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FCA Sterling Heights Assembly Joins the Ranks of Bronze Plants in World Class Manufacturing

- Michigan truck plant becomes 24th North American facility to achieve bronze in World Class Manufacturing methodology
- Plant launched production of all-new Ram 1500 truck in 2018
- · Award recognizes progress toward becoming World Class

October 18, 2019, Auburn Hills, Mich. - The FCA <u>Sterling Heights Assembly Plant</u> has been awarded bronze status for its efforts in implementing World Class Manufacturing (WCM), the Company's manufacturing methodology. It becomes the 24th North American facility to reach the milestone award.

The suburban Detroit truck plant, which launched production of the all-new Ram 1500 in 2018, earned bronze after receiving a minimum of 50 points in 10 technical and 10 managerial pillars following a two-day independent audit held on Oct. 16 and 17. The plant demonstrated clear WCM know-how and competence through employee-conducted pillar presentations and a review of projects implemented across the shop floor. The designation recognizes the long-term commitment of a workforce to making significant changes that can secure the future of a facility.

"The path to achieving this award has been full of twists and turns for the Sterling Heights workforce, but through it all, they have persevered and demonstrated a commitment to ensuring their future through the implementation of WCM," Jorge Lares, Head of Manufacturing, FCA North America, said. "Reaching bronze confirms their understanding of the WCM methodology and their dedication to implementing best practices that improve the overall quality and safety in the plant. Our Sterling Heights workforce is to be commended for embracing WCM as a way of life."

WCM, first implemented by Fiat in 2006 and introduced to Chrysler Group as part of the alliance between the two companies in June 2009, is a methodology that engages the employees to provide and implement suggestions on how to improve their jobs and their plants, promoting a strong sense of ownership. Plants awarded for their efforts also have a role in accelerating the implementation of WCM throughout the organization as coaches and mentors.

During an audit, zero to five points are awarded for each of the 10 technical pillars, which include safety, workplace organization, logistics and the environment, and for each of the 10 managerial pillars, such as management commitment, clarity of objectives, allocation of people, motivation of operators and commitment of the organization. A score of 85 would indicate World Class.

Currently, there are 10 North American plants that hold a silver designation, having been elevated from bronze after receiving a minimum of 60 points during an audit. Silver is awarded to plants that have taken a preventative approach to implementing the WCM methodology throughout the facility. The silver plants are:

- · Windsor (Ontario) Assembly Plant
- Dundee (Michigan) Engine Plant
- Toledo (Ohio) Assembly Complex
- Saltillo (Mexico) South Engine Plant
- Mack Avenue (Detroit) Engine Plant
- Saltillo (Mexico) Van Assembly Plant
- Warren (Michigan) Stamping
- Toledo (Ohio) Machining
- Sterling Stamping (Sterling Heights, Michigan)
- Tipton (Indiana) Transmission Plant

In addition to Sterling Heights, there are 13 other facilities that hold the WCM bronze designation:

- · Saltillo (Mexico) Truck Assembly
- Toluca (Mexico) Assembly
- Trenton (Michigan) Engine Complex
- Brampton (Ontario) Assembly
- Indiana Transmission Plant II (Kokomo, Indiana)
- · Belvidere (Illinois) Assembly
- Kokomo (Indiana) Transmission Plant
- Indiana Transmission Plant I (Kokomo, Indiana)
- · Kokomo (Indiana) Casting
- · Warren (Michigan) Truck Assembly
- · Jefferson North (Detroit) Assembly Plant
- CPK Interiors, Port Hope (Ontario)
- Etobicoke (Ontario) Casting

About the Sterling Heights Assembly Plant

The Sterling Heights Assembly Plant was built in 1953 as a jet engine plant and was operated by the Army as the Michigan Ordinance Missile Plant with Chrysler serving as contractor, building Redstone and Jupiter missiles. It was converted to an automobile plant in 1980 by Volkswagen and purchased by Chrysler Corporation in 1983.

In June 2009, the Company announced that the plant would close at the end of 2010, however production was extended through 2012.

Then in July 2010, FCA announced that SHAP would remain open indefinitely and add a second shift of production. Five months later, an \$850 million investment was announced to construct an all-new, state-of-the-art paint shop, as well as install new machinery, tooling and material-handling equipment to produce the Chrysler 200. Nearly a year later, the plant received another \$165 million investment to add a new body shop. The 200 launched in March 2014, but by 2016, market demand was shifting away from cars to utility vehicles and the plant returned to a one shift operation in July 2016. The last 200 rolled off the line on Dec. 2, 2016.

On July 26, 2016, FCA announced that it would invest \$1.48 billion to retool the plant to build the next generation Ram 1500 and support the future growth of the Ram brand. Two months later, the Company confirmed that it would create 700 new jobs to support production of the new truck, which officially launched in March 2018.

The plant's new body shop received LEED (Leadership in Energy and Environmental Design) Gold Green Building System certification in July 2015 for meeting the highest environmental standards.

Sterling Heights employs nearly 7,800 people working a 3-2-120 operating pattern – three crews working four 10-hour days on two shifts for 120 production hours per week.

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