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Subject: Special Charges Invoicing Reminder: Production versus Service Parts

Dear Valued Supplier,

Navistar has established processes for handling "special charges" for production parts and service parts invoicing.

Production Parts Invoicing:

For production parts invoicing, both ERS-enabled and non-ERS enabled suppliers must show the unit price as the sum of the part number price plus any associated special charges. The net price shown on production parts contracts ("A" and "B") must include any special charge that is applied every time a part number is ordered, for each quantity ordered. For "B" contracts, the part number price and the special charge will be identified in the notes/description section.

For example, if part number 1234567C91 has a net price of \$10.00 and a special charge of \$2.50 associated with that part number, then the net price on the contract will be listed as \$12.50. The invoice net price should be stated as \$12.50.

Production parts invoices **must** combine part number price with special charges into one line item.

Service Parts Invoicing:

For service parts invoicing, ERS is not utilized. Special charges for Core, Packaging, and Set-up may be combined in the cost of the part or itemized separately on invoices. Any other special charges must be included in the cost of the part on invoices. However, on service parts contracts ("B" and "C"), the net price shown must list part number price and applicable special charge prices separately. For "B" contracts, part number price and the special charge may be identified in the notes/description section.

For example, if part number 1234567C91 has a net price of \$10.00 and a packaging charge of \$2.50 associated with that part number, then the contract will list each item separately.

The preference for service parts invoices is to combine part number price and special charges, but they may be shown separately.

For more information, visit [www.navistarsupplier.com](http://www.navistarsupplier.com).

If you have any questions, please contact the Supply Manager that supports your business.

Regards,

Navistar, Inc.