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Robert Portney  
Director: Supplier Quality

**April 14, 2021**

To: Navistar Special Product Group (SPG) Suppliers

Subject: SQ20+ SPG Supplier Requirements

In September 2020 we released the NISQR Revision "1" which introduced a "Special Product Group" (SPG) classification that classifies suppliers that produce critical components that could cause the most damage to our brand if they failed. It was necessary that we put in place robust processes throughout the supply chain for these components. The assurance that SPG supplier's quality management systems are always improving and monitoring process capability on key characteristics as a sustained proactive strategy is paramount to our combined success.

As outlined in the NISQR you will need to become familiar with the VDA requirements which will be the Navistar standard over time. To be considered for award of business, a VDA 6.3 Assessment rating of Yellow or Green is required. Prior to serial production, Yellow rated suppliers must complete an improvement plan and achieve a Green rating. For ongoing compliance, SPG suppliers will be required to conduct annual VDA 6.3 self-assessments and self VDA 6.5 product audits with results available upon Navistar request. SPG suppliers must always maintain and submit quality data on key characteristics utilizing SPC and when requested prove process capability or re-PPAP. Serial production SPG suppliers must maintain an 'A' rating of 90 or higher on all audits performed by self-assessment or by Navistar. A score below 85 will require immediate action and potentially supplier reclamation if Navistar must expend resources to support.

As the Traton Alliance continues to align synergies, so will the growth, standardization, and execution of these strategies. Expect future NISQR releases to require suppliers to have accredited certified VDA auditors and additional VDA structured conformance approaches. Please begin the practice of these common processes, systems and tools, if you have not already. Our continued success in launching SQ20+ is focused on preventing supplier caused spills that impact the customer's total cost of ownership (TCO). I appreciate your continued alliance and cooperation. Continue to reach out to the Supplier Quality organization with questions regarding these important initiatives.

Sincerely,

Robert Portney  
Director of Navistar Supplier Quality  
Navistar Inc.