



News Release

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FOR IMMEDIATE RELEASE

BENDIX EARNS PRESTIGIOUS QUALITY AWARDS FROM PACCAR

Two Manufacturing Facilities Honored for Achieving 50 PPM

ELYRIA, Ohio – June 26, 2014 – Bendix Commercial Vehicle Systems LLC and Bendix Spicer Foundation Brake LLC (BSFB) have earned placement on PACCAR's list of premier suppliers that meet the OEM's demanding quality expectation of 50 PPM for parts and components. The distinction is earned by lowering PPM, or product defects expressed in Parts Per Million, to below 50. Bendix reduced its PPM to just over 15 at its manufacturing operation in Huntington, Indiana. BSFB lowered its PPM to 46 at its wheel-end manufacturing facility in Bowling Green, Kentucky.

"We are truly honored to receive this quality certification from a valued customer like PACCAR. The award supports Bendix's commitment to helping PACCAR deliver the highest level of quality to their products and services," said Carlos Hungria, chief operating officer at Bendix. "In today's competitive environment, the safety nature and high technology of our products allow no room for error, so it's more important than ever that OEMs and fleets have total assurance in vehicle and parts reliability. The facilities at Huntington and Bowling Green – as well as our manufacturing campus in Acuña, Mexico – have shown time and time again that delivering the highest-performing, highest-reliability products and services isn't just a goal, but an expectation."

Bendix's long history with PACCAR began decades ago. In accordance with the PACCAR 50 PPM standard, Bendix and BSFB consistently build a successful product more than 99.995 percent of the time – that is, for every million parts produced, fewer than 50 contain defects that reach the customer. The Bendix plant at Huntington manages upwards of 29,000

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active part numbers for this product set and shipped nearly 970,000 pieces to PACCAR in 2013. BSFB's Bowling Green facility manages the flow of nearly 13,000 active part numbers for the PACCAR product set and shipped over 800,000 pieces to the OEM in 2013.

The PACCAR 50 PPM certification is the second for Bendix Spicer Foundation Brake, which is a joint venture of Bendix Commercial Vehicle Systems and Dana Commercial Vehicle Products, LLC. The Bowling Green facility was also named to the 2010 PACCAR 50 PPM list. In 2009, the facility earned ISO/TS 16949 certification, another important recognition of quality performance. All Bendix manufacturing locations – as well as the company's Elyria, Ohio, headquarters – also hold ISO 14001 environmental certifications.

As part of Bendix's ongoing drive for quality, all its manufacturing facilities continuously implement new process controls, extensive employee training, and customer teams to proactively address potential quality issues.

"Everyone at the facility is excited about the honor," said Andy Dale, plant manager at Bowling Green. "The award, coupled with our extensive experience in brake assembly and production, speaks to our results-driven culture that enables every employee to own the Bendix commitment to quality."

The Bowling Green manufacturing plant was established in 2007, following the consolidation of existing Kentucky-based manufacturing sites from both Bendix and Dana. The facility, committed to the Knorr Production System (KPS) quality, productivity, and continuous improvement culture, has progressively lowered its defect rate to its current level. Dale and his team state that engagement is the key. They have implemented the systematic approach that relies on employee participation and standard manufacturing processes as well as problem-solving techniques. The resulting shift established standard work and process controls to prevent faults and eliminate them when they occur. The plant has executed more than 1,100 employee-generated process improvements since the launch of this approach in April 2013.

"The drive to eliminate errors and be the best possible supplier for our customers is in our blood," Dale said. "But it's the 387 workers on the shop floor pushing themselves and their peers toward excellence that really advances us toward our ultimate goal of zero PPM. It's a team effort and until we reach that, we won't be satisfied."

Dale also points to the Bowling Green facility's cooperative relationship with PACCAR – and open and timely two-way communication with the OEM – as key to the quality success.

Similar to the Bowling Green facility, the Huntington manufacturing campus – opened in February 1980 and consisting of four facilities – fosters a continuous improvement culture where each of its more than 400 employees has a hand in shaping the facility's success. Huntington

has implemented more than 1,600 employee-driven process improvement ideas in the past year. And, like Bowling Green, the Huntington facility's quality performance is built on cooperation and communication with PACCAR.

"Our experience with PACCAR has been just outstanding," said Mike Pogorelc, plant manager at Huntington. "The communication we've experienced between the supplier quality group out of PACCAR and our facility has really helped build a positive working environment. But we couldn't have maintained that relationship and continuously driven quality improvements without each of us living up to a value system that fosters quality, urgency, and always doing it right the first time."

To establish Huntington's KPS quality program, Pogorelc and his team considered every possible opportunity for their process to fail and then implemented systems to not only eliminate the distribution of faulty material but also to prevent its creation in the first place.

"We always strive to be our customers' best supplier," said Lori Mickley, quality assurance manager for Bendix at Huntington. "It's not luck, and you can't isolate it to one particular process improvement. It's the culture we work in and our employees' initiative to address quality improvements themselves. At Huntington, quality isn't just important to the leadership. It's important to everyone."

"The awards for Huntington and Bowling Green are a tremendous encouragement to continue driving our standards to operate at the highest levels," Hungria said. "We're on a journey for operational excellence – one that we take to heart every day. On the shop floor and in the offices alike, we are truly committed to continuous improvement."

PACCAR maintains its 50 PPM distinction on a rolling six-month performance basis, but in order to be nominated for the quality certification, suppliers must meet the following criteria in addition to sustaining a non-conforming parts rate below 50 PPM: one year of product history with PACCAR; maintaining a warranty claims rate of less than one claim per 20,000 receipts; Production Part Approval Process (PPAP) submission acceptance rate of 98 percent; On-time Submission Rate of greater than or equal to 99 percent for the prior six months; maintaining a quality system in compliance with QS9000, ISO/TS16949, or ISO 9001 for 2000; and passing PACCAR's Supplier Readiness Review.

About Bendix Commercial Vehicle Systems LLC

Bendix Commercial Vehicle Systems, a member of the Knorr-Bremse Group, develops and supplies leading-edge active safety technologies, energy management solutions, and air brake charging and control systems and components under the Bendix® brand name for medium- and

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heavy-duty trucks, tractors, trailers, buses, and other commercial vehicles throughout North America. An industry pioneer, employing more than 2,700 people, Bendix is driven to deliver solutions for improved vehicle safety, performance, and overall operating cost. Bendix is headquartered in Elyria, Ohio, with manufacturing plants in Bowling Green, Kentucky; Huntington, Indiana; and Acuña, Mexico. For more information, call 1-800-AIR-BRAKE (1-800-247-2725) or visit www.bendix.com. To learn more about career opportunities at Bendix, visit www.bendix.com/careers. Follow Bendix on Twitter at http://twitter.com/Bendix_CVS. Log on and learn from the Bendix experts at www.brake-school.com.

About Bendix Spicer Foundation Brake LLC

Bendix Spicer Foundation Brake LLC combines and expands the complementary wheel-end foundation brake technologies of two global leaders – Bendix Commercial Vehicle Systems LLC and Dana Commercial Vehicle Products, LLC. The joint venture, formed in July 2004, is a single, complete source for OEM brake system design, manufacturing, hardware, and support for all foundation brake components and actuation systems, as well as all-makes coverage of nearly 50,000 medium- and heavy-duty aftermarket parts. Bendix Spicer Foundation Brake LLC is headquartered in Elyria, Ohio, with engineering operations in both Elyria and Kalamazoo, Michigan, and a manufacturing facility in Bowling Green, Kentucky. For more information, call 1-866-610-9709 or visit www.foundationbrakes.com. To learn about career opportunities at Bendix Spicer Foundation Brake, visit www.bendix.com/careers. Follow BSFB on Twitter at http://twitter.com/Bendix_CVS. Log on and learn from the Bendix experts at www.brake-school.com.

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