must remain continuously employed with the Company (or one of its affiliates) for pre-determined periods of time, as set forth in your deferred cash award agreement (each period, a “service period”). If you remain continuously employed or have not given notice of your voluntary termination of employment with the Company (or one of its affiliates) through each service period, you will become “vested” in your phantom units and the Company will issue you a taxable cash payment equal to the market value of PHINIA stock on the vesting date times the number of vested phantom units. For purposes of your 2025 award, 33 1/3% of your phantom units will become vested on each of February 28, 2026, February 28, 2027, and February 28, 2028.

3. What happens once I satisfy the conditions?

Once you have completed a service period, the Company will issue you a taxable cash payment equal to the market value of PHINIA stock as of the date the applicable service period is completed times the number of each “vested” phantom unit.

4. What is the value of the grant?

The value of your grant at any given time is the market value of the shares of PHINIA stock underlying your phantom units (remember, each phantom unit entitles you to a cash payment equivalent). Therefore, for example, if you are granted 100 phantom units and the Fair Market Value (as defined in your Agreement) of PHINIA stock on the date of grant is \$50, the potential value of the award to you is 100 x US\$50, or US\$5,000. That value may increase or decrease upon vesting depending on the Fair Market Value at vesting.

5. How and when am I taxed on the phantom units?

You are generally taxed on the phantom units when you satisfy the continued employment requirement and the Company issues you the cash payment.

6. How long do I have to accept my Deferred Cash Award?

Each grant of phantom units that is issued has terms and conditions with which the recipient must agree before they receive their phantom units. You will have 90 days from the grant date to accept the terms and conditions found in the Deferred Cash Award Agreement provided to you by your HR representative. If you do not accept the grant terms and conditions within this timeframe, the Company may cancel the award without any notice to you.

This document is intended as a general explanation of the phantom units award. For more information, review the award agreement. If any information in this document conflicts with the award agreement or current tax laws, the award agreement and current tax laws will govern.

Certification

I, Brady D. Ericson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PHINIA Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2025

By: /s/ Brady D. Ericson

Brady D. Ericson

President and Chief Executive Officer

Certification

I, Chris P. Gropp, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of PHINIA Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the Audit Committee of the registrant's Board of Directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 25, 2025

By: /s/ Chris P. Gropp

Chris P. Gropp

Vice President and Chief Financial Officer

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of PHINIA Inc. (the "Company") on Form 10-Q for the period ended March 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of such officer's knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"); and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 25, 2025

By: /s/ Brady D. Ericson
Brady D. Ericson
President and Chief Executive Officer

By: /s/ Chris P. Gropp
Chris P. Gropp
Vice President and Chief Financial Officer

This certification accompanies the Report and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of such section.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to, and will be retained by, the Company and furnished to the Securities and Exchange Commission or its staff upon request.