



News Release

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FOR IMMEDIATE RELEASE

PACCAR RECOGNIZES BENDIX HUNTINGTON FACILITY
WITH PRESTIGIOUS QUALITY AWARD

Indiana Manufacturing Operation Achieved 10 PPM in 2016

ELYRIA, Ohio – June 20, 2017 – PACCAR has named Bendix Commercial Vehicle Systems LLC to its list of premier suppliers that meet the OE's rigorous quality expectation of 10 PPM for parts and components. The distinction is earned by lowering PPM, or product defects expressed in Parts Per Million, to below 10. Bendix reduced its PPM to just under four at its manufacturing operation in Huntington, Indiana. In another instance of quality recognition for Huntington, the Bendix facility also finished fifth for the prestigious global 2016 KB-Truck Knorr Excellence Award, given by the Munich, Germany-based Knorr-Bremse (KB) Group.

Bendix's Huntington manufacturing campus opened in February 1980 and consists of four facilities. PACCAR is a global technology leader in the design, manufacture, and customer support of high-quality light-, medium-, and heavy-duty trucks under the Kenworth, Peterbilt, and DAF nameplates.

Work done at the Huntington campus has been consistently recognized by high-profile commercial vehicle manufacturers. The facility also earned PACCAR's quality award in 2014, when the requirement was 50 PPM. PACCAR has since stiffened the award criteria to 10 PPM.

"It is a great honor to receive this quality certification from a valued partner like PACCAR. The award embodies the commitment and dedication from everyone at Bendix to help PACCAR deliver the best quality products possible, and reflects our unwavering focus on our customers' needs," said Carlos Hungria, Bendix chief operating officer. "With no room for error in the increasingly competitive environment of today's trucking industry, each and every

product we produce at Bendix is of upmost importance. It is that level of detail and expectation that has earned the Huntington manufacturing campus this recognition.”

In accordance with the PACCAR 10 PPM standard, Bendix's Huntington facility consistently builds a successful product more than 99.999 percent of the time – that is, for every million parts produced, fewer than 10 contain defects that reach the customer. The plant at Huntington manages 75 active unique assemblies and parts for PACCAR, and shipped over 1,100,000 pieces to the OE in 2016.

Shared Vision

Bendix's ongoing drive for quality takes place at all its manufacturing facilities, each of which continuously realizes new process controls, extensive employee training, and customer teams to proactively address potential quality issues.

The more than 350 employees at the Huntington campus have a hand in shaping the facility's achievements and contribute to the continuous improvement culture fostered there. The plant has implemented nearly 1,500 process improvement ideas in the past year. According to Mike Pogorelc, plant manager, the facility's quality success with PACCAR is built on the successful combination of a strong vision from Bendix management, highly engaged employees who contribute to the quality culture, and timely two-way customer communication.

“Guided by the vision of Bendix leadership, we are single-minded in continuously driving internal quality improvements and treating every step of our operation as important as the next – leaving no stone unturned, all in the service of the customer,” Pogorelc said. “PACCAR shares our vision for quality. The level of communication and respect we've developed between their supplier quality group and our facility illustrates this meeting of the minds.”

The Huntington manufacturing operation is committed to the Knorr Production System (KPS) quality, productivity, and continuous improvement culture.

“Our success isn't something you can attribute to just one factor. At the core is our dedication to being nothing less than each customer's most trusted supplier,” said Lori Mickley, quality assurance manager for Bendix at Huntington. “This thinking is built into our culture, where our employees approach quality personally – they are committed to taking responsibility for quality improvements, individually and as a team. At Huntington, quality is more than a leadership initiative – we all own it. We'll never rest, even after we reach our goal of zero PPM.”

PACCAR maintains its 10 PPM distinction on a rolling 12-month performance basis, but in order to be nominated for the quality certification, PACCAR-approved suppliers must meet a range of criteria – in areas including warranty, quality system certifications, on-time submission

rates, and more – in addition to sustaining a non-conforming parts rate below 10 PPM. In addition, honorees must pass PACCAR's Supplier Readiness Review.

"The Huntington award encourages us all to continue driving our standards to operate at our highest levels," Hungria said. "We're on a journey for operational excellence. From senior leadership to the shop floor, we are focused on delivering our best for our customers."

Parent Company Recognition

In addition to the recognition from PACCAR, Bendix's Huntington manufacturing campus also earned fifth place for the 2016 KB-Truck Knorr Excellence Award, given by the Munich, Germany-based Knorr-Bremse (KB) Group at its World Meeting in March. Bendix is a member of KB, the leading worldwide supplier of pneumatic braking and related safety systems for commercial vehicle and railroad applications.

Each year, KB awards two locations – one in its global rail business segment and one in its worldwide truck business segment – the Knorr Excellence recognition for outstanding achievement within the Knorr Excellence (KE) business metrics. KB's truck business segment consists of 18 facilities globally.

The Huntington manufacturing campus earned first place for the KB-Truck Knorr Excellence Award in 2014.

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 heavy-duty trucks, tractors, trailers, buses, and other commercial vehicles throughout North America. An industry pioneer, employing more than 3,000 people, Bendix is driven to deliver solutions for improved vehicle safety, performance, and overall operating cost. Contact us at 1-800-AIR-BRAKE (1-800-247-2725) or visit bendix.com. Stay connected and informed through Bendix expert podcasts, blog posts, videos, and other resources at knowledge-dock.com. Follow Bendix on Twitter at twitter.com/Bendix_CVS. Log on and learn from the Bendix experts at brake-school.com. And to learn more about career opportunities at Bendix, visit bendix.com/careers.

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