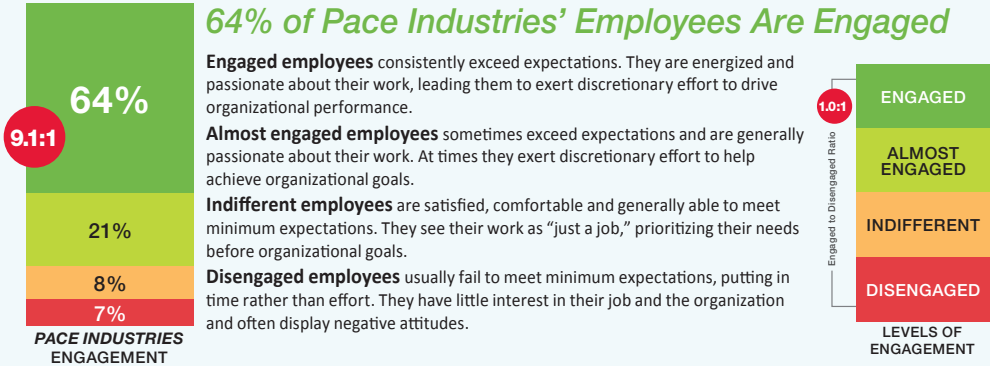


Pace Takes Your Opinion Seriously! 2015 Survey Results Are In

3146 Employees
2761 Responses
88% Response Rate



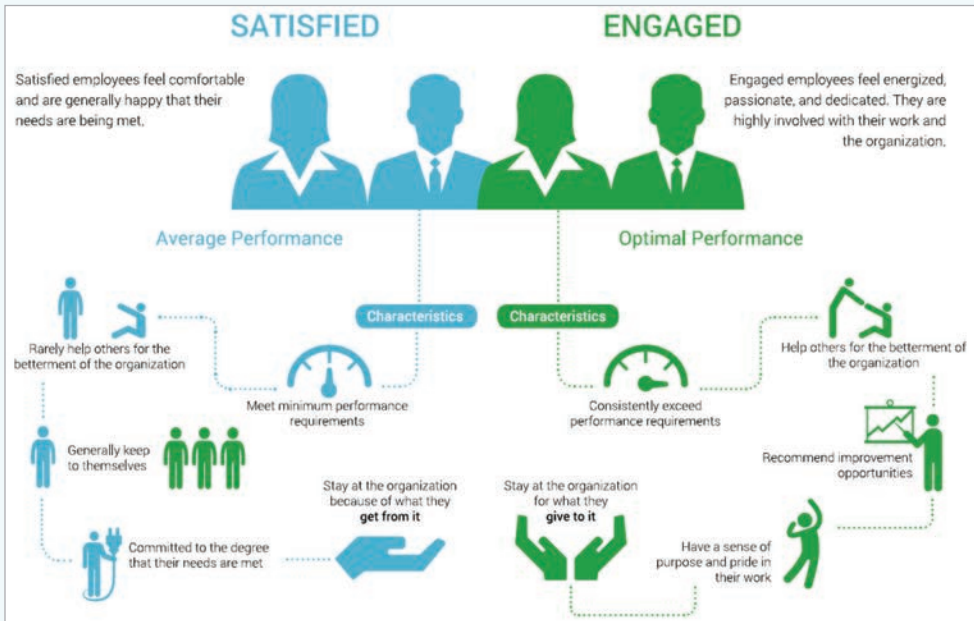
64% of Pace Industries' Employees Are Engaged

Engaged employees consistently exceed expectations. They are energized and passionate about their work, leading them to exert discretionary effort to drive organizational performance.

Almost engaged employees sometimes exceed expectations and are generally passionate about their work. At times they exert discretionary effort to help achieve organizational goals.

Indifferent employees are satisfied, comfortable and generally able to meet minimum expectations. They see their work as "just a job," prioritizing their needs before organizational goals.

Disengaged employees usually fail to meet minimum expectations, putting in time rather than effort. They have little interest in their job and the organization and often display negative attitudes.



Pace takes your opinion seriously. One of our core values states, "Caring for others and valuing their diverse opinions is paramount to our success." We believe this wholeheartedly and take the survey responses seriously and to heart. We are pleased to announce the 2015 results brought Pace's overall survey score up 4.5%! This is great news and has exceeded our expectations, which makes us proud to have a highly engaged workforce. With an 88% overall response rate and 64% of these responses being from engaged associates, our Executive Team is over-the-top excited.

Engaged associates have proven to be highly involved with their work and the organization through their energy, passion and devotion. These are exactly the people we are looking for to drive organizational performance. With Pace's five-year vision to grow, these survey results enforce our plan to utilize the talent and ambition of the associates we are fortunate to have within our current workforce.

Pace is committed to continuous improvement. As always we appreciate your communication and honesty. We will continue striving to maintain mutual respect for the benefit of our associates and customers.

Divisional results will be communicated by your local management teams very soon.

Remember: If you signed up for the HDHP with the HSA you will receive new insurance cards for your medical insurance.

2015 OPEN ENROLLMENT What's New

2 Options Now Available For Medical Coverage

All current associates can choose one of the following four-tiered plans:

- 1 PPO
- 2 High-Deductible Health Plan (HDHP) with Health Savings Account (HSA)*

*The HDHP with HSA option offers competitive benefits to the PPO and a lower weekly premium in exchange for a higher deductible. Unlike a PPO, HSAs allow you to make contributions throughout the year as payroll deductions. Your deductions go into a savings account which can be used for qualifying medical expenses. Expenses can be paid with a debit card or reimbursement form.

Pace will contribute \$500 for an employee-only HSA plan or \$1,000 for a family plan to your account each year to get you started.

With the HSA option:

- ✓ Contributions are tax deductible.
- ✓ Your account grows tax deferred.
- ✓ Your balance rolls over every year.
- ✓ You're not taxed when it's used to pay medical expenses including vision and dental.
- ✓ Any contributions are yours to keep.

Contact your HR rep with additional questions about this new option. Regardless of which plan you choose, you still have access to Pace Wellness Centers and other benefits like the **Nurse 24 Hotline**, mail order prescriptions and the My Blueprint website.

New Options and Rates

See the rate sheet on the Pace Cares website, including a comparison of weekly costs for PPO and HSA.

No change to dental and vision costs.

Continued on page 8. →

Preventing Slip, Trip and Fall Accidents

By Mark Piper, Senior Director of Health & Safety

**It's probably happened to most of us. A stumble down a stairway.
A trip over an uneven surface. Slipping on the ice.**

According to the U.S. Department of Labor, slips, trips and falls make up the majority of general industry accidents, which account for:

- 15% of all accidental deaths per year, the second-leading cause behind motor vehicles.
- About 25% of all reported injury claims per fiscal year.
- More than 95 million lost work days per year – about 65% of all work days lost.

In general, slips and trips occur due to a loss of traction between the shoe and the walking surface or an inadvertent contact with a fixed or movable object, which may lead to a fall. There are a variety of situations that may cause slips, trips and falls.

- Wet or greasy floors
- Uneven walking surfaces
- Loose flooring, carpeting or mats
- Transition from one floor type to another
- Missing or uneven floor tiles and bricks
- Damaged or irregular steps; no handrails
- Sloped walking surfaces
- Shoes with wet, muddy, greasy or oily soles
- Clutter or poor housekeeping
- Electrical cords or cables lying across pathways
- Open desk or file cabinet drawers
- Damaged ladder steps
- Weather hazards – rain, sleet, ice, snow, hail or frost

Here are six guidelines to help you create a safer working environment for you and your employees.

1) Create Good Housekeeping Practices

Good housekeeping is critical. Safety and housekeeping go hand in hand. If workplace housekeeping habits are poor, the result may be a higher incidence of employee injuries.

If the workplace is clean and well organized, it is a good indication that its overall safety program is effective as well. Proper housekeeping is a routine. It is an ongoing procedure that is simply done as a part of each worker's daily performance.

2) Reduce Wet or Slippery Surfaces

Walking surfaces account for a significant portion of injuries. The most frequently reported types of surfaces where these injuries occur include: parking lots, sidewalks (or lack of) and floors in general. Traction on outdoor surfaces can change considerably when weather conditions change. Those conditions can then affect indoor surfaces as moisture is tracked in by pedestrian traffic. Traction control procedures should be constantly monitored for their effectiveness. Keep parking lots and sidewalks clean and in good repair. When snow and ice are present, remove or treat these elements. In some extreme cases, it may be necessary to suspend use of the area. Use adhesive striping material or anti-skid paint whenever possible. Indoor control measures can help reduce the incidence of slips and falls. Use moisture-absorbent mats with beveled edges in entrance areas. Make sure they have backing material that will not slide on the floor. Display **Wet Floor** signs as needed. Use anti-skid adhesive tape in troublesome areas. Clean up spills immediately.

3) Avoid Creating Obstacles in Aisles and Walkways

Injuries can also result from trips caused by obstacles, clutter, materials and equipment in aisles, corridors, entranceways and stairwells. Proper housekeeping in work and traffic areas is still the most effective control measure in avoiding the proliferation of these types of hazards. Keep all work areas, passageways, storerooms and service areas clean and orderly. Avoid stringing

cords, cables or air hoses across hallways or in any designated aisle. In office areas, avoid leaving boxes, files or briefcases in the aisles. Encourage safe work practices such as closing file cabinet drawers after use and picking up loose items from the floor. Conduct periodic inspections for slip and trip hazards.

4) Create and Maintain Proper Lighting

Poor lighting in the workplace is associated with an increase in accidents. Use proper illumination in walkways, staircases, ramps, hallways, basements, construction areas and dock areas. Keep work areas well lit and clean. Upon entering a darkened room, always turn on the light first. Keep poorly lit walkways clear of clutter and obstructions. Keep areas around light switches clear and accessible. Repair fixtures, switches and cords immediately if they malfunction.

5) Wear Proper Shoes

The shoes we wear can play a big part in preventing falls. The slickness of the soles and the type of heels worn need to be evaluated to avoid slips, trips and falls. Shoelaces need to be tied correctly. Employees are expected to wear footwear appropriate for the duties of their work tasks.

6) Control Individual Behavior

This condition is the toughest to control. It is human nature to let our guard down for two seconds and be distracted by random thoughts or doing multiple activities. Being in a hurry will result in walking too fast or running, which increases the chances of a slip, trip or fall. Taking shortcuts, not watching where one is going, using a cell phone, carrying materials that obstruct the vision, wearing sunglasses in low-light areas, not using designated walkways and speed are common elements in many on-the-job injuries.



**Report any slip, trip and fall hazards to your supervisor immediately.
It's ultimately up to each individual to plan, stay alert and pay attention.**

Impacts of Near-Roadway Air Pollution

It's the rare person who has not had the unfortunate experience of driving too closely to a vehicle like a heavy-duty diesel truck and getting a car full of smelly exhaust. But the everyday impacts of the cumulative emissions on major roads are also under scrutiny by the Environmental Protection Agency (EPA) due to their effects on public health.

According to the EPA, air pollutants from motor vehicles "are found in higher concentrations near major roads." These "directly emitted" pollutants are composed of hundreds of substances including particulate matter (PM), carbon monoxide (CO), oxides of nitrogen (NOx), and benzene. Motor vehicle exhaust also contains compounds that help to form other air pollutants in the atmosphere, such as nitrogen dioxide (NO₂), which the EPA says "is found in elevated concentrations near major roads, and ozone (O₃), which forms further downwind." In addition to tailpipe exhausts, roadway traffic can also produce dust and emit brake and tire debris.

Taken together or alone, these pollutants are associated with adverse health effects, and for those who spend long periods of time near major roads, they can be especially problematic. Among the many health problems cited by the EPA are:

- Asthma onset and aggravation.
- Cardiovascular disease.
- Preterm and low-birth-weight infants.

- Reduced lung function; impaired lung development in children.
- Childhood leukemia.
- Premature death.

But what qualifies as a major road and just how close does a person have to be to be impacted by the air pollution? Different studies have looked at these two questions in different ways so there are no exact specifications, but here's what research has shown. Regarding the definition of a major road, some researchers define it qualitatively (such as, "a highway"), while others use quantitative qualifiers like annual average daily traffic. Similarly, proximity to a major road may be assessed at a specific distance (e.g., within 100 to 300 meters from a home or school), while other studies used pollutants estimated using dispersion modeling, land-use regression, or other statistical models. In the end, the EPA says that while there is no clear definition of "near or far from a road ... in most cases, concentrations are generally highest on and/or nearest the roadway, while increasing distance from the road generally reduces concentrations to background levels within 500 to 600 feet though this distance [and] will vary by pollutant in time and location..."

On a national scale, in 2009 the EPA estimated that "more than 45 million people in the United States lived within 300 feet of a highway with four or more lanes, a railroad or an airport,

and population trends suggest this number is increasing." Moreover, many schools and day care operations are located within "a few hundred feet" of highways and, each day, "the average American spends more than an hour in travel, most of which takes place on major roadways."

In addition to proximity, other factors also affect air quality near major roadways, including:

- Type of vehicle and fuel used – heavy-duty diesel trucks emit more NOx and PM, while light-duty gasoline vehicles emit more CO, benzene, and volatile organic compounds (VOCs).
- Traffic activity – more traffic usually means greater emissions, as do stop-and-go and high-speed traffic.
- Wind speed and direction – for example, the combination of rush-hour traffic and calm winds can lead to the highest pollutant concentrations on that day.
- The presence of sound walls, buildings and vegetation – all of which can have an impact on pollutant dispersion.

Although near-roadway air pollution can impact anyone, the groups most at risk include:

- Children and the elderly.
- Those with asthma and other respiratory diseases.
- Those with risk factors for heart disease and stroke.
- Those with pre-existing cardiopulmonary disease.
- Those of low socioeconomic status.

PACE UPDATES



Pace Industries' Airo Division Joins Company Stable of TS-Certified Facilities

Airo's commitment to excellence leads to certification as the 6th Pace Die Casting Division to earn certification for international automotive quality management standard.

Pace Industries, North America's leading full-service aluminum, zinc and magnesium die casting company, announces that the Airo Division located in Loyalhanna, Pa., recently received TS-16949 certification from the International Automotive Task Force. The certification better positions the Airo Division for increased opportunities to provide international automotive parts suppliers with top-quality, American-made parts.

"We've been ISO-certified since 1999, and the TS certification is an enhancement to

that, which will allow us to better serve automotive industry customers," said Dan Krinock, president, Pace Airo Division. "The system we already had in place was very close to the level of TS certification. Taking that next step to make it official shows our commitment to current and future customers in this growing industry."

TS certification supports a business philosophy built around quality, efficient delivery of products and a strong overall supply chain. Certification requires a rigorous audit process that measures past manufacturing performance data and internal auditing processes to ensure facilities can deliver products that are consistently safe and meet automotive standards. In addition, TS certification leads to a more efficient supply

chain with a universal management system to streamline audits, decrease delivery times and reduce costs.

"For current customers, TS certification means that Airo has developed a more rigorous quality system that will ensure tighter controls are in place to assure product quality," said Mark Broadway, vice president of quality assurance, Pace Industries.

The Airo Division joins five other Pace facilities that feature TS certification: Pace St. Paul Division in Arden Hills, Minn.; Pace Harrison and B&C Divisions in Harrison, Ark.; Pace Chihuahua Division in Chihuahua, Mexico; and Pace Grafton Division in Grafton, Wis.

[More information on Pace Industries' individual divisions and capabilities is available at Paceind.com.](http://Paceind.com)


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PACE UPDATES

2015 OPEN ENROLLMENT: What's New,

continued from page 1.

New In-Network, Out-of-Pocket Maximums (Both Plans)

In-Network OOP Expense	Employee Only	Family
Medical	\$3,000	\$6,600
Prescription	\$3,600	\$6,600
Total OOP Max	\$6,600	\$13,200

Due to the Affordable Care Act, as of January 1, 2014, all medical deductibles, co-payments and co-insurance will calculate into the out-of-pocket maximum amount.

New Deductibles

PPO: \$1,000/year deductible per covered participant

HDHP/HSA: \$2,000/year (employee), \$4,000/year (family)

TASC – Medical Flexible Spending Account*

On July 1, 2015, up to \$500 of your unused medical FSA funds will carry over to the new plan period. This will continue from year to year. *Note: FSA is not available with HSA plan option.

New Vision Benefits

For the 2015/2016 plan year:

- Wellness vision exams and the co-pay for prescription glasses are now only \$10 each.
- No co-pays for progressive lenses ("no-line bifocals/trifocals") or tints.
- Frame allowances have increased to \$180 for featured brand frames and \$160 for other frames.

Weekly Insurance Rates

Your 2015/2016 weekly insurance rates will be based on the results of your health risk assessments (HRA) conducted earlier this year. You should have received your HRA results in the mail and can use them to determine your weekly premium costs. Please see your local HR or <http://pacecares.paceind.com> for the insurance premium chart.

Getting a Handle on Quality

St. Paul Division Wins 2015 Webasto Quality Excellence Award

By Darren J. Bombich, Sales Manager/Sales Engineer, Pace St. Paul Division

It's the details that make the difference. Industries' St. Paul Division proved that recently, by serving one of our customers with a unique need – and we were rewarded for it. Webasto-Edscha Cabrio USA, a manufacturer of automotive convertible roof systems, came to us with a request that looked simple enough on the surface: Supply an overmolded and machined die cast aluminum operating handle for the convertible top on the new Ford Mustang. When they shared their need for a tight turnaround and approval time with us, that's when things became a little more interesting.

As you can imagine, any component added to an automobile must go through a rigorous approval process by the vehicle manufacturer for safety and durability. It was discovered early in the APQP process that Webasto had specified a neoprene-type overmold material that had not been approved by Ford. The customer was facing the reality that they might not be able to deliver a solution before the new Mustang needed to hit the streets.

The St. Paul team was quick on our feet to come up with a solution. By thinking outside the box, we found a material that was already used elsewhere in the vehicle that we thought might also work for this application. We were right. Using this already Ford-approved material allowed the engineering change process to fast-track, which solved Webasto's timeframe problem. It also ensured they got parts at the price point they needed to ensure a smooth, on-time launch for the new Mustang.

The hard work and ingenuity led to a solution that eventually earned the St. Paul Division Webasto's

2014 Quality Excellence Award. The two key elements that secured the quality excellence award: 100% on-time delivery and zero parts per million defects

(PPMD). Pace was able to deliver both and exceed Webasto's expectations. I think Doug Winfrey, quality control manager at the St. Paul Division, said it really well:

"I am proud of St. Paul and was honored to stand up and receive this award for our team. Our success in our business, which contributed to the Quality Excellence Award, can be shown through the proper execution of Advanced Product Quality Planning (APQP)."

Full utilization of the APQP Workbook at St. Paul is partially to credit for the award. Of course, all those processes don't mean much if there's no one to implement them, and our team stood up to the challenge.

Check out this video on the new Ford Mustang convertible, which includes highlights on the all-new convertible roof system and a look at the operating handle supplied by Pace's St. Paul Division: https://www.youtube.com/watch?v=BY_HlCadEcl.



Doug Winfrey (left) and Darren Bombich (right) accept the Webasto 2014 Quality Excellence Award from Webasto Buyer Dawn Bostwick.