

TELECONFERENCE CALL WITH DANA & LABS 6/4/2014

Call-ins:

Thomas Gottwald – Afton
Jarrod Chalkley – Afton
Larry Hamilton – Lubrizol
Dale Smith – Intertek
Rebecca Warden – SwRi
Scott Parke – TMC
Gary Schmalbach – Dana

Meeting Minutes:

- Labs agreed a pilot batch is not needed. Lab representatives to visit Fort Wayne & Lugoff facilities to inspect prior to releasing production.
- Labs will not be invoiced until axle shipment occurs.
- Labs asked if first shipment could be Net 60 days, Dana agreed.
- Each shipment will be invoiced separately.
- Dana to provide a 6 month warranty on workmanship
- Dana could issue credit before invoice so labs would not owe anything if there were problems with axles.
- Dana will do their best to produce quantities in excess of original number (1400 axles total). Labs agreed that any extra axles would be purchased.

E-MAIL TO LABS 6/6/2014

All,

Please find attached contact pattern acceptability chart and compare to the values below which I copy/pasted from the ASTM project requirements sheet. Are all of the labs still comfortable with these patterns?

5.9.2 Use Form No. 90119 - Tooth Contact Pattern Acceptability Chart when evaluating the ring gear and pinion contact patterns. ONLY the type patterns defined below are allowed. They are as follows:

Drive Side: L3F0, L3F+1, L3F-1, L2F0, L2F+1, L2F-1

Coast Side: L3F0, L3F+1, L2F0

Thanks,

Jarrod (Jay) Chalkley
Afton Chemical Corporation
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E-MAIL TO LABS 6/25/2014

Afternoon,

Dana would like to reduce the number of builds to (2) batches, shipping in November and December '14 respectively. In order to do this, they will have (2) shifts per day building these axles. As far as I know, these are not new technicians, just different shifts, but I will confirm.

I am fairly confident that this change will be welcomed by everyone but if there are concerns, then please let me know as soon as possible.

Thanks,

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E-MAIL TO LABS 6/27/2014

I spoke with Gary again and he confirmed that this build was not going to be spread over two shifts but would be completed using 10hr shifts, possibly weekends. He stressed that there would NOT be any temporary/part-time employees working on these builds as he is very aware of the importance of providing a quality part (to reflect the quality price tag).

On another note, Gary was given permission to waive the \$25,000 Project Evaluation Fee seeing as our PO's have all been submitted. If you have been billed for this, disregard it. If you have paid it then please let me know.

Thanks,

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E-MAIL TO LABS 7/23/2014

Afternoon everyone,

I just had a quick phone call with Gary Schmalbach & Frank Bowler to discuss the build status as well as future visits to Whitworth and Fort Wayne.

Obviously I have not lived through past batches so I am trying not to be too naïve, but overall I would say Dana is working very hard to provide the industry with a quality batch of hardware this time around.

Below is a snapshot of what was discussed:

- The Dana team has been and will continue to meet twice a week to keep this project on track.
- All material and components are on schedule, with the exception of ~1/3 of the input yokes needed, although current ETA is still in time for the build.
- Gear sets should be ready by the end of September if not sooner.
- The Dana team made internal updates as well as visits to key suppliers in order to tighten tolerances wherever feasible (to well under required limits).
- Dana will do two small builds on their own to verify these improvements.

Concerning plant visits, Frank Bowler will provide a timeline with “windows of opportunity” so those of us interested can make travel arrangements. I stressed that we did not want these visits to impede production in any way.

With that being said, the lapping process was mentioned a few times, but are there any other processes that would benefit the group?

If there are concerns or further questions, please let me know and I will do my best to address them.

Best regards,

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