

NAVISTAR INTERNATIONAL CORPORATION

STATEMENT OF CORPORATE POLICY REGARDING TRANSACTIONS IN SECURITIES

FOR DIRECTORS, EXECUTIVE OFFICERS AND CERTAIN OTHER PERSONNEL

Introduction

In the course of conducting the business of the Company, you may have access to material information that is not generally available to the investing public. You have an important legal and ethical obligation not to engage in trading in securities while in possession of material non-public information (doing so is typically referred to as “insider trading”) and to maintain the confidentiality of such non-public information. Insider trading is a crime. You and the Company may be subject to severe civil and criminal penalties as a result of trading in securities while in possession of material non-public information or as a result of unauthorized disclosure of material non-public information.

The Company has adopted this Policy Statement to prevent violations of insider trading laws and to avoid even the appearance of improper conduct. This Policy Statement applies to (i) all executive officers and directors of the Company, (ii) all other senior management in pay levels 9-12, (iii) employees of the Company holding the positions set forth on Exhibit “A” attached hereto, and (iv) such other persons designated from time to time by the Company (such persons along with their Immediate Family Members (as defined in Section 7 below) being herein collectively referred to as “Covered Persons”). Exhibit “A” may be amended from time to time. For purposes of this Policy Statement, “executive officer” means the persons identified from time to time by the Board of Directors as “officers” for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), “director” means a member of the Board of Directors of Navistar International Corporation and “the Company” refers to Navistar International Corporation and its subsidiaries.

The General Counsel and Corporate Secretary of the Company (each a “Compliance Officer”) have been designated as the compliance officers for administering this Policy Statement. The Compliance Officers are solely responsible for the administration and interpretation of this Policy Statement. This Policy Statement shall not be interpreted to amend or otherwise alter any agreements the Company and the Covered Persons may have entered into regarding the disclosure of confidential information. Furthermore, this Policy Statement is in addition to the general corporate policy against insider trading, and all Covered Persons remain subject to such general corporate policy.

Policies

1. **Prohibition Against Insider Trading and Tipping.**

(a) *Trading in the Company's Securities.* It is a violation of the federal securities laws and Company policy for any Covered Person, who is aware of material, non-public information relating to the Company, directly or indirectly, which could include information obtained through family members or controlled entities, to (i) buy or sell any securities issued by the Company (a "Company security"), (ii) engage in any other action to take personal advantage of that information or (iii) pass that information on to another person or (iv) recommend to anyone that he or she buy or sell any Company security (doing so is typically referred to as "tipping," and can result in the same civil and criminal penalties that apply to insider trading, even though you did not personally benefit from such trade). These prohibitions commence with the date material non-public information concerning the Company is obtained and end twenty-four (24) hours following public disclosure of that information, or at such earlier time as the non-public information is no longer material. These prohibitions generally do not apply to certain exempt transactions as outlined in Section 6 below, such as the exercise of any stock option previously granted to you by the Company (but it would prohibit the sale of the underlying common stock).

(b) *Trading in Securities of Other Companies.* The prohibitions contained in this Policy Statement also apply to material, non-public information about any other company that has been obtained in the course of your work for the Company, including any company with which the Company (i) has a business relationship, including suppliers and customers, (ii) has a substantial investment, (iii) has entered into a joint venture or (iv) is negotiating a business relationship, including a major project, contract or substantial investment in a joint venture.

(c) *Definition of Material, Non-Public Information.* Inside information has two important elements – materiality and public availability.

Material Information. Information is material if there is a substantial likelihood a reasonable investor would consider the information important in making an investment decision to buy, sell or hold a security or it would have significantly altered the total mix of information available to the investor. Any information that could reasonably be expected to affect the trading price of a security is considered material. Common examples of material information include, without limitation:

- projections of future revenue, earnings or losses, or other earnings guidance;
- operating results for a fiscal quarter or year, whether or not they earnings that are consistent with the consensus expectation of the investment community;

- unusual gains or losses or results of operations in major business divisions or units;
- significant change in financial liquidity;
- information concerning a pending or proposed business combination transaction involving the Company, including a merger of the Company or a tender offer by the Company for stock of another company;
- an acquisition or disposition by the Company of significant assets;
- changes in the composition of the Board of Directors or the senior management of the Company;
- a change in auditors or auditor notification that the Company may no longer rely on an auditor's report;
- major financings or borrowings by the Company;
- major events affecting the Company's securities, including a stock split, repurchase of outstanding securities, the offering of additional securities or a change in dividend policy;
- the entry into or termination of significant contracts;
- the gain or loss of major customers, suppliers or orders;
- The commencement or threat of major litigation or administrative proceedings or the settlement or resolution thereof; or
- bankruptcies or receiverships of the Company or of a joint venture partner, customer or supplier.

Both positive and negative information can be material. Determinations of materiality are often challenged with the benefit of hindsight and therefore any question about whether particular information is material should be resolved in favor of the conclusion that it is material. If you have any question as to whether particular information is material, you should not trade or communicate the information to anyone without the prior approval of a Compliance Officer.

Non-Public Information. Information is "non-public" if it is not generally known or available to the public. Generally, in order for information to become public, it must be broadly disseminated or made widely available to the investing public by means of a press release that is carried or reported on by a major news service or a public filing with the SEC. The distribution of information through narrower channels, such as posting on rarely-frequented websites, may be insufficient to make it public. Also, the fact that non-public information is reflected in rumors in the marketplace does not mean that the information has been publicly disseminated. One common misconception is that material information loses its "non-public" status as soon as a press release is issued disclosing the information. In fact, information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or an SEC filing) and the investing public has had time to absorb the information fully. As a general rule, information is considered non-public until 24 hours after the information is released.

2. **Penalties for Insider Trading Violations.**

(a) *Civil and Criminal Penalties.* Potential penalties for insider trading violations include (i) a jail term for up to 20 years, (ii) criminal fines of up to \$5,000,000, (iii) civil fines of up to three times the profit gained or loss avoided and (iv) a temporary or permanent bar from serving as an officer or director of any public company.

(b) *Controlling Person Liability.* If the Company fails to take appropriate steps to prevent illegal insider trading, the Company may have “controlling person” liability for a trading violation, with civil penalties of up to the greater of \$1,000,000 or three times the profit gained or loss avoided, as well as criminal penalties of up to \$25,000,000. The civil penalties can extend personal liability to the Company’s directors, officers and other supervisory personnel if they fail to take appropriate steps to prevent insider trading.

(c) *Company Sanctions.* Failure to comply with this Policy Statement may also subject you to Company-imposed sanctions, including dismissal, whether or not your failure to comply with this Policy Statement results in a violation of law.

3. **Restrictions on Trading; Pre-Clearance Procedures; Blackout Periods.**

(a) *Restrictions on Trading; Pre-Clearance Procedures.* No Covered Person may purchase or sell any Company security during a Blackout Period (as defined below). At all other times, Covered Persons may purchase or sell Company securities only with the prior approval of a Compliance Officer.

(b) *Blackout Period.* The term “Blackout Period” means each of the following: (i) for each fiscal quarter of the Company, the period commencing on (and including) the fifth calendar day before the end of the quarter and ending 24 hours after the issuance of the Company’s earnings release for such fiscal quarter (or, in the case of the fourth quarter, the earnings release for the fiscal year then ended); or (ii) any event-specific blackout period imposed on Covered Persons by the Company upon notice to such persons.

(c) *Regulation BTR Blackout Period.* With respect to directors and executive officers of the Company, the phrase blackout period also includes any blackout period (within the meaning Regulation BTR promulgated under the Exchange Act) during which the ability of not fewer than 50% of the participants or beneficiaries under an individual account plan (such as 401(k) and retirement savings plans) of the Company to purchase, sell or otherwise transfer an interest in any equity security of the Company held in such plans is temporarily suspended by the Company or by a fiduciary of the plan for a period of more than three (3) consecutive business days.

4. **Additional Guidance and Prohibitions.** The Company considers it improper and inappropriate for Covered Persons to engage in short-term or speculative transactions in Company's securities that may lead to inadvertent violations of the insider trading laws. It is therefore the Company's policy that:

(a) *Prohibition Against Short Selling.* No Covered Person shall sell any equity security of the Company if such person does not own the security at the time of sale, or, if owned, does not deliver the security within 20 days after the sale or deposit the security in the mail or other usual channels of transportation within 5 days after the sale.

(b) *Prohibition Against Trading in Derivatives.* Except as provided in paragraph 4(d) or paragraph 6 below, no Covered Person may purchase, sell or engage in any other transaction involving any "derivative securities" related to any equity security (including preferred stock) of the Company that is issued or created by any person or entity other than the Company. A "derivative security" includes any option (whether a put option or a call option), warrant, stock appreciation right or similar security or right with an exercise or conversion price related to the price of any equity security of the Company or a value derived from the value of an equity securities of the Company.

(c) *Pledges and Margin Accounts.* Securities pledged as collateral for a loan may be sold in foreclosure if the borrower defaults on the loan. A foreclosure sale that occurs when a Covered Person is in possession of material non-public information could constitute unlawful insider trading by the Covered Person. Because of this danger, any person wishing to pledge Company securities as collateral for a loan must first pre-clear the proposed transaction with a Compliance Officer. Any request for pre-clearance must be submitted to a Compliance Officer at least two weeks prior to the proposed execution of documents evidencing the proposed transaction.

Similarly, securities held in a margin account with a broker can be sold without the customer's consent if the customer fails to meet a margin call. Such a sale of the Company securities that occurs when a Covered Person is in possession of material, non-public information also could constitute unlawful insider trading by the Covered Person. Because of this danger, Covered Persons should exercise caution in holding Company securities in a margin account, including buying a stock on margin unless the Covered Person has sufficient alternative resources to cover a margin call in the event of a decrease in the value of the investment portfolio.

(d) *Hedging Transactions.* Certain forms of hedging or monetization transactions, such as zero-cost collars and forward sale contracts (collectively "Hedging Transactions"), allow a stockholder to lock in all or a portion of the value of his or her securities holdings, often in exchange for foregoing all or part of the potential for appreciation in the value of the securities. Hedging Transactions generally enable the stockholder to continue to own

the securities, but without the full risks and rewards of ownership. When entered into by a Covered Person, Hedging Transactions weaken the alignment of the Covered Person's interests and objective with those of the Company's other shareholders. Therefore, Covered Persons may not engage in Hedging Transactions involving Company securities.

5. **Limitations on Certain Gifts.** While a Covered Person is in possession of material non-public information about the Company, he or she may not make any gift of Company securities.

6. **Exceptions under Company Plans.**

(a) *Approved Rule 10b5-1 Plan.* A Covered Person can avoid liability for insider trading by taking advantage of the affirmative defense established by Rule 10b5-1 under the Exchange Act. Rule 10b5-1 allows purchases and sales to be made for the account of a person at a time when that person is aware of material, non-public information if the transaction is pursuant to a binding contract, specific instruction or written plan that was entered into at a time when the person was not aware of any material, non-public information. Such an arrangement is referred to as a "Rule 10b5-1 Plan". Trades by Covered Persons in the Company's securities pursuant to an approved Rule 10b5-1 Plan are not subject to the prohibition on trading on the basis of material non-public information contained in this Policy Statement or to the restrictions set forth in Section 3 of this Policy Statement. A Rule 10b5-1 Plan may not be adopted during a Blackout Period. Once the Rule 10b5-1 Plan is adopted, you may not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. The Rule 10b5-1 Plan must either specify (including by formula) the amount, pricing and timing of transactions in advance or delegate discretion on those matters to an independent third party. The Company requires that all Rule 10b5-1 Plans be approved in writing in advance by a Compliance Officer. If you have any interest in adopting a Rule 10b5-1 Plan, please contact a Compliance Officer for additional information.

(b) *Stock Option Exercises.* The Blackout Period restriction imposed by this Policy Statement does not apply to the exercise of stock options granted under a Company employee benefit plan. The Blackout Period restriction does apply, however, to (i) "broker-assisted" exercises in which a broker for the account of the Covered Person engages in a market sale of a portion of the shares issuable upon exercise for the purpose of generating the cash needed to pay the exercise price of the option or to cover a tax withholding obligation or (ii) any subsequent sale by the Covered Person of the Company stock received upon the exercise of Company stock options. The Pre-Clearance requirement of this Policy Statement applies to all forms of stock option exercises.

(c) *401(k) Plan.* The restrictions imposed by this Policy Statement do not apply to purchases of Company securities in the Company's 401(k) Plans resulting from your

periodic contribution of money to the plan pursuant to your payroll deduction election. The trading restrictions do apply, however, to elections you may make under the Company's 401(k) Plans to (i) increase or decrease the percentage of your periodic contributions that will be allocated to the Company stock fund, (ii) make an intra-plan transfer to or from the Company stock fund, (iii) borrow money against your 401(k) Plan account if the loan will result in a liquidation of some or all of your Company stock fund balance, and (iv) pre-pay a 401(k) Plan loan if the pre-payment will result in allocation of loan proceeds to the Company stock fund.

(d) *Other Exclusions.* This Policy Statement does not apply to any other transaction between the Company and the Covered Person that is both (i) approved in advance by a Compliance Officer and (ii) either would not constitute a purchase or sale under Section 16 of the Exchange Act ("Section 16") or would constitute an exempt transaction under Section 16.

General

7. **Applicability to Immediate Family Members; Notice to Investment Managers and Brokers with Discretionary Authority.** This Policy Statement shall apply to purchases, sales and gifts of Company securities by or for the account of an Immediate Family Member of a Covered Person to the same extent as if such transactions were for the account of the Covered Person. As used in this Policy Statement, "Immediate Family Member" means (a) any family member who resides with a Covered Person, anyone else who is a member of the Covered Person's household, and any family member of a Covered Person who does not live in the Covered Person's household but whose transactions in Company securities are directed by the Covered Person or are subject to the Covered Person's influence or control (such as parents or children who consult with the Covered Person before they trade in Company securities), (b) any trust or similar arrangement for the benefit of a Covered Person or a person who is otherwise an Immediate Family Member and (c) any personal charitable foundation or similar arrangement established by a Covered Person or a person who is otherwise an Immediate Family member.

If a Covered Person or Immediate Family Member of any such person uses an investment manager or broker who has discretionary authority to engage in securities transactions on behalf of such Covered Person or Immediate Family Member, the restrictions set forth herein apply to any transactions effected by that investment manager or broker, even through the investment manager or broker does not consult with the Covered Person in advance of the transaction. To avoid any inadvertent violation of this Policy Statement, the investment manager or broker should be provided with written instructions clearly stating that the account is for the benefit of a Covered Person (or an Immediate Family Member of such Covered Person), and specifically prohibiting transactions in Company securities without compliance with this Policy Statement.

The Covered Person will be held responsible for ensuring that securities transactions by Immediate Family Members, investment managers and brokers comply with this Policy Statement.

8. **Post-Termination Transactions.** Your legal and ethical obligation not to engage in trading in securities while aware of material non-public information continues to apply even after you have terminated your employment or other relationship with the Company. Accordingly, if you are aware of material non-public information when your employment or other relationship terminates, you may not trade in Company securities until that information has become public or is no longer material.
9. **Annual Certification.** Each Covered Person shall execute and deliver an annual statement to the Corporate Secretary certifying that such person has complied with this Policy Statement at all times during the preceding year (or such lesser time as such Covered Person has been subject to this Policy Statement).
10. **Implementation.** The Compliance Officers may adopt such reasonable procedures as they shall deem necessary or desirable in order to implement this Policy Statement. The Compliance Officers are available to advise and provide assistance in connection with this Policy Statement. Any person who has a question concerning the propriety of a proposed transaction, or who has a question about this Policy Statement generally, is encouraged to contact the Compliance Officers.

AS ADOPTED BY THE BOARD OF DIRECTORS ON OCTOBER 16, 2018.

EXHIBIT “A”

ADDITIONAL COVERED PERSONS

The persons holding the following positions with Navistar International Corporation or Navistar, Inc.:

- Vice President, Internal Audit and Chief Compliance Officer
- Vice President, Tax
- Assistant Corporate Controller
- Director, Corporate Financial Planning and Analysis
- Sr. Manager of Accounting, Corporate Consolidation
- Assistant Secretary
- Sr. Manager of SEC Reporting
- All members of the Disclosure Committee not otherwise included