

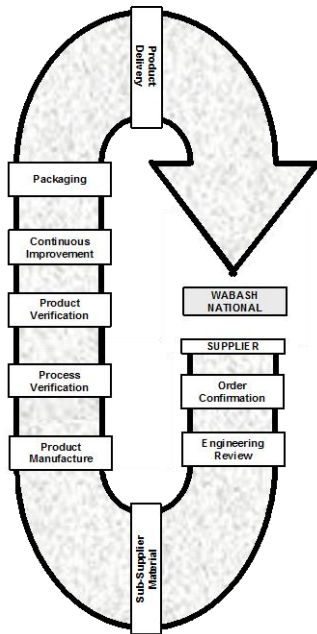


OUR INNOVATION MOVES THE WORLD™

Supplier Quality Manual

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Foreword



An important building block for a successful Supplier - Customer partnership is communication. The guidelines contained within the Supplier Quality Manual are written with the strict intent of communicating the requirements of Wabash National Corporation and its customers. First and foremost, suppliers must be capable of meeting Wabash National's quality, delivery, cost and continuous improvement expectations. The Supplier Quality Manual provides our suppliers and potential suppliers the information required for securing business and maintaining a successful Supplier - Customer relationship.

All suppliers are expected to implement a quality system, such as ISO 9000, TS 16949, or a Wabash National approved system.

As a minimum, suppliers are expected to fulfill the following elements to ensure a successful Supplier - Customer partnership.

- Communication
- Order Verification
- Process Capability
- Product Realization Processes / Controls
- Defect Prevention
- Internal Assessments
- Corrective & Preventative Actions
- Document Retention
- Continuous Improvement
- Competitive Pricing
- 100% On-Time Delivery
- Total Cost

Wabash National expects suppliers to assume full responsibility for the quality and delivery of their supplied products and the consequences due to the lack of meeting expectations as defined by the Supplier Quality Manual.

Continued support of our effective Supplier – Customer partnership will enable us to consistently meet and strive to exceed our customers' expectations.

Wabash National Supply Chain Management Mission Statement

In order to exceed our customers' expectations on a daily basis, we will identify, select, and proactively develop suppliers who provide superior quality products and services and who partner with us to provide the best overall value to Wabash National Corporation and our customers.

We will attract, equip, and develop ethical supply chain professionals who will continuously improve the way we supply product and services to our customers.

Continuous improvement will be an expectation from each supplier. We will measure and monitor performance, rewarding those suppliers who exceed our expectations, and helping to develop those who fall short.

Nick Adler

Vice President – Supply Chain Management

NOTE: This manual contains a brief summary of expectations and requirements that involve our suppliers and sub-suppliers. Suppliers are responsible for obtaining copies of the latest revisions of publications. Copies of AIAG publications can be obtained from the Automotive Industry Action Group. Publications for guidance include ISO-9000, TS 16949 Quality System Requirements, Quality System Assessment (QSA), Advanced Product Quality Planning (APQP), Statistical Process Control (SPC), Measurement System Analysis (MSA), Failure Mode and Effects Analysis (FMEA), Product Part Approval Process (PPAP).

Supplier Acknowledgement

This supplier manual and the requirements herein will become part of and are incorporated into all contracts for the sale by supplier and purchase by Wabash National of goods and services; also known as the Purchase Order or Scheduling Agreement. All quotations shall encompass these requirements. In the event there are exceptions, they shall be clearly documented. The supplier management team is responsible for reviewing this manual. Directors or Managers, of the departments listed below, must sign in the space indicated. The completed form is to be returned to the Wabash National Purchasing department within two weeks from date of receipt.

We hereby agree to abide by the Wabash National Supplier Quality Manual and its requirements are hereby incorporated into all contracts with Wabash National for the sale of goods and services.

Company Name:

Location:

Duns Numbers:

Supplier Number:

Department	Name	Signature	Date
Engineering			
Executive Mgt (Officer)			
Sales			
Quality			
Operations			

Notes / Exceptions:

Section Reference	Notes or Exception Statement

1.0 PURPOSE

This Supplier Quality Manual provides a concise understanding of Wabash National's quality expectations and outlines the minimum requirements that Wabash National requires its suppliers and sub-suppliers to meet. This manual will strengthen inter-company relations and improve the communication between Wabash National and its suppliers.

2.0 SCOPE

This manual specifically applies to all suppliers (direct, non-production / capital), and sub-suppliers that do business with Wabash National. This manual does not alter or reduce any other contractual requirements covered by purchasing documents or requirements of engineering drawings or specifications. This manual describes the minimum requirements expected and is applicable to all production material and service suppliers whether the products and/or services are provided directly or indirectly through sub-suppliers.

Note that the words "will", "shall" and "must" indicate mandatory actions, and the word "should" indicate a preferred approach, but an equal or better system may be used.

3.0 GENERAL

This manual is based on nationally recognized quality system requirements such as: ISO 9000, TS 16949; and is considered an integral and legally binding part of the Wabash National Purchase Order. It shall be read and understood by the supplier.

Wabash National increasingly makes use of items from suppliers in the manufacture of its products. The condition, reliability and delivery of these items crucially influence the quality of the products we provide to our customers. Supplier's quality and delivery capabilities are therefore essential criteria in any purchasing decision reached by Wabash National.

Wabash National expects that suppliers will focus on:

- Communication of requirements and performance within supplier's organization and Wabash National.
- Order verification to ensure understanding of requirements, capacity and capability to provide product or service.
- Ongoing process capability to ensure product and/or service delivery and quality.
- Product realization processes and controls to ensure efficient and effective delivery of quality product or service requirements to Wabash National.
- 100% delivery of defect free products (zero defect target), and assumption of full responsibility of the supplied products and the consequences due to the lack of meeting expectations.
- Internal assessments of processes, product and metrics for effectiveness.
- A Quality System based on ISO 9000, TS 16949, or a Wabash National approved system (certification is the preferred achievement by the supplier).
- Consistent application of corrective and preventative methods in order to avoid and eliminate sources of defects.
- Appropriate records of system, process and product performance to ensure adequate performance evaluations and continuous improvement, including the need for problem resolution.
- Continuous improvement of activities to increase efficiency and effectiveness while maintaining or reducing costs of not only the supplier's organization but, also the sub-supplier, and customer.
- Low total cost of ownership based on initial cost, quality, delivery and application.

4.0 SUPPLIER RELATIONSHIP

4.1 Requests for Quotes

Request for Quotes (RFQ's), should be completed and returned promptly. It is imperative that suppliers quote the program as defined, using drawings, specifications, volumes and timing. Alternative suggestions, exceptions or modifications to the specifications should be noted along with the benefits in terms of cost and quality. Cost break-downs, including material, labor by operation, secondary and outside operations (i.e. heat-treating, plating), tooling amortization, packaging and overhead, are required in order to ensure suppliers clearly understand the requirements. Cost breakdowns are not used to diminish suppliers' profit margins. Rather, Wabash National seeks to understand the cost drivers for the products being purchased in order to optimize design and explain our pricing to our customers. If special tooling is required, Wabash National prefers that suppliers include the tooling in the piece price; however, quotes should be presented showing two alternatives: (1) tooling amortized in the piece price, and (2) Wabash National owned tooling.

4.2 Wabash National or Customer Owned Tooling

The supplier is expected to maintain Wabash National-owned and customer-owned assets located at the supplier's facility. The supplier will receive asset numbers from Wabash National to be placed on the assets. It is the supplier's responsibility to track and identify Wabash National tooling in their facility, and the supplier should tag the tooling "Property of Wabash National". These assets are to be used solely for the production of Wabash National products. When there is no future need for these assets, the supplier must ask direction for disposition. Records of tooling shall be maintained, see 5.15 Document Retention.

4.3 Tooling Declaration on Commercial Invoice

Suppliers shipping product made with Wabash National owned tooling located at facilities outside the country to which it is being shipped must declare the cost of the tooling on the commercial invoice accompanying the first production order.

4.4 Service (Aftermarket) Requirements

Suppliers to Wabash National are required to provide products after the higher-volume productions program has ended. Each Supplier must maintain components through the warranty life (20 YEARS), of Wabash National products.

4.5 Proprietary Information

During the course of business, our suppliers will frequently have access to information that is of proprietary nature. It is expected that suppliers will not discuss Wabash National products, processes and programs outside the Wabash National-supplier relationship. Any and all proprietary designs, drawings, specifications, and documents will not be provided to any third-party without the express written consent of Wabash National.

4.6 Business Conduct

Wabash National expects their employees and suppliers to maintain business practices that ensure all source selections are based on sound business criteria. Wabash National maintains a strict code of business ethics addressing relationships with suppliers and their employees. For further information, please contact a Purchasing Representative.

4.7 Supplier Code

A supplier code will be created for every supplier as a single identifier to identify the supplier organization. The supplier code will be used to track Supplier Delivery Performance and premium freight charges and will be used in all correspondence. The supplier code will also be used in distinguishing suppliers from each other.

4.8 Purchasing agreement and Payment terms

Purchasing agreements ("Purchase Order") submitted by Wabash National shall specify the quantity, type, and required delivery date for the Products ordered. Suppliers shall have twenty-four (24) hours after receipt of a Purchase Order to provide written confirmation of the Purchase Order Agreement as is or with exception. If the Seller fails to confirm the Purchase Order Agreement within this time, Wabash National shall reserve the right to obtain the specified product from an alternative source.

Suppliers are expected to quote and accept the payment terms of the location to which they will sell product. Standard terms for Wabash National are net 60 days. If the supplier can offer significant price advantage through alternate payment and terms, this must be presented in the quotation.

4.9 Packaging Plan

The supplier is expected to comply with basic or specific packaging instructions defined by requirements. Suppliers will establish packaging methods to ensure that material is adequately identified and protected from damage through delivery.

The following are basic requirements that a supplier must adhere to in developing all containerization. These requirements may be altered / modified by supplemental requirements by Wabash National. The use of these guidelines no way relieves the supplier of responsibility for part quality. These guidelines should apply to all production parts prior to quote submission. Any deviations to or alterations must be approved by in writing by Wabash National.

Goals:

1. All parts are received in superior quality.
2. Parts are presented with operator ergonomics and work cell efficiency considered.
3. Achieve maximum pack density while minimizing costs.
4. Provide for responsible final disposition of obsolete packaging materials by maximizing the use of recyclable materials to minimize disposal of dunnage.

Supplier Responsibilities:

- Review the Packaging Guidelines manual to ensure all guidelines are understood and met.
- Discuss with Wabash National any specific requirements for receiving material / parts at the manufacturing facility.
- Ensure the pack validation can be completed within / before the program start-up date.
- Returnable packaging designed, owned, and provided by the supplier must be approved by Wabash National prior to shipments ship dates.
- The supplier name and the container identification must be clearly visible on each container.

4.10 Labeling

As a minimum, Wabash National part number, Vendor number, Purchase Order number, lot number, quantity packaged, manufacture date, and approval for shipment will be identified.

4.11 Hazardous Materials

If any hazards apply to the supplied product, the supplier shall submit a Material Safety Data Sheet with each shipment and label the product containers accordingly. If the part, product or material is determined non-hazardous by the manufacturer, a letter shall be submitted to the Wabash National Purchasing Department stating this condition. It is the supplier's responsibility to inform Wabash National immediately if the hazardous status of material supplied to Wabash National changes. MSDS documents for hazardous material supplied to Wabash National shall be maintained, see 5.15 Document Retention.

5.0 SUPPLIER QUALITY SYSTEM

Wabash National recommends that all Suppliers actively strive to attain a certification such as ISO 9000, TS 16949, while complying with Wabash National minimum requirements. Certified suppliers shall notify Wabash National within 10 working days if their Certificate of Registration is put on suspension. The supplier shall forward a new copy of its certificate if it has expired.

As a minimum requirement, suppliers are expected to fulfill the following elements to ensure a successful Supplier - Customer partnership. Wabash National may require addition items in the event of nonconformance or ineffective corrective actions.

5.1 Supplier Request for Information

A supplier must complete a Supplier Profile Request for information. The profile collects information concerning the supplier's business background, management conditions, technology capabilities, quality approach, lean concepts, cost and logistics capability. The profile will be used throughout the sourcing and assessment process.

The Supplier Profile will be maintained by the supplier through communication with their Buyer in the Wabash National Purchasing department at or before the time of the change. The supplier profile will be updated and returned annually even if no changes have been reported throughout the year. All suppliers must provide a current and active contact list all the time to Wabash National. The contact list ensures a clear line of communication between Wabash National and all of our suppliers.

5.2 Communication

Communication is a critical factor of success, appropriate methods to communicate requirements and performance must be established within the supplier's organization. Where performance or significant changes in business climate may change the financial viability of the supplier's organization or effect products supplied; the supplier shall communicate this information to their Buyer at Wabash National.

Any significant changes in operational climate (i.e. Machinery, Material, etc.), that may change the suppliers manufacturing process must be communicated to a Wabash Supplier Development representative.

Wabash National believes in, and encourages, early and active supplier involvement. Purchasing will coordinate both technical and commercial communications and suppliers should not hesitate to request assistance from Wabash National Purchasing. Suppliers are required to inform their buyers of all meetings and copy them on all correspondence.

5.3 Quality Policy

Suppliers must develop, implement and maintain a documented approach for the control and continuous improvement of quality in products and services provided.

5.4 Order Processing

A process to ensure that submitted requirements are understood by both parties shall be implemented, with records relating to the process maintained, see 5.15 Document Retention.

This process shall ensure (at a minimum):

- a) Capacity
- b) Capability to meet specifications
- c) Revision level of drawings / specifications
- d) Delivery requirements
- e) Cost

5.5 Engineering Processes / Controls

A process to ensure that submitted requirements are understood by customer, supplier and manufacturer shall be implemented. This process shall ensure effective communication of:

- a) Requirements
- b) Key Product Characteristics (KPC)
- c) Appropriate engineering drawings and specifications are available at the manufacturing, test or inspection location.
- d) Relevant internal drawing revisions communicated to the Wabash National Buyer.

Note: Wabash National drawings are proprietary and considered the master in all cases.

Wabash National may require a detailed development plan from the supplier and implementation of APQP elements, based on the criticality of the part, or performance history, etc. When APQP is imposed, records shall be maintained, see 5.15 Document Retention.

5.6 Sub-Supplier Material Control

It is the supplier's responsibility to ensure and control the quality of all components and raw materials (customer supplied or purchased), used to manufacture product for Wabash National.

Each supplier is fully responsible for the control and continuous improvement efforts of their sub-suppliers. Sub-suppliers that furnish products affecting Wabash National designated characteristics (KPC's), must implement appropriate controls as specified in this manual. The supplier will review sub-supplier controls and quality management systems, and should require their sub-suppliers to conform to the requirements specified herein.

Wabash National reserves the right to verify and approve purchased products at the supplier and sub-supplier's premises to ensure that contracted products conform to specified requirements.

5.7 Processes / Product Control

Wabash National is expecting zero-defect material and parts delivered. Suppliers must ensure that a process yields services or components that meet specification. In order to ensure product quality, suppliers must complete process and product verifications, including the review of equipment (machinery, tools, fixtures, etc.), affecting the quality of product.

The supplier shall not be permitted to make changes to product and/or processes that may affect the fit, form or function without prior written approval from an authorized representative of Wabash National.

The supplier must submit a request for deviation to their Supplier representative of any new product offering, significant process change or any product changes affecting product delivered to Wabash National.

5.7.1 New Product Assessments

New Suppliers or components to Wabash National may, upon decision of the Supplier Development representative, require a Process Sign-Off (PSO), or source inspection performed at their manufacturing facility prior to Production Part Approval.

A PSO at the Supplier's manufacturing facility helps ensure that the Supplier's process is at the production readiness stage, is capable of supplying quality component(s) and that the Supplier has a complete understanding of the program requirements.

The Supplier will provide documentation for each element (1 - 21) of the PSO checklist for evaluation at the pre-PSO meeting.

The Supplier will provide documentation for evaluation and will assume responsibility for internal PSO's that may be required to be carried out at its facility on components deemed to be "**LOW**" or "**MEDIUM**" risk and will maintain records on file for Wabash National review at a later date, see 5.15 Document Retention.

Wabash National Supplier Development has the Lead Responsibility to coordinate the PSO, schedule pre-meeting reviews, and plant visits. Wabash National Supplier Development will also advise the supplier of the documentation to be reviewed prior to the PSO. During the plant visit, the supplier must demonstrate that the process can run at rate, following the documentation, and has acceptable efficiencies and yields to meet forecasted volumes.

5.7.1.1 Source Inspection

A program that is performed at the supplier's site utilizing the supplier's resources. Source Inspection may be required in the event of but, are not limited to:

- Program launch
- Design change
- Repeated quality concerns or issues
- Unacceptable quality rating

The source inspection process is to be performed "in addition to" normal process controls and must be performed as the last step prior to parts leaving the supplier's facility.

Suppliers have to provide inspection reports and material certifications for each delivery for certified material. These inspection reports must be enclosed in a plastic envelope, addressed to the attention of the Supplier Development Representative, and attached to the outside of the box or dunnage, unless provisions are approved otherwise by Wabash National.

5.7.2 New Product Verification

A supplier is expected to maintain a Production Part Approval Process (PPAP) and will maintain records of this process on file for Wabash National products, see 5.15 Document Retention. A PPAP submission as well as additional requirements may be outlined by the Supplier Development representative through purchase orders as a requirement of the supplier.

A Production Part Approval Process is used to determine whether all Wabash National requirements are properly understood by the supplier and that the process has the capability ($Ppk \geq 1.67$), to produce products meeting these requirements during an actual production run at the quoted requirements.

The default submission for such activities will be in accordance with the Wabash National Production Part Approval Process (See APPEDIX A). Suppliers must ensure that all drawing clarifications are resolved before production tooling is finalized and production parts are made.

Wabash National Supplier Development representative will communicate the need for additional data, parts, or application of PPAP.

After product approval, the supplier will notify a Wabash National Supplier Development representative of any proposed changes to the process and/or product such as but, are not limited to: manufacturing location, sub-supplier, tooling, process or materials, etc.

A Supplier may be required to re-submit a PPAP every two (2) years from the date of the last approved PPAP for re-certification purposes as deemed necessary by Wabash National Supplier Development.

Product shipped to Wabash National for approvals without an authorized purchase order will be rejected.

5.7.3 Product Verification Activities

The supplier quality system must have sufficient controls to ensure that all product shipped conforms to the order quantity, physical, dimensional, and visual requirements described by Wabash National. Records identifying criteria and release authorization shall be maintained, see 5.15 Document Retention.

When raw material is processed or consumed by a supplier, it is the supplier's responsibility to ensure certificate of material analysis is available for review throughout the life of the product.

Key Product Characteristics (KPC's) are significant for fit, form, appearance, function, reliability, durability, and the ability to process or assemble a product. Where Wabash National drawings denote KPC's, the supplier shall identify these characteristics internally and in all relevant documentation, FMEA's, Control Plans, Process Flowcharts, etc.

Although all specified dimensions are important, any items identified as a KPC by Wabash National, requires adequate controls to ensure the quality of product delivered.

The supplier must notify Wabash National immediately upon recognizing quality problems that might endanger the delivery of quality product.

Wabash National Supplier Development may impose (at supplier expense), source inspections or request the supplier's to submit final inspection reports. When corrective action and containment is required, Wabash National may determine additional requirements and length of time for containment.

5.7.4 Process Capability Analysis

A process to review and ensure continuing capability shall be established by the supplier for designated KPC's. All KPC's specified by Wabash National shall be controlled through this system and records of review maintained, see 5.15 Document Retention.

Suppliers must evaluate process capability on an ongoing basis. Capability indices are a supporting element of continuous improvement and therefore must be reviewed for this purpose. Records of such reviews must be maintained, see 5.15 Document Retention.

Capability Indices:

Capability analysis establishing Standard Deviation based on individual data points.		Capability analysis establishing estimated Standard Deviation based on data groups.	
Ppk ≥ 1.67	Process Acceptable	Cpk ≥ 1.67	Preferred Process Capability
Ppk ≥ 1.33 - Ppk ≤ 1.67	Implement corrective actions to improve process.	Cpk ≥ 1.33	Process Acceptable
Ppk < 1.33	Unacceptable. Implement corrective action & 100% inspection and verification method.	Cpk < 1.33	Unacceptable. Implement corrective action & 100% inspection and verification method.

Evidence of statistical process control documentation must be available upon Wabash National's request. Wabash National may require the supplier to submit a capability summary report monthly or per shipment for specific characteristics as outlined in purchase orders. Each supplier must expend continuous effort to improve the stability and capability of their processes.

5.8 Measuring and Testing Equipment

Adequate gauges and measuring/testing equipment for process control are mandatory. This equipment is to be provided by the supplier and, when feasible, must be designed to provide variable data. The supplier must establish, implement and maintain a process to verify the acceptability of all gauges, tool masters, fixtures and measurement/test systems to ensure the integrity of the systems. Records of verification must be maintained, see 5.15 Document Retention.

All Wabash National funded gauges must receive Wabash National design approval prior to construction or the supplier will be held accountable for changes. Prior to modifications to any Wabash National funded gauges; a Supplier must communicate to their Buyer and receive approval.

When performance metrics are utilized, suppliers shall perform gauge repeatability and reproducibility (Gage R&R) studies on all gauges, test equipment and measuring instruments. Where the variation measurement equals or is greater than 30%, the measurement system must be corrected. Gauge studies must be repeated if modifications are made or gauge integrity is in question.

5.9 Control of Nonconforming Product

Suppliers to Wabash National shall have necessary controls in place to ensure that 100% conforming product is being shipped. Sufficient controls to ensure containment, disposition and disposition authorities of nonconforming product shall be established.

A Supplier must establish a processes in which delivered quantities and types of errors are recorded and maintained, see 5.15 Document Retention. The records are registered in monthly cycles if not agreed upon differently. A review of the supplier's performance will be conducted between a supplier and Wabash National Supplier Development and, if necessary, determine methods for improvement.

5.9.1 Supplier Location

Nonconforming or suspect nonconforming material found at the supplier's location must be quarantined to ensure it is not shipped to Wabash National. Shipment of this product must not be made until the material is formally replaced, sorted, reworked (continued processing) or repaired (alteration to requirements). Reworked or sorted material must be inspected before shipment. Dispositions of repaired product must be approved in advance by a Wabash National Supplier Development representative.

Nonconforming material or suspect nonconforming material discovered by the supplier after shipment to Wabash National must be communicated to a Wabash National Supplier Development representative. Suppliers should make all efforts to have all material in-transit recalled in agreement with Wabash National Buyer / Logistics. Wabash National will work with the supplier to contain nonconforming product or adjust production schedule where possible to allow verification of product by a qualified supplier representative.

5.9.2 Wabash National Location

Wabash National reserves the right to perform random audits on material received from suppliers. When actual or suspected nonconforming product is found at Wabash National, the product will be rejected and will not be used in production.

Wabash National Quality Assurance Representative will immediately notify the supplier either electronically and/or verbally when nonconforming material has been found and confirmed. The supplier must confirm receipt of the concern, initiate an investigation at the source and implement the necessary containment activities as agreed upon by Wabash National.

Containment actions required to maintain production at Wabash National are the responsibility of the supplier. All arrangements required for sorting, rework, etc. must be made by the supplier and communicated to Wabash National Quality Assurance Representative via phone or E-mail correspondence. In the absence of this communication, Wabash National will implement appropriate action (i.e. Sub-contract sorting), to maintain production and assess costs associated with the activity (i.e. Labor, Downtime, etc.) to the supplier.

Where containment actions are required beyond the property of Wabash National, the supplier must respond with a containment plan to Wabash National within 24 hours (48 hours for overseas suppliers) unless otherwise designated by Wabash National.

When requested by a Supplier Development representative, a qualified supplier representative will be present at Wabash National within 24 hours of notification to verify the nonconforming material and coordinate any required sorting or rework activities. A qualified supplier representative may be requested to be present at Wabash National immediately, depending on the urgency of the situation. Further actions required of the supplier will be dependent on the outcome of the nonconforming material review.

The supplier will replace any returned material with certified stock identified with labeling identifying the material as certified material. Subsequent shipments must be certified according to the guidelines specified by the Supplier Development or Quality Assurance representative. Certification must continue until the Wabash National representative is satisfied with corrective actions.

Wabash National may request 3rd party source inspections (at supplier expense), and specific supplier data be sent for review. At Wabash National's discretion, additional containment actions may be implemented at supplier's expense to ensure 100% conforming material.

Upon notification of nonconforming product, the supplier shall initiate a corrective action report identifying the root cause, and permanent corrective actions. The corrective action must be submitted to the Wabash National Supplier Development Representative for review in accordance with section **5.13**.

All costs associated with the nonconforming material or delivery delays impacting Wabash National production will be charged back to the supplier when deficiency is determined to be the liability of the supplier. See APPENDIX C: Costs Associated with Nonconformance or Delivery delays.

5.10 Traceability

Suppliers must monitor and track lot traceability throughout entire production process. Supplier must be able to demonstrate lot traceability from final product back to raw materials, when requested by Wabash National Supplier Development during Pre-Run's and PPAP runs.

The supplier must employ a system in order to track lots, batches, part numbers, and manufacture dates. Traceability records must be maintained and be readily available to Wabash National, see 5.15 Document Retention.

5.11 Packaging Plans

The supplier is expected to comply with general or specific packaging instructions defined by requirements. Suppliers will establish cost effective packaging methods to ensure that material is adequately identified and protected from damage through delivery. As a minimum, Wabash National part number, Vendor number, Purchase Order number, lot number, quantity packaged, manufacture date, and approval for shipment will be identified.

5.12 Internal Assessments

A supplier must conduct regular internal assessments of processes, product and metrics for effectiveness and continued compliance to requirements. Records of review shall be maintained, see 5.15 Document Retention.

5.13 Corrective & Preventative Actions

All suppliers must establish and maintain documented procedures for implementing a system of closed loop corrective and preventive action with disciplined problem solving methods. Records such activities shall be maintained according to 5.15 Document Retention.

Supplier Corrective action reports shall be submitted to Wabash National Supplier Development utilizing similar formats of the Wabash National Supplier Corrective Action Report (SCAR) form for all deviations from specification or requirements reported by Wabash National to the supplier. Where corrective actions are required for product, capability analysis shall be performed and submitted to support effectiveness of the change.

Wabash may require as part of a corrective action the implementation of APQP elements, see 8.2 APQP.

5.14 Continuous Improvement

The supplier is expected to implement a continuous improvement philosophy to encourage process improvements in performance related to quality, cost, and delivery. Records of improvement shall be maintained, see 5.15 Document Retention.

Wabash National intends to purchase goods and services from suppliers who are leaders in their field and incorporate a spirit of continuous improvement throughout their organization. When Wabash National locates such a supplier, it encourages a long-term partnership with that supplier.

Wabash National expects suppliers to participate actively in continuous improvement programs at both the supplier's location and Wabash National. The supplier shall communicate to Wabash National all opportunities for improvements in the areas of Product Design, Reliability, Quality, Process, Delivery, Costs, and Packaging. The benefits of such improvements shall be shared through annual productivity cost reductions.

5.15 Document Retention

The supplier must retain adequate quality system records, available for review according to the table below unless, otherwise approved by Wabash National Supplier Development.

Section		Document Example	Archive Period	Retention Period
4.2	Wabash National or Customer Owned Tooling	Asset numbers, Asset location	90 days	Life of Asset
4.11	Hazardous Materials	Material Safety Data Sheet	90 days	20 years
5.4	Order Processing	Confirmation of order requirements	90 days	3 years
5.5	Engineering Processes / Controls	APQP records	90 days	20 years
5.7.1	New Product Assessments	Process Sign-Off (PSO)	90 days	3 years
5.7.2	New Product Verification	PPAP records	90 days	20 years
5.7.3	Product Verification Activities	Final product inspection criteria and release authorization	90 days	3 years
		Material Analysis	90 days	20 years
5.7.4	Process Capability Analysis	Capability studies, Control Charts, etc.	90 days	3 years
5.8	Measuring and Testing Equipment	Calibration records	90 days	3 years
5.9	Control of Nonconforming Product	Nonconformance, Quantity, Disposition, and Disposition authority	90 days	3 years
5.10	Traceability	Lots, Batches, Part numbers, Manufacture dates	90 days	20 years
5.12	Internal Assessments	Process audits / reviews, Product audits / reviews	90 days	3 years
5.13	Corrective & Preventative Actions	Problem description, Short term action, Long term actions, Implementation dates, Effectiveness reviews	90 days	3 years
5.14	Continuous Improvement	Performance improvement related to quality, cost, and delivery	90 days	3 years

6.0 SUPPLIER PERFORMANCE RATINGS

Supplier performance at a minimum will be rated in the following areas:

- Service
- Delivery
- Quality
- Cost

Wabash National utilizes more comprehensive metrics to evaluate ongoing performance of involved suppliers via their Supplier Portal Scorecard system. Expectations of each supplier are to maintain acceptable performance in these key metrics as defined by the system. Overall scores are based on a 100-point scale with each metric carrying an appropriately weighted portion of the overall scale.

The overall scores fall into one of four performance categories:

- Excellence – greater than 93.0%
- Green – 84.0% to 93.0%
- Yellow – 70.0% to 83.9%
- Red – less than 70.0%

All suppliers must understand that a score of less than 70% makes them a candidate for new business hold until an acceptable evaluation score is achieved.

In addition to the scorecard evaluations, Wabash National reserves the right to review a Supplier's performance if deemed necessary at any point throughout the year.

8 GLOSSARY OF TERMS

ISO-9000	International Standards Organization – Series 9000
TS 16949	Technical Standard for Quality System – Automotive
AIAG	Automotive Industry Action Group
FMEA	Failure Mode and Effects Analysis identifies potential failures within a design or process and controls established to prevent the effects.
GR&R	Gauge Repeatability and Reproducibility studies determine how much of your observed process variation is due to measurement system variation.
PSO	Process Sign-Off at the Supplier’s manufacturing facility helps ensure that the Supplier’s process is at the production readiness stage, is capable of supplying quality component(s) and that the Supplier has a complete understanding of the program requirements.
PPAP	Production Part Approval Process
Cpk	Cpk is the potential of a processes capability and is calculated using the within-subgroup variation, but not the shift and drift between subgroups.
Ppk	Ppk is for the overall processes capability.
KPC	Key Product Characteristic
SPC	Statistical Process Control
SCAR	Supplier Corrective Action Report
VMI	<p>Vendor Managed Inventory (VMI) is a philosophy in which the supplier and Wabash National work together as a team for ensured conformance and delivery of manufactured parts to eliminate the need for order processing.</p> <p>This philosophy requires that the customer and supplier forge a partnership whereby long-term commitment and close communications are essential. Suppliers capable and willing to become a VMI supplier will enjoy the stability of a long-term relationship. These suppliers will become an integral part of our team and will become the focus of future efforts.</p>

APPENDIX A ADVANCED PRODUCT QUALITY PLANNING (APQP)

Wabash National may require a detailed development plan from the supplier, based on the criticality of the part, or performance history, etc. Wabash National recognizes that communication between the supplier and customer during the APQP process is critical. Therefore, frequent meetings between the supplier and Wabash National are highly recommended and will be scheduled to review the supplier's APQP progress. The supplier should schedule these meetings through Wabash National Purchasing. Any issues that affect the program must immediately be brought to the attention of the proper Wabash National Purchasing Representative.

Advanced quality planning must include a review of all drawings; applicable specifications as well as other Wabash National supplied documentation. This is to ensure products are designed for manufacturability and assembly at a defect-free level and to ensure that these same products meet quality and reliability requirements. Reference: AIAG Advance Product Quality Planning.

Elements contained in the advance quality planning activities shall include but not be limited to:

- Key product/process characteristics
- FMEA
- Feasibility studies
- Control plans
- Process flow diagrams
- Packaging plans

Wabash National highly encourages the use of APQP methods and may specify their use as a corrective action requirement. In the event a supplier fails to meet Wabash National expectations, Wabash may require as part of the corrective action the following elements of APQP:

<u>Phase</u>	<u>Task</u>
General	<ul style="list-style-type: none"> • Quality concept • Quality goals • Determination of the handling of faulty parts, analysis, report • Planning of Quality data reporting (SPC, faulty parts)
Design Definition	<ul style="list-style-type: none"> • Review of specifications • Design FMEA • Test concept (testing, ability, testing range) • Special and Key characteristic identification • Packaging
Qualification of Product Process Definition	<ul style="list-style-type: none"> • Design Validation • Process FMEA • Logistic FMEA • Test Equipment FMEA • Control Plan • Planning of testing concepts (test equipment) • Planning of packaging, shipment, transportation
Qualification of Process	<ul style="list-style-type: none"> • Product validation • Capability studies (Cpk, Measurement System Analysis) • Release of production of testing equipment
Release Process	<ul style="list-style-type: none"> • PPAP procedure according to AIAG • Release of the production line (e.g. Run@Rate)

APPENDIX B

PRE-PRODUCTION APPROVAL PROCESS (PPAP)

1.0 PURPOSE

The purpose of Pre Production Approval Process is to determine if engineering design and specification requirements are properly understood by the supplier and that the supplier process has the potential to produce product consistently meeting these requirements during an actual production run at the quoted production rate.

2.0 APPLICABILITY

PPAP shall apply to suppliers of bulk materials, production materials, or production part unless formally waived by Wabash National.

2.1 GENERAL

Sample parts for PPAP are required to be numbered and labeled. Each of these individual samples requires a full dimensional layout according to provisions of section 4.1, unless otherwise indicated by a Wabash National Supplier Development representative.

The supplier shall obtain full approval from the supplier product approval activity for:

- a) New part or product.
- b) Part or product modified by an engineering change.
- c) Correction of a discrepancy on a previously submitted part.
- d) Requirements of Section 4.1

NOTE: If there is any question concerning the need for production part approval, contact the responsible supplier approval activity.

3.0 PART SUBMISSION STATUS

3.1 Full Approval

The supplier is authorized to ship production quantities of the product subject to releases required by Wabash National purchase orders.

3.2 Interim Approval

The supplier is authorized to ship limited production quantities of the product subject to releases required by Wabash National purchase orders. Interim approval will only be granted when the supplier has:

- a) An action plan agreed upon by Wabash National Supplier Development identifying the root cause(s) limiting full approval, specific actions and timing to address corrections. Re-submission to obtain "full approval" is required.

Material covered by an interim approval that fails to meet the agreed-upon action plan either by the expiration date or the shipment of the authorized quantity will be rejected. No additional shipments are authorized unless an extension of the interim approval is granted.

4.3 Rejection

Non fulfillment of the requirements specified in section 3.0. Correction shall be submitted and approved before production quantities may be shipped.

The supplier shall be notified by Wabash National of the submission disposition. After production approval, suppliers shall assure that future production continues to meet all requirements.

4.0 PRODUCT APPROVAL REQUIREMENTS

4.1 Product or Part Analysis

The supplier shall submit the following as required in a completed package (bound notebook with labeled sections), utilizing this index check sheet as guidance for the package. A PPAP package may be submit utilizing the suppliers internal documents (excluding sections # 1 and # 12), provided the documents are comparable to the ones provided in this index.

#	Requirement	Design Responsible	Design Excluded	Description
1	PPAP Approval Requirements Check Sheet (Form # QMS-F-0672)	Submit	Submit	Signify the availability of requirements with in the package.
2	Design drawings	Submit	Submit	Hard copy product drawings related to submitted product.
3	Design FMEA (Form # QMS-F-0673)	Submit	N/A	Recognition and evaluation of the potential failure of a product design and its effect. Categories include: Item / Function, Hypothetical Failure Mode, Hypothetical Effect(s) of Failure, Severity rating, Hypothetical Cause(s) / Mechanism(s) Failure Occurrence rating, Current Design Controls Detection rating, Recommended Action(s), Responsibility & Target Completion Dates. Design verification must be clearly identified in document.
4	Design verification plan & record (DVP&R) (Form # QMS-F-0674)	Submit	N/A	Functional Characteristics, Functional Requirements, Test type, Testing result, Accept / Reject, Remarks. A copy of specific design and material testing reports shall be made available to WN upon request.
5	Appearance Approval Report (Form #QMS-F-0675)	Submit	Submit	Applies to parts with color, grain, texture or surface appearance requirements.
6	Process Flow Diagrams (Form # QMS-F-0676)	Submit	Submit	A diagram that uses graphic symbols to depict the nature and flow of the steps (Inspections, Operations, Decisions, Inventory), in a process from receipt to ship.
7	Process FMEA (Form # QMS-F-0677)	Submit	Submit	Recognition and evaluation of the potential failure of a process/product and its effect. Categories include: Item / Function, Hypothetical Failure Mode, Hypothetical Effect(s) of Failure, Severity rating, Hypothetical Cause(s) / Mechanism(s) Failure Occurrence rating, Current Design Controls Detection rating, Recommended Action(s), Responsibility & Target Completion Dates.
8	Control Plan (Form # QMS-F-0678)	Submit	Submit	Itemized documented plan for control of the product characteristics and the associated process variables throughout the manufacture process to ensure capability and stability of the product over time.
9	Measurement System Analysis (Form # QMS-F-0679)	Submit	Submit	Verify the acceptability of all gauging used to measure the product during manufacture and all measurement data submitted through PPAP.
10	Master Sample Product, Dimensional, & Material Performance Test Results. (Form # QMS-F-0680)	Submit	Submit	A complete dimensional, functional, and material certificate of analysis supplied for each submitted item. As a minimum, 1 finished sample product from each machine, die, and mold cavity producing the item. Supplier may substitute the use of Eng. Drawing for measuring record.
11	Process Capability & Part Functionality Verification (Form # QMS-F-0681)	Submit	Submit	Minimum of 30 piece capability analysis of production process pieces from each machine, die, and mold cavity producing the item. Capability Hierarchy: Each key characteristic (KPC), identified by design drawings. If no KPC, each specifically tolerance characteristic identified on the design drawing. If no specifically tolerance characteristics, perform a dimensional analysis of length, width, height. As a minimum, 30 pieces from the capability analysis samples to be submitted for production verification runs at WNC.
12	Part Submission Warrant (Form # QMS-F-0682)	Submit	Submit	A document by which the supplier of a part gives evidence to the customer that they are able to satisfy the requirements of Delivery Date, Quality, Process Capability and Production Rate.
13	Qualified Laboratory Documents	Submit	Submit	Where external laboratories are used for verification of product, laboratory certifications and traceability to Nationally recognized organizations must be submitted.
14	Checking Aids / Tooling Drawings	Submit	Submit	List of tooling drawings, copy of attribute drawings and/or manufactured variable gages with visual work instructions for use that will be utilized.

APPENDIX C

Costs associated with Nonconformance or Delivery delays

All costs associated with the nonconforming material or delivery delays impacting Wabash National production will be charged back to the supplier when nonconforming product is determined to be the full liability of the supplier. Whereas liability can not be established or fully liability of the supplier can be attributed, the supplier shall burden 50% of associated costs.

A \$500.00 Processing charge will be billed to the supplier for the nonconformance. However, if the nonconforming material is required to continue production, it will be sorted or reworked by Wabash National personnel (or a designated source) at the supplier's expense at a rate of \$55.00 per hour.

Absence of required source inspection or certification material reports are grounds for rejection and the supplier will be charged \$500.00 for failure to provide this information.

Delivery related costs effecting production shall be assessed to the supplier at the full burden rate of production per unit loss.

Summary of costs that may be assessed include, but are not limited to, the following:

- Transport and handling costs for returning non-conforming material
- Expedited freight (from the supplier and to the end customer)
- Premium time incurred for having to work holidays and weekends
- Expenses and lost profits associated with unscheduled shutdowns or changeovers due to lack of parts
- Administrative costs incurred for non-compliance to Wabash National packaging and labeling requirements
- Administrative costs for preparation of processing quality documents
- Scrap and/or rework costs of all associated material, subassemblies and finished product affected by the supplier's non-conforming material
- Travel expense incurred by Wabash National employees due to product issues
- Additional costs associated with non-conformity found at customers
- Sort and rework time required to continue regular production

If Containment Activities are required at the supplier's locations in order to ensure delivery of defect free products to Wabash National, the supplier may be required to pay for a third-party agency to implement this activity. **A flat charge of \$500.00** will be billed to the supplier for each of these Non-Conformances in addition to any sort and/or rework charges as detailed in Section 5.9 Control of Non-Conforming Product.

APPENDIX D

Summary of Revisions

Revised 9-28-17 – Section 6.0 Supplier Performance Ratings

Updated to reflect new Scorecard ratings

Revised 10/18/07 - Index

Added Appendix D

Revised 10/18/07 - Section 5.7.4 Process Capability Analysis

Changed table for Capability Indices from $Cpk \leq 1.33$ to $Cpk < 1.33$.

Revised 10/18/07 - Section 5.9.2 Wabash National Location paragraph 8

Changed section reference from 2.15 to 5.13

Revised 10/18/07 - Section 5.7 Process / Product Control paragraph 3

Changed sentence from: “The supplier must notify the Wabash Supplier Development representative of any process or significant equipment change affecting the producing of Wabash product”.

Changed sentence to: “The supplier must submit a request for deviation to their Supplier representative of any new product offering, significant process change or any product changes affecting product delivered to Wabash”.

Revised 10/18/07 - Section 6.0 Supplier Performance Ratings

Changed sentence from: Suppliers are expected to achieve 100% delivery and less than 500 PPM rating for nonconforming material to achieve an acceptable rating on a monthly basis.

Changed sentence to: Suppliers are expected to achieve 100% delivery to the promised date and maintain less than 500 PPM rating for nonconforming material to achieve an acceptable rating on a monthly basis.