

Navistar, Inc. 2601 Navistar Dr Lisle IL 60532 USA

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Dear Valued Supplier,

The current economic environment demands that we achieve maximum cost efficiency in virtually all aspects of our operations. The quoting and development of Navistar tools is certainly no exception.

In light of that, Navistar Corporate Supplier Tooling will be implementing changes to our current quote process for Navistar purchased tooling. This is to ensure that Navistar is receiving the most efficient tooling costs.

The following will be required for all new tools (\$7,500 or higher) at quote stage:

- 1) A minimum of three competitive tooling quotes from three tool sources.
- 2) All quotes must contain complete breakdown of tool costs and lead time.
- 3) Copies of actual tool source quotes for all tooling.
- 4) A minimum of one Global quote (unless a business case supporting an exception is presented and accepted).

The following is at the Navistar Tooling Manager's discretion:

- 1) Additional tooling quotes for tools (regardless of \$7500 threshold noted above)
- 2) Competitive quoting for modifications to Supplier Tooling.

As our tier 1 supplier, we count on your sound judgment and industry experience to pursue the best and most competitive tool sources the industry has to offer.

Please contact me for any questions, concerns, or suggestions in making this sourcing requirement a success.

Thank you for your support.

Ralph Johnson

Corporate Supplier Tooling Manager Navistar, Inc.

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