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Effective: July 11, 2008

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Quality Policy

Daimler Trucks North America LLC is committed to continually improve the performance of its brands in all aspects of our customers' expectations and experiences with our products, services and people, while maintaining our commitment to the environment and safety.

Purpose

To inform all suppliers of the quality requirements of Daimler Trucks North America, LLC and all of its subsidiaries, divisions, and Business Units.

Scope

Includes all suppliers of production material, tooling, and services to all Daimler Trucks North America subsidiaries and divisions.

Points of Contact

If you have questions concerning this manual or the DTNA quality procedures, contact the appropriate Business Unit Quality Department or the Corporate Quality Assurance Department.

Resources

**American Society for Quality (ASQ)**
800-248-1946

**Registration Accreditation Board (RAB)**
888-722-2440

**International Register of Certified Auditors (IRCA)**
+44 (0)20 7245-6833

**Automotive Industry Action Group (AIAG)**
248-358-3570

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DTNA LLC Requirements

Purpose

To define the suppliers’ responsibility for compliance to Daimler Truck North America quality requirements.

Scope

This applies to suppliers of production material, tooling, or services to any Daimler Truck North America Business Unit.

Procedure

Suppliers must meet the following Quality Assurance requirements before business is awarded to them:

I. 3rd party Registration to ISO 9001:2000; or
II. 3rd party registration to ISO/TS 16949; or
III. Completion of the Quality Assurance Supplier Self-Survey with a score of 75% or higher on all sections, a score of 6 or higher for each question, and agreement to achieve 3rd party registration to ISO 9001:2000 or ISO/TS 16949 within one year.

Depending on the scope of the business intended, DTNA may require an on-site assessment.

Low volume suppliers may be exempt* from certification requirements depending upon the nature and/or quantity of products and services provided.

*See Supplier Quality Evaluation for Exemption List.

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Purpose

To define the suppliers' role in Daimler Trucks North America's supplier quality evaluation process.

Scope

This applies to suppliers of production material, tooling, or services to any Daimler Trucks North America Business Unit.

Procedure

- Suppliers are required to be third party registered to ISO 9001:2000 or ISO/TS 16949*
- Suppliers are evaluated through on-site assessment or supplier self-surveys
- A self-survey becomes necessary if the supplier has not achieved ISO 9001:2000 or ISO/TS 16949 registration
  - It then would be necessary for completion of the Quality Assurance Supplier Self-Survey:
    - with a score of 75% or higher on all sections,
    - a score of 6 or higher for each question,
    - and agreement to achieve 3rd party registration to ISO 9001:2000 or ISO/TS 16949 within one year

A DTNA self-survey document will be provided to the supplier if necessary.

On-site Assessment results in classification of the supplier into one of three categories

80-100%

- 1 = Suitable in principle as supplier to DTNA

50-79%

- 2 = Could become a suitable supplier with support

<50%
• 3 = Not suitable as a supplier to DTNA

* Certain suppliers may be exempt from certification requirements depending upon the nature and/or quantity of products and services provided to DTNA. Examples of suppliers who may be considered exempt from certification requirements are:

• Low volume suppliers of custom components.
• Suppliers of prototype parts/assemblies.
• Providers of warehouse or clearinghouse services.
• Suppliers of other non-manufacturing related or non-value added services.

Exempt status is determined at the discretion of Corporate Quality Assurance or Business Unit Quality Assurance Management.

Exempt suppliers are not exempt from performing PPAP.

If you are not ISO 9001:2000 or ISO/TS 16949 certified, your parts may be subject to closer scrutiny.

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Purpose

To define the suppliers' role and responsibility in the approval process of purchased parts and tooling for production purposes. To determine if all customer engineering design record and specification requirements are properly understood by the supplier and that the process has the potential to produce product consistently meeting these requirements during an actual production run.

Scope

This applies to suppliers of production material or tooling to any Daimler Truck North America Business Unit.

Procedure

Production part approval is required as defined in "Production Part Approval Process" (PPAP) published by the AIAG. All applicable elements are to be completed and retained on file at the supplier's location. While this Procedure is intended to cover all situations normally occurring during the submission process, questions that arise should be directed to the appropriate production part approval coordinator - DTNA Corporate Quality Assurance or Business Unit Quality Assurance.

All requested PPAP document submissions are to be sent to DTNA Corporate Quality Assurance or the requesting Business Unit Quality Assurance Department. When a sample part is requested, the above still applies and copies of the PSW, Dimensional Report, and marked print must accompany the sample part(s) to be shipped to the specified plant.

Corporate and Business Unit Quality Assurance review applicable documents for new and revised parts and assemblies, as well as for any design or process changes warranting notification or submission as indicated in PPAP. Submission and approval requirements are determined using individual judgment and the risks associated with each part, as outlined in the Production Part Approval Process flowchart. When families of parts occur, and evidence of supplier quality planning for one part (parent) in the family of parts is deemed sufficient, the remainder of the parts in the family will be approved with the approval of the parent part.
Parts received prior to PPAP approval without the required documentation (noted above) will be rejected by DTNA Plants.

Parts such as standard fasteners, fittings, raw materials, components of an assembly, etc., are defaulted to approved status. Also, parts below estimated annual usage of 150 such as Custom Engineered parts are defaulted to approved status as well. However, Suppliers must document steps taken to make certain that parts conform to specifications.

Corporate and Business Unit Quality Assurance determine the submissions and approvals required for purchased parts and tooling according to the complexity of the part and Supplier’s performance history. The PPAP default level for all parts is Level 1 (excluding Appearance Approval Report unless specifically requested).

Approval of submitted samples and/or documentation, default or requested, is required prior to supplying production volumes unless a documented waiver is obtained by the supplier from Corporate or Business Unit QA.

Interim approval for a limited time or piece quantity may be granted if the supplier’s root cause, action plan, and timeframe are acceptable to the appropriate production part approval activity.

If a supplier fails to complete PPAP prior to the start of production, they must comply with the following “Exception Conditions”:

- All parts shipped to DTNA must be 100% inspected.
- All characteristics per the drawing must be inspected and conform to specification. If parts do not conform to specification, contact DTNA Corporate Materials prior to shipping parts.
- Identify each package or container with a sheet of 8 1/2 x 11 inch, heavy bond white paper, with at least 1 inch black lettering that identifies the parts as conforming to the exception conditions of DTNA Production Part Approval Process 09QA-R074.
- Records of the required inspection described above must be maintained by the supplier and be made available to DTNA Quality Assurance upon request.
- Parts submitted without required documentation will be rejected.

**THIS PROCESS WILL REMAIN IN EFFECT UNTIL PRODUCTION PART APPROVAL PROCESS IS APPROVED.**

DTNA reserves the right to review and/or audit all supplier PPAP records.

The recommended method from suppliers is electronic submission of the PPAP forms.

The supplier for the length of time that the part is active plus one calendar year must maintain production part approval records.

Sample submissions are to be adequately labeled and tagged by
the supplier. Plant QA will perform the Dimensional Results verification and communicate results to Corporate QA.

Production Part Approval Process - Buy Part Flowchart

Production Part Approval Process - Exception Conditions Flowchart

Make Part Approval Process Flowchart

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Daimler Trucks North America (DTNA) Quality Assurance has issued Production Part Approval Process and/or Initial Sample Inspection Report requirements for parts that your company supplies. The following parts have not yet received approval:

<table>
<thead>
<tr>
<th>DTNA Part Number</th>
<th>Revision Level</th>
<th>DTNA Part Description</th>
<th>Date Material Shipped (to be logged by Supplier)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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</tr>
</tbody>
</table>

For the parts listed above, Daimler Trucks North America now requires your company to perform the following exception condition procedure:

DO NOT SHIP THE ABOVE LISTED PARTS UNTIL THE FOLLOWING PROCEDURE IS COMPLETED

1. All parts shipped to Daimler Trucks North America must be 100% inspected (electronic components must be functionally tested).
2. All characteristics per the drawing must be inspected and conform to specification. If parts do not conform to specification, contact Daimler Trucks North America Corporate Materials prior to shipping parts.
3. Identify each package or container with a sheet of 8 1/2 x 11 inch, heavy bond white paper, with “100% inspected” in at least 1 inch black lettering which identifies the parts as conforming to the exception conditions and “ISIR Part(s)” if applicable.
4. Records of the required inspection described above must be maintained by your company and be made available to Daimler Trucks North America Quality Assurance upon request.

THIS PROCESS WILL REMAIN IN EFFECT UNTIL DAIMLER TRUCKS NORTH AMERICA PRODUCTION PART APPROVAL PROCESS AND / OR INITIAL SAMPLE INSPECTION REPORT REQUIREMENTS ARE APPROVED.
Electronic Engineering

Can Deviation be
Issued for Part

Supplier Ships Parts to Required DTNA Location

QA Purchased Part Approval Process Complete

Supplier Performs Exception Condition Requirements (Reference 09QA-R074)

No

Supplier Parts Conform to Specification

No

Materials Contact Engineering for Action

Yes

Engineering Can Deviation be Issued for Part

Yes

Supplier Reworks / Reproduces Parts

No

Plant QA Receive Part and Perform Receiving Inspection in Accordance with 09QA-S06 and Plant Procedures

Supplier Completes and Receives final PPAP approval

No

Plant Uses Parts in Production

Supplier Completes and Receives PPAP approval

Yes

QA Updates PPAP systems to reflect approval

09QA-PROC017 (2/21/06)
Purpose

To define the suppliers' responsibility for collecting, analyzing and reporting statistical data.

Scope

This applies to suppliers of production material and tooling to any Daimler Trucks North America Business Unit.

Procedure

I. Suppliers are required to review all DTNA, LLC and Business Unit drawings and specifications to determine if Key Characteristics, identified by the symbol ▼ or as otherwise indicated on the measurement plan/drawing, are present. All dimensions designated as such, or features specified by the responsible Quality Engineer, must meet the process capability requirement of CPK greater than or equal to 1.8.

II. Supplier must include Key Characteristics on Process Control Plans and apply appropriate SPC techniques. This information may be requested by Corporate Quality Assurance.

III. Suppliers are expected to identify and use SPC as appropriate on all incoming parts and materials that are used in the production of components, parts, and assemblies for DTNA, LLC and Business Units.

IV. Production tooling supplied to DTNA, LLC and Business Units must meet the process capability requirement of CPK greater than or equal to 1.8.

V. Production Check Fixtures, CMM holding fixtures and other tooling aids must pass the Gage R&R requirements as defined in the DTNA, LLC Prototype/Production Checking Fixture Requirements & Buy-Off Information Book.

VI. Suppliers must maintain records of the above activities. DTNA, LLC and Business Units reserve the right to audit these records.
Supplier Corrective Action

Purpose

To define the suppliers’ role and responsibility in the corrective action process.

Scope

This applies to suppliers of production material, tooling, or services to any Daimler Trucks North America Business Unit.

Procedure

I. Corporate Quality Assurance

A Supplier Management Team would decide to issue a Corrective Action Request to suppliers based on any of the following criteria:

- Supplier monthly reject report - a Supplier Management Team reviews reject reports of the suppliers that they are responsible for, and determines if a corrective action needs to be issued.
- Reports from plants or other departments - a Supplier Management Team investigates reported problems and determines if a corrective action needs to be issued.
- Management Directives

II. Plants/Business Units

All Business Units and manufacturing plants independently issue corrective action requests to suppliers.

Supplier Corrective Action Process-Corporate Quality Assurance

This form will be auto-emailed to you when a corrective action is issued to you. It will have a distinctive title with the word F.R.A.C.A.S. (Failure Reporting and Corrective Action System) on it.

It will look like this:

F.R.A.C.A.S. email example.
Supplier must complete **ALL SECTIONS** of Corrective Action Request form and return to Daimler Trucks North America by the specified due date.

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Email Title: Freightliner LLC Corrective Action Request - F.R.A.C.A.S. #_____  

# Notice

Email Body: Please Review the following Corrective Action Request and respond via email to (LastName, FirstName) with a Corrective Action Plan and Timing. Freightliner LLC requires a response within 5 business days. Failure to respond will require the Purchasing department to become involved, with possible negative effects on your Supplier Evaluation.

It is very important to resolve this problem to ensure the satisfaction of our mutual end customer. If your company does not have an established Corrective Action Form, please use the attached Freightliner LLC Seven Step Problem Solving Form.

---------------------------------------------------------------------------------------------------------------------

DETAIL AS FOLLOWS:

(PROBLEM DETAILS)
Fracas Number:
Problem Logged Date:
Sub By:
Phone:
E-mail:

Title:
Description:
Priority:
Module No:
Veh Area:
Suggested Root Cause:
Suggested Containment Action:
Model Desc:
Serial No(s):

QA Insp No:
Part No(s):
Drawing No(s):
Date Entered:
Lot Qty:
Sample Qty:
Reject Qty:
Reason Desc:
Rev Lvl Inspected:
Mfg Rev Lvl:
Supplier Code:
Supplier Name:
Supplier Contact Name:
QUALITY POLICY
Freightliner LLC is committed to continually improve the performance of its brands in all aspects of our customers' expectations and experiences with our products, services, and people, while maintaining our commitment to the environment and safety.

Freightliner LLC's ability to meet the end customers' expectations depends greatly upon the quality of production material, tooling, and services provided by its suppliers.

[Two attachments will be here. First will be a corrective action form, second will be the steps to complete it.]
Purpose

To define criteria suppliers must meet in order to earn a "Masters of Quality" Award.

Scope

This applies to suppliers of production material to any Daimler Trucks North America Business Unit.

Procedure

Masters of Quality Award-General

Masters of Quality is the highest distinction awarded to suppliers that meet our strict standards and demonstrate an ongoing commitment to quality improvement.

A. Suppliers with combined aftermarket and production purchases exceeding $500,000 annually, and with twelve months or more sales history to DTNA are eligible for the Masters of Quality Award.
B. Suppliers will be evaluated and rated on a semi-annual basis by DTNA Corporation and Business Units for an annual Masters of Quality Award.

Masters of Quality Criteria

EBSC (External Balance Score Card) values are used to select best performing suppliers to be awarded Masters of Quality. The EBSC values reflect the following four categories.

1. Quality and Warranty (50% QA reject PPM, 15% Warranty PPM and 35% semi-annual supplier evaluation)
2. Supply (50% shortage PPM and 50% semi-annual supplier evaluation) Total score includes Accounting criteria as they relate to EDI, ASN, etc.
3. Cost (100% Purchasing department semi-annual supplier evaluation)
4. Technology (50% Engineering department semi-annual supplier evaluation and 50% Parts and Service semi-annual supplier evaluation)
evaluation.

**Semi-Annual Evaluation Criteria**

**Aftermarket Purchasing and Purchasing**

**Engineering**

**Materials, Changeover and Accounting**

**Parts and Services**

**Warranty and Quality**

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<table>
<thead>
<tr>
<th>Department</th>
<th>Short Description</th>
<th>Criteria Description</th>
<th>10</th>
<th>8</th>
<th>5</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aftermarket Purchasing</td>
<td>Responsiveness</td>
<td>How would you evaluate the supplier's performance regarding responsiveness?</td>
<td>Supplier has understanding of priorities, responds 100% of the time with clear/precise information within the timeframe requested.</td>
<td>Supplier understands priorities but does not meet requested due date 100% of the time. Requires follow up to understand information provided.</td>
<td>Supplier has difficulty prioritizing needs. Relies on Freightliner to provide direction and does not take ownership.</td>
<td>Supplier requires constant follow up to get information, never responds on time.</td>
</tr>
<tr>
<td></td>
<td>Production Based Pricing</td>
<td>How would you evaluate the supplier's performance regarding a production-based pricing? ( \frac{AM\ Price - Prod.\ Price}{Prod.\ Price} = x % ). Packaging costs need to be accounted.</td>
<td>Supplier provides production based pricing to the aftermarket for all production parts purchased by FTL customer support. Acceptable packaging costs are validated.</td>
<td>Supplier usually provides production based pricing to the aftermarket for all production parts purchased by FTL customer support. Packaging costs are usually acceptable and are validated.</td>
<td>Supplier rarely provides production based pricing to the aftermarket for all production parts purchased by FTL customer support. Packaging costs are rarely acceptable and are validated.</td>
<td>Supplier never provides production based pricing to the aftermarket for all production parts purchased by FTL customer support. Packaging costs are never acceptable.</td>
</tr>
<tr>
<td></td>
<td>3-year Price Hold on Post Prod.</td>
<td>How would you evaluate the supplier's performance regarding three years price hold on post-production parts?</td>
<td>Supplier holds pricing on all production parts for 3 year post production</td>
<td>Supplier usually holds pricing on all production parts for 3 year post production</td>
<td>Supplier rarely holds pricing on all production parts for 3 year post production</td>
<td>Supplier never holds pricing on all production parts for 3 year post production</td>
</tr>
<tr>
<td>Purchasing</td>
<td>Responsiveness</td>
<td>How would you evaluate the supplier's performance regarding responsiveness including timely, quality responses to RFQs, CARs, SATs, tool tracking sheets, questionnaires, forms, and other strategic requests for information?</td>
<td>10%: Supplier has understanding of priorities, responds 100% of the time with clear/precise information within the timeframe requested.</td>
<td>5%: Supplier understands priorities but does not meet requested due date 100% of the time. Requires follow up to understand information provided.</td>
<td>-5%: Supplier has difficulty prioritizing needs. Relies on Freightliner to provide direction and does not take ownership.</td>
<td>-10%: Supplier requires constant follow up to get information, never responds on time.</td>
</tr>
<tr>
<td></td>
<td>Program Management</td>
<td>How would you evaluate the supplier's performance regarding program management (e.g. new tooling, product to market, etc.) capability?</td>
<td>10%: Supplier has formal written procedure with dedicated team. Sr. Management supports concept. Due dates are met 100% of the time.</td>
<td>5%: Supplier has no formal procedure in development but consistently demonstrates its ability to provide required information within the timeframe requested.</td>
<td>-5%: Supplier has no formal procedure or plans for developing. Meets deadlines only part of the time and does not take ownership.</td>
<td>-10%: Supplier neither has a program nor has plans for developing one. Relies on Freightliner for providing information. Is not pro-active and consistently late providing information.</td>
</tr>
<tr>
<td></td>
<td>Cost Savings</td>
<td>Cost savings score is an internal calculation derived from several variables at the commodity level. Note: Cost Savings scores cannot be reported to external users.</td>
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</tr>
<tr>
<td>Department</td>
<td>Short Description</td>
<td>Criteria Description</td>
<td>10</td>
<td>8</td>
<td>5</td>
<td>0</td>
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</tr>
<tr>
<td>Engineering</td>
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</tr>
<tr>
<td>30% Responsiveness</td>
<td>How would you evaluate the performance and quality of the supplier's engineering staff? How dedicated and responsive are the contact persons? How is the quality of the technical support and personnel?</td>
<td>Resident / dedicated engineer is supplied if needed; responds in a timely manner. Issue solutions are innovative, cost effective and implemented without undue delays. Products are of high quality and of cost effective design.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20% State of the Art Technology</td>
<td>How would you evaluate the supplier's performance regarding a state of the art technology?</td>
<td>Supplier is a leader in technological development, has necessary R&amp;D facilities and equipment, keeps Freightliner informed of new development programs.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20% CAD Communication</td>
<td>How would you evaluate the supplier's CAD communication capability in general?</td>
<td>Provides CATIA or 3D CAD system data in a format conducive to our needs with no further conversion or manipulation. Able to receive and use Freightliner data. Or, no CATIA or 3D CAD communications are required of this supplier.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15% Prototypes &amp; sample parts</td>
<td>How would you evaluate the supplier's performance regarding a timely supply of quality prototypes and conformity of sample parts to specifications?</td>
<td>All prototypes are delivered by the due date and sample parts meet Freightliner Engineering technical requirements. Supplier provides sample inspection or certification documentation for all prototypes.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15% Program Management</td>
<td>How would you evaluate the supplier's program management capability?</td>
<td>Dedicated Program Manager or &quot;point person&quot; is assigned and is easily accessible. Provides strategic assistance in implementation of significant changes.</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Scoring Key:
- 10 - Excellent (no exceptions)
- 8 - Satisfactory (few exceptions)
- 5 - Unsatisfactory (numerous exceptions)
- 0 - Poor (does not meet criteria)
<table>
<thead>
<tr>
<th>Materials &amp; Change Over</th>
<th>15%</th>
<th>20%</th>
<th>20%</th>
<th>15%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Department</strong></td>
<td><strong>Weighting</strong></td>
<td><strong>Short Description</strong></td>
<td><strong>Criteria Description</strong></td>
<td><strong>10</strong></td>
</tr>
<tr>
<td><strong>ASN Usage</strong></td>
<td>15%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Responsiveness</strong></td>
<td>20%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Capacity</strong></td>
<td>20%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>EDI Accuracy</strong></td>
<td>15%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Changeover Process</strong></td>
<td>15%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Changeover Requests</strong></td>
<td>15%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Accounting**

<table>
<thead>
<tr>
<th>25%</th>
<th>25%</th>
<th>25%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Invoicing</strong></td>
<td><strong>Communication</strong></td>
<td><strong>Payments</strong></td>
</tr>
<tr>
<td>- Does Supplier send invoices to FLLC accurately? Sends correct EDI line numbers on invoices. Sends NO duplicate invoices. Invoice matches ASN (receipt matches invoice/SID)</td>
<td>- Does Supplier provide one central point of contact and communicates via email to notify FLLC of valid credit memos and of aging unpaid invoices within a timely manner? Supplier sends a list of valid credit memos and of aging unpaid invoices within a timely manner.</td>
<td>- Supplier is set up to receive payment via EFT. Supplier is set up to receive payment via EFT.</td>
</tr>
<tr>
<td><strong>Invoicing</strong></td>
<td><strong>EDI</strong></td>
<td><strong>Electronic Fund Transfer</strong></td>
</tr>
<tr>
<td>- Does Supplier send EDI 810 for Manufacturing, OEM for Aftermarket and for Direct Shop</td>
<td>- Supplier sends EDI 810 for all shipments.</td>
<td>- Supplier sends EDI 810 for Manufacturing, OEM for Aftermarket and for Direct Shop.</td>
</tr>
</tbody>
</table>

**Key:**
- 10 - Excellent (no exceptions)
- 8 - Satisfactory (few exceptions)
- 5 - Unsatisfactory (numerous exceptions)
- 0 - Poor (does not meet criteria)
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<th>10</th>
<th>8</th>
<th>5</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-time delivery</td>
<td>Ship within 7 days of committed date: # of on-time shipments/ total # of shipments made by supplier</td>
<td>90 to 100% on-time shipments</td>
<td>80 to 89% on-time shipments</td>
<td>60 to 79% on-time shipments</td>
<td>below 59% on-time shipments</td>
</tr>
<tr>
<td>Truck Down</td>
<td>How would you evaluate the supplier's performance regarding coordinating customer contact?</td>
<td>Call to FLLC district service manager on problems, Make joint customer visit with FLLC, Contact FLLC before telling customer who is at fault, Work with FLLC on field problems, Coordinate action plans on field problems</td>
<td>Call to FLLC district service manager on problems, Make joint customer visit with FLLC, Contact FLLC before telling customer who is at fault, Work with FLLC on field problems, Coordinate action plans on field problems</td>
<td>Call to FLLC district service manager on problems, Make joint customer visit with FLLC, Contact FLLC before telling customer who is at fault, Work with FLLC on field problems, Coordinate action plans on field problems</td>
<td>Call to FLLC district service manager on problems, Make joint customer visit with FLLC, Contact FLLC before telling customer who is at fault, Work with FLLC on field problems, Coordinate action plans on field problems</td>
</tr>
<tr>
<td>Marketing Support</td>
<td>How would you evaluate the supplier's performance regarding providing marketing funds, brochures and field sales support?</td>
<td>MDF = 2% of Sales; Incentive Program Sponsor; Sales Fair Sponsor; 4 flyer modules; Parts Field Reps who are dedicated to OEM dealers and who call on all FLLC dealers at least three times a year.</td>
<td>MDF = 2% of Sales; Sales Fair Sponsor; 3 flyer modules; Parts Field Reps who call on dealers and distributors.</td>
<td>MDF = 2% of Sales; Sales Fair Sponsor; Flyer Module Parts Field Reps who call on dealers and distributors.</td>
<td>No Marketing Support No field parts support</td>
</tr>
<tr>
<td>Technical Part Info.</td>
<td>How would you evaluate the supplier's performance regarding providing parts technical information?</td>
<td>The supplier provides online access to parts technical information to dealers and customers or provides FLLC with complete parts technical information, including illustrations, upon request. NOTE across the board: Not applicable for minor piece part suppliers.</td>
<td>The supplier provides FLLC with complete parts technical information upon request. FLLC must convince the supplier that this assistance is necessary and valuable, i.e. the supplier is less than a fully willing participant in the process.</td>
<td>The supplier provides FLLC with parts technical information upon request. FLLC must provide significant rework and/or research in order to deliver the documentation to the field in a useful manner.</td>
<td>The supplier does not provide any type of access to any parts technical information.</td>
</tr>
<tr>
<td>Service training</td>
<td>5%</td>
<td>How would you evaluate the supplier's performance regarding providing service training?</td>
<td>The supplier provides service training or assistance in development of service training programs to the full extent required by FLLC. NOTE across the board: Service training programs are not required for minor piece part suppliers.</td>
<td>The supplier provides service training or assistance in development of service training programs. FLLC must convince the supplier that this assistance is necessary and valuable, i.e. the supplier is less than a fully willing participant in the process.</td>
<td>The supplier provides service training or assistance in development of service training programs. FLLC expends a lot of effort to convince the supplier that this assistance is necessary and valuable. FLLC is asked to fund the development effort.</td>
</tr>
</tbody>
</table>
| Diagnostic tools | 3% | How would you evaluate the supplier's performance regarding providing diagnostic tools to FLLC? | The electronic component/system supplier provides service diagnostic software to dealers and customers in compliance with NAFTA standards; or the electronic component/system supplier provides electronic components/systems that have diagnostic and flashing functionality built into them. These suppliers also provide technical information and assistance in development of FLLC diagnostic tools in accordance with FLLC standards. | The electronic component/system supplier provides service diagnostic software to dealers and customers in compliance with NAFTA standards; or the electronic component/system supplier provides electronic components/systems that have diagnostic and flashing functionality built into them. These suppliers also provide technical information and assistance in development of FLLC diagnostic tools in accordance with FLLC standards. FLLC must convince the supplier that this is necessary and valuable, i.e. the supplier is less than a fully willing participant in the process. | The electronic component/system supplier provides service diagnostic software to dealers and customers not in compliance with NAFTA standards; or the electronic component/system supplier provides electronic components/systems that lack full diagnostic and flashing functionality built into them. These suppliers also provide technical information and assistance in development of FLLC diagnostic tools in accordance with FLLC standards. | The supplier does not provide any diagnostic tools or assistance to FLLC.
<table>
<thead>
<tr>
<th>Technical Service Info.</th>
<th>2%</th>
<th>How would you evaluate the supplier's performance regarding providing complete service technical information?</th>
<th>The supplier provides online access to service technical information to dealers and customers or provides FLLC with complete service technical information or assistance in development of same upon request. NOTE across the board: Not applicable for minor piece part suppliers.</th>
<th>The supplier provides FLLC with complete parts technical information upon request. FLLC must convince the supplier that this assistance is necessary and valuable, i.e. the supplier is less than a fully willing participant in the process.</th>
<th>The supplier provides FLLC with parts technical information upon request. FLLC must provide significant rework and/or research in order to deliver the documentation to the field in a useful manner.</th>
<th>The supplier does not provide any type of access to any parts technical information.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Info. Responsiveness</td>
<td>4%</td>
<td>How responsive is the supplier to calls for product information and specifications? 24hr response max.</td>
<td>Responds within 24 hrs.</td>
<td></td>
<td>More than one business day.</td>
<td></td>
</tr>
<tr>
<td>Root Cause Analysis &amp; Ccorr. Act.</td>
<td>3%</td>
<td>With regards to the current product and for models no longer in use, how often does the supplier respond, participate in root cause analysis and correct product issues quickly?</td>
<td>100% of incidents</td>
<td>99 to 90% of incidents</td>
<td>89 to 80% of incidents</td>
<td>79 to 0% of incidents</td>
</tr>
<tr>
<td>Campaigns and recalls</td>
<td>3%</td>
<td>How often does the supplier actively participate in field service campaigns or recalls (not only regarding information and analysis but also financially)?</td>
<td>100% of incidents</td>
<td>99 to 90% of incidents</td>
<td>89 to 80% of incidents</td>
<td>79 to 0% of incidents</td>
</tr>
<tr>
<td>Department</td>
<td>Short Description</td>
<td>Criteria Description</td>
<td>10 - Excellent (no exceptions)</td>
<td>8 - Satisfactory (few exceptions)</td>
<td>5 - Unsatisfactory (numerous exceptions)</td>
<td>0 - Poor (does not meet criteria)</td>
</tr>
<tr>
<td>---------------------</td>
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</tr>
<tr>
<td>Quality</td>
<td>PPAP</td>
<td>How would you evaluate the supplier's performance regarding PPAP responses?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Corrective Actions</td>
<td>How would you evaluate the supplier's performance regarding Corrective Action Responses (CARs)?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Campaigns and Recalls</td>
<td>How would you evaluate the supplier's performance regarding recall history and campaigns?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>3rd Party Certification</td>
<td>Is supplier 3rd party certified?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Warranty</td>
<td>Warranty Agreement</td>
<td>Does the supplier have a signed warranty agreement?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Parts Return Program</td>
<td>How would you evaluate the supplier's performance regarding his parts return program?</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Claims Responsiveness</td>
<td>Does the supplier provide detailed responses to claims</td>
<td>Provides Recovery with detailed denial explanation with payment/denial documentation, Sends denial explanation with returned failed part.</td>
<td>Provides Recovery with detailed denial explanation with payment/denial documentation, Sends denial explanation with returned failed part.</td>
<td>Provides Recovery with detailed denial explanation with payment/denial documentation upon request.</td>
<td>Does not respond to claims.</td>
</tr>
<tr>
<td></td>
<td>Root Ccause Analysis &amp; Corr. Act.</td>
<td>Does supplier support failure of their products and work with Freightliner Manufacturing, Engineering and Dealers/Fleets to identify and implement corrective action?</td>
<td>Excellent</td>
<td>Average</td>
<td>Poor</td>
<td>Does not work with Engineering Freightliner Manufacturing, Engineering and Dealers/Fleets.</td>
</tr>
<tr>
<td></td>
<td>Timely Response to Claims</td>
<td>Does the supplier respond to claims within the time guidelines?</td>
<td>Supplier responds to all claims within the time guidelines.</td>
<td>Does not dispute aged claim debits.</td>
<td>Disputes aged claim debts.</td>
<td>Supplier does not respond.</td>
</tr>
</tbody>
</table>
Supplier Disapproval

Purpose

To define the criteria by which suppliers can be disapproved.

Scope

This applies to suppliers of production material, tooling, or services to any Daimler Trucks North America Business Unit.

Procedure

Corporate and Business Unit Quality Assurance maintain criteria for helping to determine the disapproval of suppliers. The following are criteria that Quality Assurance uses at its discretion:

A. Supplier fails to maintain ISO 9001:2000 or ISO/TS 16949 registration.
B. Supplier continually fails to respond to DTNA Corrective Action Requests.
C. Supplier has a reject rate of over 50 PPM for the last four consecutive quarters on average, and there are no signs of improvement.

Failure to maintain ISO 9001:2000 or ISO/TS 16949 third party registration, to respond to DTNA Corrective Action Requests, or to maintain a reject rate of 50 PPM or less may be used in conjunction with criteria of other Corporate Departments to consider the need to advise Purchasing of the need to disapprove the supplier for any new business, and to consider resourcing with another supplier.

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Significant updates and editing to the original January '01 release of the Third Edition of Freightliner LLC's Supplier Quality Requirements Manual will be listed here for a user-friendly reference:

7/22/08 - Significant updates and editing to the previous edition of this document.

- 2/12/01: Production Part Approval Process (PPAP)
  - Part Submission Warrant and documentation submission direction was clarified under letter A.
  - The Level 2 process for Sample Product submissions was clarified for suppliers under letter B.
Providing the end customer with a quality vehicle requires the energy and support of every link in the supply chain. Delighting the end customer requires participation from many supply chain members, including raw material suppliers, transportation carriers, assembly and manufacturing plants, and dealers. Daimler Trucks North America is a demanding customer and seeks only those supplier partners who are able to maintain the highest levels of quality and customer satisfaction. Here is a brief look at our key supplier qualification requirements.

- ISO 9001:2000 or ISO/TS 16949 Certified
- Fully EDI/ASN
- Compatible Commitment to Support Daimler Trucks North America Warranty Programs
- Acceptable Aftermarket Program
  - Aftermarket pricing in line with production
  - No minimum purchase quantities
  - Parts to be available for 15 years post to OE production
  - Support aftermarket part lead-time requirements
- Signed Confidentiality Agreement
- CATIA/IGES Capability