Bendix Acuña Operations
September 14, 2016
Port to Plains
Annual Conference
History
**Bendix Acuña Growth Timeline**

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<tbody>
<tr>
<td><strong>Assembly</strong></td>
<td><strong>Teardown</strong></td>
<td><strong>Machining</strong></td>
<td><strong>New Plant</strong></td>
<td><strong>ABS / ADIS</strong></td>
<td><strong>New Plant</strong></td>
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<tr>
<td>Beginning of the journey</td>
<td>Remanufacturing Operations</td>
<td>Aluminum Machining Valves Machining</td>
<td>Acuña Plant II Grand opening</td>
<td>ABS Valve Machining</td>
<td>Plant III Grand opening</td>
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<tr>
<td>Small assembly operations</td>
<td>Valve pedals, relays and foot hand valves</td>
<td>Air Dryer Machining</td>
<td>ADIS Complex Machining</td>
<td>Iron Machining compressors</td>
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<td>60K square feet</td>
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<td>Compressors Assembly</td>
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**Significant Growth Since 1987**

**Increased complexity with growth and expansion of facilities**
Three Manufacturing Locations in Acuña Mexico

Plant I
Valves / Electronics
Aluminum Machining
Established: 1987
Shifts: 2
Employees: 719
Size: Land: 11 acres
Plant: 185K Sq./ft.

Plant II
Compressors / Air Treatment
Gray Iron & Aluminum Machining
Established: 2000
Shifts: 2
Employees: 391
Size: Land: 15 acres
Plant: 160K Sq./ft.

Plant III
Actuators Assembly
Established: 2010
Shifts: 2
Employees: 223
Size: Land: 5.8 acres
Plant: 67K Sq./ft.
Products
Acuña Product Mix

Plant I
Machined: 30K / day
Assembled: 34K / day
Assembled: 8.8M / year
M40X 1.2M / year
MV3 480K / year
E6/E8 192K / year

Plant II
Machined: 7K / day
Assembled: 11K / day
Assembled: 2.8M / year
ADIS 179K / year
AD9 166K / year
BA921 74K / year

Plant III
Assembled: 7.5K / day
Actuators 1.5M / year
Kitting & Misc. 1.1M / year

Acuña Manufacturing Information
Projects
EEM / New Product Introduction – Driver Control Module (DCM)

- Investment: $4.0M USD
- Start-of-Production (SOP): Oct-2016
- Est. Annual Demand: 60,620 units
- Mfg. Cycle Time Target: 162 sec/unit (est. output 5,287 units/month)
EEM / Capacity Increase – Low Flow Solenoid Line #2

- Investment: $1.5M USD
- Start-of-Production (SOP): Oct-2015 (Completed)
- Est. Annual Demand: 384,000 units
- Mfg. Cycle Time Target: 32 sec/unit (est. output 32,000 units/month)
Logistics
Material Flow – High level

Central Distribution Center in Acuna Mexico:
- Manage all raw material with daily transfer to the plants

Cross Dock Operations in Del Rio Texas:
- Handles all inbound & outbound freight
Global Purchasing Supply Base

US – 70%
MX – 5%
Europe – 15%
Asia – 5%

Tier 1 supplier to the OE heavy vehicle market....
Customer Base / distribution

Tier 1 to the OE market....
CPAT-NEEC and Bendix
Bendix C-TPAT

- Bendix has been a member of the Customs-Trade Partnership Against Terrorism (C-TPAT) since 2004.
- All Bendix facilities have established security policies based on CTPAT.

- Container inspections
- Physical Security
- Physical access control
- Personnel Security
- Internet safety
- Security & Threat awareness
Trade Compliance Responsibilities

- Keeping the Company fully compliant with current laws and regulations
- Training employees on import and export procedures and policies
- Reviewing and updating compliance programs regularly and as needed
- Interacting with Government officials to strengthen communication and cooperation
- Ensuring that import and export policies and procedures are followed
Introduction

C-TPAT is a US Customs and Border Protection (CBP) voluntary joint government-business initiative to build cooperative relationships that strengthen overall supply chain and border security.

C-TPAT recognizes that Customs can provide the highest level of security only through close cooperation with the ultimate owners of the supply chain, importers, carriers, brokers, warehouse operators, and manufacturers.

NEEC is the equivalent of C-TPAT in Mexico.

This initiative asks that business work to ensure the integrity of their supply chain processes and business partners, and successfully maintain open communication of their status. The program is not limited to large importer/exporters.
Introduccion.

The Customs-Trade Partnership Against Terrorism (C-TPAT) is, beyond question, the largest and most successful government-private sector partnership to emerge from the ashes of 9/11. C-TPAT was launched in November 2001, with just seven companies – seven major importers.

Today, over 7,400 companies are enrolled, and these companies – critical players in the global supply chain – include United States importers, customs brokers, terminal operators, carriers and foreign manufacturers.

Since the beginning, the guiding principles for C-TPAT have been voluntary participation and jointly developed security criteria, best practices and implementation procedures. C-TPAT partners have worked with CBP to protect their supply chains from concealment of terrorist weapons, including weapons of mass destruction, and global supply chains are more secure today as a result of C-TPAT. In exchange, CBP provides reduced inspections at the port of arrival and expedited processing at the border. C-TPAT is one of several CBP initiatives implemented after 9/11 to achieve CBP’s twin goals: security and facilitation.
C-TPAT Vision and Mission.

To achieve CBP's twin goals, the C-TPAT strategic plan is designed to:

1) Improve security of a significant percentage of shipments to the United States;

2) Provide benefits and incentives to private sector companies that meet or exceed C-TPAT supply chain security criteria and best practices; and

3) Concentrate CBP's inspectional resources and capabilities on higher risk shipments.

And, by working with the international community, CBP will strive to internationalize the principles of C-TPAT, while supporting other CBP and Department of Homeland Security (DHS) initiatives designed to secure and facilitate global trade.
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11 NEEC Elements by functional areas

- **2.0 Physical Security:**
  - 2.1 Facilities
  - 2.2 Access doors and booths
  - 2.3 Perimeter Fences
  - 2.4 Parking
  - 2.5 Control keys and latches
  - 2.6 Lighting
  - 2.7 Communication devices

- **3.0 Physical Access Control:**
  - 3.1 Security Staff
  - 3.2 Identification of employees
  - 3.3 Identification of visitors and Suppliers
  - 3.4 Procedure to identification and removal unauthorized persons or vehicles
  - 3.5 Deliver of courier and parcel

- **9. Information & Documents Security:**
  - 9.1 Information & documentation Management
  - 9.2 IT security guidelines

- **1. Security Planning in the Supply Chain:**
  - 1.2 Risk analysis
  - 1.3 Security (Safety) polices
  - 1.4 Internal audits
  - 1.5 Contingency and emergency plans

- **8. Personnel Safety:**
  - 8.1 Employee eligibility verification
  - 8.2 Employee Resignation procedure
  - 8.3 Personnel administration procedure

- **6. Custom Management:**
  - 6.1 Management of customs clearance
  - 6.2 Customs obligations
  - 6.3 Checkout customs

- **4. Commercial Partners:**
  - 4.1 Selection criteria
  - 4.2 Security requirements
  - 4.3 Business partner reviews

- **5. Process Security:**
  - 5.1 Process mapping
  - 5.2 Warehouses and distributions centers
  - 5.3 Cargo delivery and receipt
  - 5.4 Cargo tracking procedure
  - 5.5 Discrepancies report in the goods
  - 5.6 Procedure of cargo information and documentation

- **7. Safety of Trucks, Containers, Trailers or Tow:**
  - 7.1 Integrity of load and use of seals and containers
  - 7.2 Inspection of transportation means (CTPAT 7 points)
  - 7.3 Storage of vehicles and means of transportation

- **10. Security Training and Awareness:**
  - 10.1 Training and awareness of threats
  - 10.2 Awareness transportation operators

- **11. Incident Management & Investigation:**
  - 11.1 Reporting & Investigation of incidents
  - 11.2 Investigation and analysis