



Parts Group Supplier Guidelines November 2014

Version 01



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The Procurement & Supply Chain Group has collaborated to bring you these **PARTS SUPPLIER GUIDELINES**. These guidelines set forth the Supply Chain requirements for all Parts suppliers doing business with Navistar, Inc. We have developed a list of beliefs that best describes our approach to the customer/supplier relationship.

We believe . . .

- . . . that we are responsible for the development and implementation of common processes within the Parts organization.
- . . . that we are responsible for maximizing efficiencies in the Procurement and Supply Chain areas.
- . . . that our role is to support the Parts PDC's in achieving World Class Quality and Supply Chain initiatives.
- . . . that we have a responsibility to Corporate standards, policies and strategic direction.
- . . . that potential suppliers should be contacted as early as possible in the sourcing process.
- . . . that we have a responsibility to educate the supply base concerning Parts Guidelines.
- . . . in developing long-term relationships with the supply base, who play an essential role in our Drive to Deliver Mission.
- . . . the Supplier has responsibility to adhere to the *Supplier Guidelines*.
- . . . in helping Navistar ". . . **be the best global Truck and Engine company.**"

As always, do not hesitate to contact one of our group's representatives to discuss any questions or concerns you may have.

Sincerely,

Joe Kory
VP, Supply Chain

ELEMENT

DESCRIPTION

1.0	ELECTRONIC DATA/TRADING PARTNER SET UP TRANSACTIONS & TRADING PARTNER ID'S
2.0	EDI PROCESS FLOW
3.0	TRANSPORTATION MULTI-STOP ROUTES – CONSOLIDATION POINTS SHIPMENTS NOT ON MULTI-STOP ROUTES EXPEDITED
4.0	D13 SUPPLIER PACKING AND SHIPPING STANDARD PACKAGING LABELING
5.0	HAZARDOUS MATERIALS & PARTS WITH CHEMICAL PROPERTIES REQUIREMENTS PART IDENTIFICATION
6.0	TRADE COMPLIANCE NAFTA DOCUMENTATION REQUIREMENTS
7.0	PROBLEM REPORTING & RESOLUTION
8.0	INVENTORY PLANNING
9.0	CONTACT INFORMATION

Navistar International Corporation

Navistar International Corporation is a holding company whose individual units, North America Truck, North America Parts, Global Operations, and Financial Services, provide integrated and best-in-class transportation solutions. Based in Lisle, IL, the company is a leading manufacturer of International® brand commercial and military trucks, proprietary diesel engines and IC Bus™ brand school and commercial buses. In addition, the company provides truck and diesel engine parts and services through its North America Parts Group, and financial services through Navistar Financial. Additional information is available at:

www.internationaltrucks.com

The company became Navistar International Corporation in 1986, after selling the agricultural equipment business, International Harvester name and IH brand to Case and its parent, Tenneco. Navistar was selected as a name with a strong sound, a resonance to Harvester, and a connection to its root words "navigate" and "star." In 2000, the operating company name was changed from Navistar International Truck Corporation to International Truck and Engine Corporation, so that we could focus on the International brand, which at the time was the name on all of our vehicles and engines. Navistar International Corporation remained the name for the parent holding company. We believe the world is propelled forward by new ideas, brave inventors and bold thinkers. We believe ingenuity is the fuel of the future. That's why we're driven to deliver a future with strong products, sound values and solutions for a changing world. We are Navistar, and this is our drive to deliver.



Procurement and Supply Chain

The Procurement and Supply Chain group's vision is to be an organization of leaders in Supply Chain that drive value to our customers. Our mission is to create Supply Chain solutions that deliver parts and finished products on-time with quality in a cost effective manner while providing sustainability through Lean principles, proven processes, and people development.

Parts Group Supply Chain

This group supports the Parts Distribution Centers (Atlanta PDC, Dallas PDC, Eastern Canada PDC, Edmonton PDC, Las Vegas PDC, Midwest PDC, Portland PDC, Queretaro PDC, and York PDC) and 3rd Party Packagers (Express Packaging, NewStream Enterprises, and Leyden). Supply Chain is responsible for the below elements in support of these facilities.

- Electronic Data/Trading Partner Set up
- EDI Process Flow
- Transportation
- D13 Packing and Shipping Standard
- Hazardous Materials & Parts with Chemical Properties
- Trade Compliance
- Inventory Planning
- Problem Reporting & Resolution

***Electronic Data
Interchange
(Element 1.0)***

ELECTRONIC DATA INTERCHANGE

1.1 Electronic Data Interchange (EDI)

Electronic Data Interchange (EDI) is the electronic exchange of routine business transactions using standard data formats and integrating them into software applications and business processes. All suppliers are required to comply with Navistar's EDI requirements within sixty days of notification. Failure to do so may result in \$50/day noncompliance fee, at the buyer's option, until the requirements have been met. Navistar facilities utilize several EDI transactions to facilitate communication with its suppliers. These transactions utilize the American National Standards Institute's (ANSI) X-12 Standard and are supported by the Automotive Industry Action Group's (AIAG) Automotive Industry Implementation Guides. These "Implementation Guides" for applicable transactions can be found at <http://www.navistarsupplier.com> under the "EDI" tab. For more information on the American National Standards Institute (ANSI) please visit <http://www.ansi.org>; or, for more information on the Automotive Industry Action Group please visit <http://www.aiag.org>.

Navistar Corporate	ISA ID	01:781 495 650	VAN: GXS
Service Parts Operations	GSid	122 092 406	See List Below
Knoxville Accounting	GSid	806 203 014	820 Txn / Plant 440

EDI-810 Invoice Ship-to-code	ASN & PO Ship-to-code	PDC / Packager Ship-to Name and Address
711	07804812	Leyden's RCA (Packager), River Grove, IL
714	07140807	Express Packaging, West Chicago, IL (Mexico via Express)
714	07140714	Express Packaging, West Chicago, IL
719	07190719	Navistar Defense, Springfield, OH
721	07210807	Newstream Enterprises, Joliet, IL (Mexico via Newstream)
721	07210721	Newstream Enterprises, Joliet, IL
748	07480748	HLM (Packager), Dearborn, MI
770	07700770	York PDC, Manchester, PA
775	07750775	Las Vegas PDC, Las Vegas, NV
776	07760776	Atlanta PDC, Fairburn, GA
777	07770777	Dallas PDC, Dallas, TX
779	07790779	Portland PDC, Fairview, OR
781	07810781	Midwest PDC, Joliet, IL
749	07490749	National PDC, Joliet, IL
970	09700970	Eastern Canada PDC, Hannon, Ontario, Canada
981	09810981	Edmonton Alberta PDC, Acheson, Alberta, Canada
983	09709984	Canadian Central Core, Brantford, Ontario, Canada
N/A	08070807	International Parts Distribution S.A. de C.V, Queretaro, MX

The Service Parts Operations Group utilizes the following EDI transactions sets:

- 1.1.1 810 – Invoice
- 1.1.2 824 – Application Advice
- 1.1.3 830 – Monthly Planning Requirements (not Firm)
- 1.1.4 850 – Original Purchase Order (Firm)
- 1.1.5 860 – Purchase Order Revision (Firm)
- 1.1.6 856 – Ship Notice/Manifest (Advanced Shipping Notice)
- 1.1.7 997 – Functional Acknowledgement
- 1.1.8 820 – Remittance Advice

EDI Process Flow
(Element 2.0)

EDI Process Flow

2.1 – Please refer to www.navistarsupplier.com for EDI Implementations Guides and Business Process Guides located under the EDI tab.

2.1.1 Process Flow

- 830 Monthly Planning Requirements is transmitted once a month depicting a 12 month forecast for Service Parts on Contract. This is NOT a shipping authorization and must only be used for planning.
- 850 Original Purchase Orders are sent every day throughout the day to convey firm orders with specific ship date and destination.
- 860 Purchase Order Revisions are sent every day throughout the day to convey firm order revisions with specific ship date and destination.
- 820 Remittance Advice is transmitted by Navistar to Supplier advising that payment has been made and will refer to the total check amount, check number and invoice number as submitted by Supplier. No other details will be provided
- 997 Functional Acknowledgement must be transmitted from supplier within 24 hours of document receipt
- Supplier ships material to PDC or Packager as specified on the 850 / 860. A full list of ship to codes is available at http://www.navistarsupplier.com/EDI/EDI_General.aspx
- **856 Advance Ship Notice (ASN) must be transmitted by Supplier to the PDC or Packager at time of shipment. ASN must be accurate and complete. Please refer to http://www.navistarsupplier.com/EDI/EDI_Implementation_Guides.aspx for a complete list of 856 requirements.** The ASN along with a quick receive label attached to the packing list will be used to facilitate receipt into the PDC or Packager, but is not used to generate payment.
- 810 Invoice must be transmitted by Supplier to Navistar Accounting Center after material is shipped. Invoice must be accurate and complete to facilitate payment.
- 997 Functional Acknowledgement is transmitted by Navistar confirming electronic receipt of the EDI 856 & 810 within 15 minutes of receiving the transaction.
- 824 Application Advice is transmitted by Navistar to Supplier advising of data integrity errors related to the 856. Please refer to Service Parts section of Appendix of 824 Error Codes at http://www.navistarsupplier.com/EDI/EDI_General.aspx

Note: All transactions listed here are communicated with Navistar GSID 122092406 with the exception of the 820 which is communicated with Navistar GSID 806203014. The ASN is not used to generate payment. The Invoice and presence of physical receipts enables payment to be made.

Transportation
(Element 3.0)

TRANSPORTATION

- **Navistar takes the position that all requirements will be met unless communicated to your Parts Inventory Planner.**
- **Any catastrophic issues, force majeure, MUST be communicated immediately for direct supply and within 24 hours for additional potential supplier impacts or be subject to financial penalty.**

3.1 Multi-Stop Routes (aka milk runs)

A multi-stop route is a structured method of delivery; based on geographic regions, established frequencies, designated carriers and assigned window times. A route may consist of multiple suppliers on a single trip. Each supplier will be notified individually of their carrier, frequency and specific schedules for pick-ups and delivery. Suppliers are required to adhere to their assigned schedule. Menlo Logistics supports the Parts Group multi-stop routes, please utilize the following links for routing information:

- Navistar Acheson, AB menlonavistarparts@menloworldwide.com
- Navistar Brantford, ON menlonavistarparts@menloworldwide.com
- Navistar Crest Hill, IL menlonavistarparts@menloworldwide.com
- Navistar Dallas, TX menlonavistarparts@menloworldwide.com
- Navistar Dearborn, MI menlonavistarparts@menloworldwide.com
- Navistar Fairburn, GA menlonavistarparts@menloworldwide.com
- Navistar Fairview, OR menlonavistarparts@menloworldwide.com
- Navistar Joliet, IL menlonavistarparts@menloworldwide.com
- Navistar Laredo, TX menlonavistarparts@menloworldwide.com
- Navistar Las Vegas, NV menlonavistarparts@menloworldwide.com
- Navistar Manchester, PA menlonavistarparts@menloworldwide.com
- Navistar Perrysburg, OH menlonavistarparts@menloworldwide.com
- Navistar River Grove, IL menlonavistarparts@menloworldwide.com
- Navistar Warren, MI menlonavistarparts@menloworldwide.com
- Navistar West Chicago, IL menlonavistarparts@menloworldwide.com
- International Parts Distribution S.A. de C.V. (Queretaro)
menlonavistarparts@menloworldwide.com

3.1.1 Consolidation Points

In order to maximize transportation efficiencies, the Parts Group may utilize consolidation points where feasible. Shipping to consolidation points is a process of delivery to one location, consolidation and reshipment of goods to their ultimate destination. Menlo Logistics supports the shipments to the consolidation points. Please contact menlonavistarparts@menloworldwide.com for routing instructions.

TRANSPORTATION (cont.)

3.1.1.1 Requirements

- An EDI 856 (ASN) must be transmitted for each PDC and Packager shipment.
- One Packing list containing the Quick Receive label and One Bill of Lading must be attached to the shipment for each PDC and Packager shipment and will be used for receipt at each PDC and Packager.
- A manifest is created at the consolidation point and sent with the shipment to each PDC
- Do not ship parcel shipments to the consolidation points, they **must** be shipped directly to the PDC.

3.2 Shipments not on Multi-Stop Routes

Menlo Logistics routes all Service Parts material into all PDC's and Packagers. These shipments will be made in accordance with the instructions set forth in the "LTL & PARCEL ROUTING INSTRUCTIONS" ("*Transportation Routing Matrix*") that can be found online at <http://www.navistarsupplier.com> under the "Supplier Guidelines / Terms and Conditions" tab. You will need to enter your email address to login, from there, you will be able to locate the Parts contact information for Menlo Logistics to support your shipping needs. When follow up contact is made by Menlo Logistics, please follow the instructions they have communicated to you and utilize the following email addresses for routing instructions:

- Navistar Acheson, AB menlonavistarparts@menloworldwide.com
- Navistar Brantford, ON menlonavistarparts@menloworldwide.com
- Navistar Crest Hill, IL menlonavistarparts@menloworldwide.com
- Navistar Dallas, TX menlonavistarparts@menloworldwide.com
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- Navistar River Grove, IL menlonavistarparts@menloworldwide.com
- Navistar Warren, MI menlonavistarparts@menloworldwide.com
- Navistar West Chicago, IL menlonavistarparts@menloworldwide.com
- International Parts Distribution S.A. de C.V. (Queretaro)
menlonavistarparts@menloworldwide.com

TRANSPORTATION (cont.)

3.2.1 Less-than-load (LTL)

In general, less-than-load (LTL) shipments weigh less than 15,000 pounds or utilize less than 14 linear feet of a trailer.

3.2.2 Parcel

According to the “*LTL & PARCEL ROUTING INSTRUCTIONS*” (“*Transportation Routing Matrix*”), shipments under 150 pounds and less than eight containers should be shipped via UPS Ground, Collect billing. Please contact menlonavistarparts@menloworldwide.com for the UPS account number for your shipping destination.

3.3 Expedited

An expedite is a shipment requiring special service, which may require delivery sooner than the agreed standard. All associated costs for an expedite will be the responsibility of the party at-fault. If an expedite becomes necessary, the supplier is required to communicate and receive authorization from the Navistar Inventory Planner at time of shipment. The Navistar Inventory Planner will issue an excessive premium freight charge number (EPFC) which must be referenced on all shipping documents. A supplier caused expedite EPFC number will have an SC designation and an NR will designate Navistar responsibility. Menlo Logistics will route all EPFC shipments.

NOTE: Failure to comply with these instructions will result in chargebacks through material invoice reduction. A deviation from a specific routing may be authorized by Navistar’s local operations personnel on an emergency shipment-by-shipment basis but must be communicated by supplier to the respective Navistar Inventory Planner contact.

D13
Supplier Packing
and
Shipping Standard
(Element 4.0)

D13 Supplier Packing and Shipping Standard - Packaging

4.1 Packaging

It is Navistar's policy that any suppliers currently doing business with Navistar comply with the D-13 Supplier Packing and Shipping Standard. This standard can be viewed by visiting <http://www.navistarsupplier.com> following the "Supplier Guidelines/Terms and Conditions tab."

4.1.1 Supplier's Responsibility

The D13 Packing and Shipping Standard outlines how suppliers must be shipping and packaging to our distribution centers and packagers. All suppliers must comply with the requirements in the D13 or they will be found noncompliant and debited.

- It's the supplier's responsibility to make sure their packaging method is rugged enough to withstand the rigors of transportation; adequate banding and stretch-wrap must be used on the shipment.
- It is the supplier's responsibility to adhere to all North American, Federal, State, and Provincial governmental retail packaging laws. This also means if you are shipping a hazardous material you are responsible to make sure the product is labeled properly, and if the product has an expiration date this must be displayed on the packaging.
- Another important part of service parts packaging is the rust inhibitor. Parts must have protection from rust for a minimum of 1 year of unheated inside storage.

4.1.2 General Specifications

4.1.2.1 Service Packaging

- Service shipments should be packaged and labeled individually
- Packaging for service should be expendable packaging (corrugated boxes, folding cartons, poly-bag, crates, etc.)

4.1.2.2 Pallets/Lumber

- Pallet heights should not exceed 45" and parts should not overhang on the pallet.
- Any pallet, crate, or wood packaging material shipping into our packagers and PDC's must be ISPM-15 compliant.
- Pallets must be able to withstand multiple shipments.

4.1.2.3 Labels

- Retail labels are required on the individual service package.
- Country of origin guidelines must be followed and parts labeled with the country of origin.
- Shipping labels must be used to identify the total contents of each shipment. Please use two shipping labels per pallet, 4"x6" dimensions.

D13 Supplier Packing and Shipping Standard - Packaging (cont.)

4.1.2 General Specifications

















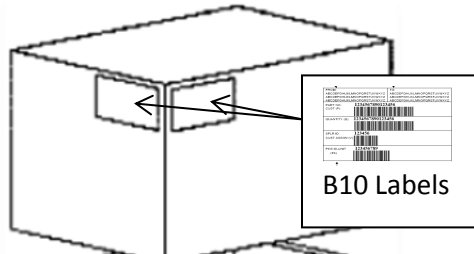












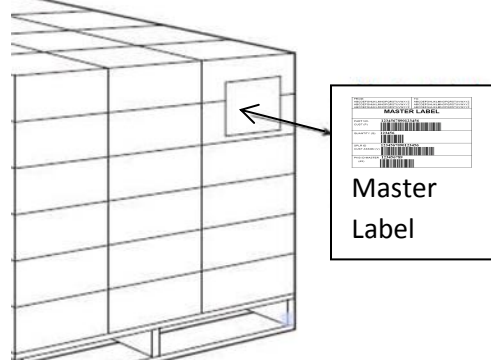








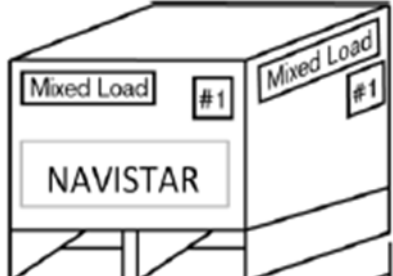


4.1.2.3 Labels (cont.)

- The pallet and over-pack labels should be 4"x6" and two are required per pallet.
- Barcodes should be code 39 or code 128.
- Pallets containing more than one part number must have a mixed load label.
- The quick receive label should be placed on the front of the packing list.
- All Labels must scan and be visible.

D13 Supplier Packing and Shipping Standard (Labeling)

4.2 Labeling

The Parts Group employs five different labels: a Quick Receive Label, a B-10 Trading Partner Label, a Master Label, a Mixed Load Label, and a Retail Label.

<p>Quick Receive Label: The purpose of the Quick Receive Label is to allow mechanical match of a supplier's incoming shipment to the information on the supplier's EDI 856 (ASN). The ASN # on this label must match exactly to the ASN # on the EDI856. The Quick Receive Label must be affixed to, or incorporated into, the packing list that is attached to the shipment</p>	<div style="border: 1px solid black; padding: 5px;"> <p>Quick Receive (2S) ASN SHIPMENT ID</p>  <p>107562</p> <p>(V) VENDOR ID</p>  <p>4800360</p> </div>	<div style="border: 1px solid black; padding: 5px;"> <p style="text-align: center;">Packing List</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Ship/Supplier</td> <td style="width: 40%;">Invoice Number</td> </tr> <tr> <td>Customer Reference</td> <td>Invoice Date</td> </tr> <tr> <td>Terms of Payment</td> <td>Ship Via</td> </tr> <tr> <td>Order Name</td> <td>Order Date</td> </tr> <tr> <td>Export Date</td> <td>Label / Carton Number</td> </tr> <tr> <td>Weight and Dimensions</td> <td>Special Instructions</td> </tr> <tr> <td>Hardware Material</td> <td>ASCC Code</td> </tr> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Quantity</th> <th>Package Type</th> <th>Description</th> <th>Qty</th> <th>Dimensions</th> <th>Weight</th> <th>Vol</th> <th>Cube</th> </tr> </thead> <tbody> <tr> <td colspan="8" style="text-align: center;"> <div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>Quick Receive</p>  <p>107562</p> <p>(V) VENDOR ID</p>  <p>4800360</p> </div> </td> </tr> <tr> <td colspan="8" style="text-align: center;">Total Pieces</td> </tr> </tbody> </table> <p style="text-align: right; font-size: small;">Shipping Number</p> </div>	Ship/Supplier	Invoice Number	Customer Reference	Invoice Date	Terms of Payment	Ship Via	Order Name	Order Date	Export Date	Label / Carton Number	Weight and Dimensions	Special Instructions	Hardware Material	ASCC Code	Quantity	Package Type	Description	Qty	Dimensions	Weight	Vol	Cube	<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <p>Quick Receive</p>  <p>107562</p> <p>(V) VENDOR ID</p>  <p>4800360</p> </div>								Total Pieces							
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<p>AIAG B-10 Trading Partner Label: This label is used to identify the contents of an individual container, of a single part number, for a shipment. Two identical labels must be affixed to two adjacent sides of each container shipped.</p>	<div style="border: 1px solid black; padding: 5px;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 2px;"> FROM: ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ </td> <td style="width: 50%; padding: 2px;"> TO: ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ </td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;"> PART NO. CUST (P) </td> <td style="padding: 2px;"> 1234567890123456  </td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;"> QUANTITY (Q) </td> <td style="padding: 2px;"> 1234567890123456  </td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;"> SPLR ID CUST ASSGN (V) </td> <td style="padding: 2px;"> 123456  </td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;"> PKG ID-UNIT (3S) </td> <td style="padding: 2px;"> 123456789  </td> </tr> </table> </div>	FROM: ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ	TO: ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ	PART NO. CUST (P)	1234567890123456 	QUANTITY (Q)	1234567890123456 	SPLR ID CUST ASSGN (V)	123456 	PKG ID-UNIT (3S)	123456789 	 <p style="text-align: right; font-weight: bold;">B10 Labels</p>																												
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<p>Mixed Load Label: A Mixed Load Label is to be used to identify a load of multiple single packs of different part numbers for a shipment (i.e. a skid of containers of varying part numbers).</p>	<div style="border: 1px solid black; padding: 5px;"> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-right: 1px solid black; padding: 2px;"> FROM: ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ </td> <td style="width: 50%; padding: 2px;"> TO: ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ </td> </tr> <tr> <td colspan="2" style="text-align: center; padding: 5px;">MIXED LOAD</td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;"> SPLRID CUST ASGN (V) </td> <td style="padding: 2px;"> 1234567890123456  </td> </tr> <tr> <td style="border-right: 1px solid black; padding: 2px;"> PKGID - MIXED (5S) </td> <td style="padding: 2px;"> 123456789  </td> </tr> </table> </div>	FROM: ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ	TO: ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ ABCDEFGHIJKLMNOPQRSTUVWXYZ	MIXED LOAD		SPLRID CUST ASGN (V)	1234567890123456 	PKGID - MIXED (5S)	123456789 																															
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D13 Supplier Packing and Shipping Standard – Labeling (cont.)

4.2 Labeling (Cont.)

<p>Retail Label: Each part number must be labeled and include quantity, description of part, country of origin, bar code, part number, and date. Specific branding may be specified for a product line.</p>	<p>Branded Label Example:</p> 
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Labeling information can be found at <http://www.navistarsupplier.com> and following the “Supplier Guidelines / Terms and Conditions/D-13 Supplier Packing and Shipping Standard” tabs.

4.3 Packing list



Documentation is very important for service shipments; please make sure you are following the packing list guidelines.

- A pallet breakdown is required on the packing slip or a pallet manifest must be provided (pallet manifest example can be found in the D13).
- 2 copies of the packing list must be included with all shipments, one copy must be attached to the bill of lading and the other copy must be attached to the shipment.
- Packing lists can also be inside the container but the exterior container must be marked “PACKING LIST ENCLOSED” to show the location of the packing slip
- Packing lists must be securely fastened to the container load in an envelope that clearly states “PACKING LIST”.
- A pallet breakdown is required on the packing slip. This information must include the Navistar part number, PO number, quantity shipped, and container serial number. A container serial number must be present for each high level container that will be moved from the truck to the receiving floor. The container serial number must also be displayed on the master ship label or mixed load label affixed to the container and must also be provided in the ASN as the Bar Code Serial Number or Package id. A container can be a pallet, skid, carton, basket, box, or a loose item. (Please see the attached packing list example.)
NOTE: The Container Serial Number cannot be longer than 11 positions with the last 5 being unique.
- A Quick Receive label must uniquely identify the shipment with a shipment id number and supplier code from the PO(s). The label must either be printed directly on or affixed to the front of the packing list. The same shipment id and supplier code must also be provided in the ASN in the BSN02 and N1*SU respectively.
- An ASN (Advance Ship Notice – 856 EDI Transaction) providing all shipment detail must be submitted electronically and accurately within an hour of the shipment leaving your facility.

D13 Supplier Packing and Shipping Standard (cont.)

4.3 Packing list (cont.)

- For Parcel shipments with multiple cartons shipping to the same PDC or Packager, we expect:
 - One ASN per shipment
 - Each carton to contain one copy of the packing slip inside the box with a Quick Receive label
 - Cartons should be numbered 1 of 5, 2 of 5, 3 of 5, etc.
 - Each carton should have a master ship label with a unique package ID number in addition to the UPS label

<p>(SUPPLIER'S LOGO)</p> <p>Shipment ID: 107562 Service Parts Vendor Code: 4800360 Packing Slip: 7292588 Bill of Lading: 107562</p> <p align="right">Ship Date: 6/25/2014</p> <p>Sold To: Navistar, Inc. Caller Service#59009 V.C. 48003AX Knoxville, TN 37950</p> <p align="right">Ship To: Navistar, Inc., York PDC 105 Steamboat Blvd Manchester, PA 17345 U.S.A.</p>							
QUANTITY ORDERED	NAVISTAR PART#	UOM	SUPPLIER PART#	DESCRIPTION	WEIGHT (EACH)	CONTAINER SERIAL#	NAVISTAR P.O.#
100	418227C1	EA	6541891	FLANGE	15.52lbs	255780	300034341
2	2031765C3	EA	1004901	BUMPER	105lbs	255781	300342140
20	1698107C1	EA	1283621	SUPPORT	.200lbs	255781	300418321
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p>Quick Receive (2S) ASN SHIPMENT ID</p>  <p>107562</p> <p>(V) VENDOR ID</p>  <p>4800360</p> </div>							

***Hazardous Material & Parts
with Chemical Properties
(Element 5.0)***

HAZARDOUS MATERIALS & PARTS WITH CHEMICAL PROPERTIES

5.1 All suppliers providing product to Navistar Parts, for which the manufacturer is required to prepare and issue a Material Safety Data Sheet (MSDS), are **required** to provide Navistar Parts with this MSDS / SDS at the time a Navistar part number is assigned and a supply agreement (contract, blanket purchase order, etc.) are put into effect. Cross reference data for Navistar and supplier part number and reference to specific MSDS/SDS must be provided for each part. Effective June 1, 2015, please note that the MSDS/SDS document is being replaced in the USA with the Global Harmonize System (GHS)-format Safety Data Sheet.

5.2 As Navistar, Inc. operates facilities across all of North America, **ALL** MSDS / SDS supplied to Navistar Parts **MUST** be:

- Trilingual - English, Canada-French and Mexico-Spanish
- English and French MSDS / SDS **MUST** BE dated current with issuance to Navistar Parts. Canada law dictates MSDS expires 3 years after the date of issuance
- After June 1, 2015, by USA federal law, ALL USA based suppliers MUST issue GHS-format SDS; MSDS cannot be accepted by Navistar Parts after this date
- Canada and Mexico based suppliers may continue to issue MSDS which conform to local laws and hazardous materials communication standards

5.2.1 Parts which **MUST** be accompanied by an MSDS/SDS include but are not limited to:

- Absorbents (e.g. spill-clean-up)
- Acids
- Adhesives, glues, epoxies, thread lockers, adhesive-backed tapes
- Aerosols
- Batteries of ALL types
- Brake friction including fan clutch, pads, shoes
- Caulk, caulk-like substances and all forms of RTV (room-temperature-vulcanizing) gasket makers, sealants, etc.
- Cleaning products with chemical properties, e.g. cleaners, detergents, degreasers, washes
- Clutch friction including disks and plates
- Coatings
- Coolants and coolant system additives
- Corrosives, e.g., battery electrolyte acid and wheel cleaners
- Desiccants, e.g. in brake air dryers
- Diesel exhaust fluid, additives and cleaners
- Fiberglass and fiberglass repair products
- Filters containing chemicals
- Fire extinguishers
- Flammable and combustible liquids
- Flammable solids, e.g., highway flares and fuses
- Fluids (all)
- Flushes (brake, coolant, fuel, transmission, etc.)
- Fuel additives and flushes
- Gases under pressure
- Gels

HAZARDOUS MATERIALS & PARTS WITH CHEMICAL PROPERTIES

5.2.1 Parts which MUST be accompanied by an MSDS/SDS include but are not limited to:

- Gloves made of Latex or Nitrile which may trigger allergic reactions
- Greases
- KITS which contain any chemical requiring MSDS/SDS (should be accompanied with supplier bill of materials)
- Liquids
- Lubricants
- Oxidizers, e.g. chemicals in coolant filters
- Paint, primer, thinners, reducers
- Pastes
- Polishes
- Poisons
- Refrigerants, system cleaners, flushes, lubricants
- Sealants
- Shock absorbers and struts, pressurized and/or containing hydraulic fluid
- Solvents and fluids containing penetrants and solvents
- Substances which may stimulate allergic reactions by skin contact, e.g., latex and nitrile gloves, chemical-impregnated shop towels
- Towels which may leave particle or chemical residue
- Undercoating
- Waxes
- Wipes with chemical cleaner, coating, etc.

TRADE COMPLIANCE
(Element 6.0)

TRADE COMPLIANCE

6.1 Free Trade Agreement and Country of Origin Solicitation

Suppliers will provide to Navistar annually, by the specified due date, an accurate and complete North American Free Trade Agreement (“NAFTA”) Certificate of Origin for those products by part number that qualify for NAFTA and an accurate and complete Country of Origin Affidavit for all products by part number. The NAFTA Certificate of Origin must be completed in accordance with regulations published by the U.S. Department of the Treasury in 19 C.F.R. Sec. 181.11 et seq. and any amendments thereto, and in accordance with Navistar’s NAFTA Policy included in the Customs Invoicing Instructions (PR-38 Document) found at

<http://www.navistarsupplier.com/Documents/Supplier%20Guidelines/CustomsInvoicingInstructionsPR38.pdf>

In addition to the NAFTA Certificates of Origin or Country of Origin Affidavits mentioned above, Suppliers will provide to Navistar any requested supplemental part content and functionality information in relation to import or export operations, which may or may not be directly related to NAFTA. This also includes corresponding certificates of origin for all other applicable free trade agreements as requested.

Valid NAFTA and Country of Origin documentation must be provided within the following timeframes:

<u>Type of Solicitation Request</u>	<u>Time Frame from Request Date</u>
Emergency (part crossed the border at significant duty cost)	48 hours
Monthly (all other parts that crossed border and new parts)	30 days
Annual (all active parts)	60-90 days

Navistar does recognize that occasionally there may be extenuating circumstances that require additional time to provide NAFTA documentation. In consideration of these circumstances, Navistar has established the following performance metrics for providing valid NAFTA documentation:

<u>Type of Solicitation Request</u>	<u>Time Frame from Request Date</u>	<u>Performance Metric %</u>
Emergency (part crossed the border at significant duty cost)	48 hours	100 % within 48 hours
Monthly (all other parts that crossed border and new parts)	30 days	100 % within 30 days
Annual (all active parts)	60 days	90 % within 60 days
	90 days	100 % within 90 days

6.2 Customs Invoices and Documentation Requirements

In order to insure the smooth passage of material across international borders, suppliers will comply with all of the requirements and instructions contained within the Customs Invoicing Instructions (PR-38 Document) found at

<http://www.navistarsupplier.com/Documents/Supplier%20Guidelines/CustomsInvoicingInstructionsPR38.pdf>

***Problem Reporting &
Resolution
(Element 7.0)***

PROBLEM REPORTING & RESOLUTION SYSTEM (PRR)

7.1 Policy

The goal of the Supplier Charge-Back Policy is to encourage the Parts Group's suppliers to consistently provide accurate, precise, timely, and cost effective deliveries of parts to all PDC's and packager locations by holding them financially accountable for the consequences of their non-compliance. This policy will set uniform guidelines for the Parts Group to recover, from the supplier, the costs associated with the supplier's non-compliance.

Non-compliance is defined as any event that constitutes failure to maintain the minimum performance requirement under the Parts Group Supplier Guidelines. The Supply Chain Group will be responsible for monitoring suppliers' adherence to these standards and will initiate the proper actions necessary to charge back suppliers for their non-compliance.

7.2 Supplier Performance & Quality

All purchase orders and contract documents indicate that the D-13 Standard is part of those agreements. Compliance to the D-13 is expected as a requirement for doing business with Navistar and non-compliance will result in a chargeback through invoice deduction.

Any failure to comply with the requirements described in the Parts Group Supplier Guidelines will result in a charge-back. The charge-back will be a \$500 administrative charge per occurrence and any other actual cost incurred as a result of the supplier's non-conformance to the requirements of the Parts Group Supplier Guidelines. (Refer to Section 7.2 on D-13 standard (Supplier Chargeback policy).

PRR debit memo invoices will be mailed to the current address on file the first week of the following month after the occurrence and debit will be recovered through a deduction to the supplier's account. The debit memo invoice number will start with a prefix of "QA" (Quality Assurance).

Following is the list of typical non-compliance issues related to Parts supplier requirements:

7.2.1 If EDI approved supplier

- ASN issues (D-13 6.4.1)
- Quick receive label (D-13 section 4.0)

7.2.2 Packing slip (D-13 section 6.4)

7.2.3 Packaging Issue:

- Load height > 45" (D-13 section 3.5.5 (4))
- Wrong part number (D-13 section 4.0)
- Pallet quality (D-13 section 3.5.5 (6))

PROBLEM REPORTING & RESOLUTION SYSTEM (PRR) (cont.)

7.3 Quality Issues

Quality issues pertaining to non-compliance are reported immediately upon discovery. The issues are reported by the PDCs, 3PL packagers, Warranty, Product Group, Purchasing, Inventory, Dealers as well as Suppliers.

Following is the list of typical non-compliance issues reported to suppliers regarding quality issues:

- Mislabeling (LH vs. RH)
- Rust
- Field Issues: leakage, incompatible parts (wrong form or fit)
- Incorrect part (part received different than what was ordered)
- Incomplete part (missing components)
- Defective (damaged upon receipt due to improper packaging)

7.3.1 Notification

Suppliers are notified immediately via email or within the week of occurrence and are expected to respond upon receipt of the email. If no response is received after a week, the supplier is notified again and typically also contacted via phone.

7.3.2 Disposition

If parts do not meet our requirements, the Quality Analyst will contact the supplier for scrap disposition or an RMA. Please note that Navistar reserves the right to scrap parts if no response is received after 30 days. Parts will then be expensed to the supplier and a non-compliant debit may be imposed if the parts are deemed to be incorrect based on the D13 standards. The Quality Analyst can also authorize disposition based on the circumstance. The decision is based on: parts too old (sitting on shelf over a year), low dollar amount, or not being able to determine fault (Navistar or supplier issue).

Inventory Planning
(Element 8.0)

UNDER CONSTRUCTION

INVENTORY PLANNING

8.1 The planning schedule will include:

8.1.1 How to read our EDI 830 Forecasts

8.1.2 How to read our Purchase Orders

8.1.3 Understanding our P.O. Cancellation Policy

Once complete, this information will be communicated via the <http://www.navistarsupplier.com> website where an updated supplier guideline will be posted.

CONTACT INFORMATION (Element 9.0)

9.1 Supply Chain

- EDI
 - Marilyn Bernhardt: EDI Manager, (marilyn.bernhardt@navistar.com)
 - Priscilla Brady: EDI Staff Specialist, (priscilla.brady@navistar.com)

- Transportation - Routing
 - Navistar Acheson, AB menlonavistarparts@menloworldwide.com
 - Navistar Brantford, ON menlonavistarparts@menloworldwide.com
 - Navistar Crest Hill, IL menlonavistarparts@menloworldwide.com
 - Navistar Dallas, TX menlonavistarparts@menloworldwide.com
 - Navistar Dearborn, MI menlonavistarparts@menloworldwide.com
 - Navistar Fairburn, GA menlonavistarparts@menloworldwide.com
 - Navistar Fairview, OR menlonavistarparts@menloworldwide.com
 - Navistar Joliet, IL menlonavistarparts@menloworldwide.com
 - Navistar Laredo, TX menlonavistarparts@menloworldwide.com
 - Navistar Las Vegas, NV menlonavistarparts@menloworldwide.com
 - Navistar Manchester, PA menlonavistarparts@menloworldwide.com
 - Navistar Perrysburg, OH menlonavistarparts@menloworldwide.com
 - Navistar River Grove, IL menlonavistarparts@menloworldwide.com
 - Navistar Warren, MI menlonavistarparts@menloworldwide.com
 - Navistar West Chicago, IL menlonavistarparts@menloworldwide.com
 - International Parts Distribution S.A. de C.V. (Queretaro)
menlonavistarparts@menloworldwide.com

- Transportation – Expedites
 - Navistar Acheson, AB menlonavistarparts@menloworldwide.com
 - Navistar Brantford, ON menlonavistarparts@menloworldwide.com
 - Navistar Crest Hill, IL menlonavistarparts@menloworldwide.com
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 - Navistar Perrysburg, OH menlonavistarparts@menloworldwide.com
 - Navistar River Grove, IL menlonavistarparts@menloworldwide.com
 - Navistar Warren, MI menlonavistarparts@menloworldwide.com
 - Navistar West Chicago, IL menlonavistarparts@menloworldwide.com
 - International Parts Distribution S.A. de C.V. (Queretaro)
menlonavistarparts@menloworldwide.com

CONTACT INFORMATION (Element 9.0)

- D13 Packing and Shipping Standard
 - Packaging & Labeling:
 - Penny Pelak: Packaging Manager, (penny.pelak@navistar.com)
 - Alex Schunn: Packaging Manager, (alexander.schunn@navistar.com)

- Hazardous Material
 - Jim Hohenzy: Project Manager, (james.hohenzy@navistar.com)

- Trade Compliance
 - Carol Demuth: Foreign Trade Compliance Manager, carol.demuth@navistar.com
 - Kevin Brown: Supervisor, Navistar Import Operations, kevin.brown@navistar.com
 - Claudia Trevino (Documentation requirements) – claudia.trevino@gdec.info
 - Laurie Mysliwicz (NAFTA) – lmysliwicz@livingstonintl.com

- Problem Reporting & Resolution(PRR) & Quality
 - 331-332-7000 PRRteam@navistar.com