



NAVISTAR INTERNATIONAL CORPORATION

POLICY AND PROCEDURES WITH RESPECT TO RELATED PERSON TRANSACTIONS

A. Policy Statement

This Policy and Procedures With Respect to Related Person Transactions (the "Policy") of Navistar International Corporation (the "Corporation") sets forth the policy and procedures governing the review, approval and ratification of Related Person Transactions (as defined below). The Corporation recognizes that Related Person Transactions may raise questions among stockholders as to whether those transactions are consistent with the best interests of the Corporation and its stockholders. It is the Corporation's policy to enter into a Related Person Transaction only when the Board of Directors and the Audit Committee (the "Committee") determine that the Related Person Transaction in question is in, or is not inconsistent with, the best interests of the Corporation and its stockholders, including but not limited to situations where, in a transaction with a Related Person (as defined below), the Corporation may either obtain or provide products or services (i) of a nature, quantity or quality, or on other terms, that are not readily available from alternative sources or (ii) on an arm's length basis on terms comparable to those provided to unrelated third parties or on terms comparable to those provided to employees generally. The Policy was initially recommended by the Nominating and Governance Committee and approved by the Board of Directors of the Corporation in February 2008. The Committee will review and may amend the Policy from time to time.

While it is expected that Related Person Transactions may occur, employees and directors must nonetheless abide by the applicable provisions in the Corporation's Code of Conduct, which provides that personal conflicts of interest are prohibited as a matter of Corporation policy, except under guidelines approved by the Corporation's Board of Directors, notwithstanding whether the proposed transaction giving rise to the conflict of interest would also require review under this Policy.

In addition, the Securities and Exchange Commission rules and the New York Stock Exchange listing standards require the Board of Directors to assess whether relationships or transactions exist that may impact the independence of the Corporation's directors. This independence determination is made by the Board of Directors in accordance with the Corporation's Corporate Governance Guidelines (as in effect from time to time) and a director's independence may be affected by the existence of Related Person Transactions.

B. Related Person Transactions

For purposes of the Policy, a "Related Person Transaction" shall have the meaning set forth in Item 404(a) of Regulation S-K, as amended, and generally is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Corporation (including any of its subsidiaries) was, is or will be a participant and where the amount involved exceeds \$120,000, and in which any Related Person had, has or will have a direct or indirect material interest.

For purposes of the Policy, a "Related Person" is as defined in the instructions to Item 404(a) of Regulation S-K, as amended, and generally means:

1. any person who is, or at any time since the beginning of the Corporation's last fiscal year was, a director or executive officer of the Corporation or a nominee to become a director of the Corporation;
2. any person who, at the time of the occurrence or existence of the transaction at issue, is the beneficial owner of more than 5% of any class of the Corporation's voting securities;
3. any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the director, executive officer, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such director, executive officer, nominee or more than 5% beneficial owner (an "Immediate Family Member"); and
4. any entity (i) that employs any of the foregoing persons, (ii) of in which any of the foregoing persons is a general partner, officer or serves in a similar position, or (iii) in which any of the foregoing persons has a ten percent (10%) or greater beneficial ownership interest (whether alone or aggregated with beneficial ownership interests of other Related Persons).

C. Responsibility of Related Persons

Any director, executive officer or nominee to become a director of the Corporation who desires to enter into a Related Person Transaction or becomes aware of a currently proposed Related Person Transaction shall notify the General Counsel or Corporate Secretary of such proposal or transaction, and to the extent known, provide the General Counsel or Corporate Secretary all of the information required under Section D.1 of the Policy, as well as any other information requested by the General Counsel or Corporate Secretary.

The General Counsel or Corporate Secretary, upon receiving such notification, shall schedule the proposed Related Person Transaction for presentation to the Committee for consideration in accordance with this Policy. In the event of a good faith failure to seek approval of a transaction prior to its effectiveness, ratification should be sought as soon as the director, executive officer or other Related Person involved in such transaction, or the General Counsel, Corporate Secretary or Chief Compliance Officer, becomes aware of such failure.

D. Approval Procedures

Potential Related Person Transactions that are identified as such prior to the consummation thereof (or in the case of an amendment to the terms of a Related Person Transaction, the implementation thereof) shall be consummated only if the following steps are taken:

1. Determining Whether There is a Related Person Transaction Under this Policy.

Prior to entering into a potential Related Person Transaction (a) the Related Person, (b) the director, executive officer, nominee or beneficial owner whose Immediate Family Member is the Related Person or (c) the business unit or function/department leader responsible for the potential Related Person Transaction shall provide notice to the General Counsel or Corporate Secretary of the facts and circumstances of the proposed Related Person Transaction, including:

- (i) the Related Person's relationship to the Corporation and interest in the transaction;

- (ii) the material facts of the proposed Related Person Transaction, including the proposed aggregate value of such transaction or, in the case of indebtedness, the amount of principal that would be involved;
- (iii) the benefits to the Corporation of the proposed Related Person Transaction;
- (iv) if applicable, the availability of other sources of comparable products or services; and
- (v) an assessment of whether the proposed Related Person Transaction is on terms that are comparable to the terms available with an unrelated third party or to employees generally.

In the event the notice is provided to the General Counsel or Corporate Secretary by someone other than the business unit or function/department leader responsible for the potential Related Person Transaction, a member of the General Counsel's staff shall consult with the relevant business unit or function/department leader to confirm and supplement the information provided in the notice. The General Counsel or Corporate Secretary will assess whether the proposed transaction is a Related Person Transaction for purposes of this Policy. If there is determined to be a Related Person Transaction for the purposes of this Policy, the General Counsel or Corporate Secretary is then to take the steps outlined in Section D.2 of this Policy.

2. Steps Once a Transaction Has Been Determined to be a Related Person Transaction Under this Policy.

If the General Counsel or Corporate Secretary determines that the proposed transaction is a Related Person Transaction for the purposes of this Policy, the General Counsel or Corporate Secretary shall present the potential transaction to the Committee Chair so that the proposed Related Person Transaction can be submitted to the Committee for consideration at the next Committee meeting or, in those instances in which the General Counsel or Corporate Secretary, in consultation with the Chief Executive Officer or the Chief Financial Officer, determines that it is not practicable or desirable for the Corporation to wait until the next regularly scheduled Committee meeting, at a special meeting of the Committee called by the Committee Chair.

3. The Committee Consideration of Related Person Transactions Subject to this Policy.

In evaluating a Related Person Transaction submitted for approval under this Policy, the Committee shall consider all of the relevant facts and circumstances available to the Committee, including (if applicable) but not limited to:

- (i) the purpose of the transaction and its potential benefits, both short-term and strategic, to the Corporation;
- (ii) the approximate dollar value of the transaction and the amount and nature of the Related Person's interest in the transaction;
- (iii) the terms of the proposed transaction and whether it is proposed to be entered into on terms comparable to the terms available to unrelated third parties or to employees generally;
- (iv) whether the transaction was undertaken in the ordinary course of business;
- (v) whether the transaction was initiated by the Corporation or the Related Person;
- (vi) the availability of other sources for comparable products or services; and

- (vii) the impact on a director's independence in the event the Related Person is a director, an Immediate Family Member of a director or an entity in which a director is a partner, shareholder or executive officer.

No member of the Committee or the Board shall vote on the approval of any Related Person Transaction with respect to which such member or any of his or her immediate family members is the Related Person but such member may, if so requested by the chairperson of the Committee, participate in some or all of the Committee's discussions of the applicable Related Person Transaction. The Committee shall make a recommendation to the Board to approve only those Related Person Transactions that are in, or are not inconsistent with, the best interests of the Corporation and its stockholders, as the Committee determines in good faith. The Board shall have the final decision whether or not to approve any such Related Person Transaction. The Committee shall convey the decision of the Board to the General Counsel or Corporate Secretary, who shall convey the decision to the appropriate persons within the Corporation.

4. The Committee shall have the authority to approve in advance categories of Related Person Transactions that (unless the Committee determines otherwise in a particular instance) need not be individually reported to, reviewed by, and/or approved or ratified by the Committee but may instead be reported to the Committee in writing at least once per fiscal quarter, and shall be reviewed by the Committee at least annually at the first meeting of the fiscal year, and shall not require approval or ratification by the Committee.

5. The Committee may delegate its authority to review, approve or ratify specified Related Person Transactions or categories of Related Person Transactions, other than a transaction involving a member of the Committee, to one or more members of the Committee if the Committee determines that such action is warranted between scheduled meetings. Any determinations made by such Committee member or members pursuant to such delegated authority shall be presented to the full Committee for review no later than the next regular meeting of the Committee.

E. Ratification Procedures

In the event the Corporation's Chief Executive Officer, Chief Financial Officer, Controller, Chief Compliance Officer, General Counsel or Corporate Secretary becomes aware of a Related Person Transaction that has not been previously approved or previously ratified under this Policy:

1. If the transaction is pending or ongoing, it will be submitted to the Committee promptly, and the Committee shall consider all of the relevant facts and circumstances available to the Committee, including the factors outlined in Section D.3 of this Policy;
2. If the transaction is completed, the Committee shall evaluate the transaction, taking into account the same factors outlined in Section D.3 of this Policy, in order to make a recommendation to the Board to determine if any corrective action, including rescission of the transaction if possible, and/or any disciplinary action is appropriate;
3. In the case of transactions under either Section E.1 or E.2 above, the Committee shall request that the Chief Compliance Officer, in conjunction with the General Counsel or Corporate Secretary, evaluate the Corporation's controls and procedures to ascertain the reason the transaction was not submitted to the Committee for prior approval and whether any changes to these procedures are recommended and report the findings to the Committee.

F. Review of Ongoing Transactions

At the Committee's first meeting of each fiscal year, the Committee shall review any previously approved or ratified Related Person Transactions that remain ongoing and have a remaining term of more than six months or remaining amounts payable to or receivable from the Corporation of

more than \$120,000, together with any transactions included in a category having received advance approval under Section D.4 of this Policy. Based on all relevant facts and circumstances, taking into consideration the Corporation's contractual obligations, the Committee shall make a recommendation to the Board to determine if it is in the best interests of the Corporation and its stockholders to continue, modify or terminate any Related Person Transaction. With respect to any Related Person Transaction that constitutes a series of similar transactions, arrangements or relationships expected to continue in the future, the Committee, in making such recommendation to the Board, may suggest specific terms and conditions or guidelines with respect to such Related Person Transaction.

G. Charitable Contributions

The Corporation shall establish annual review procedures to (i) identify all charitable and non-profit organizations to which the Corporation makes or intends to make a contribution in excess of \$120,000, other than those charitable organizations to which the Corporation makes non-discretionary contributions pursuant to the Corporation's matching contribution program for employees and directors and (ii) determine if a Related Person is an employee, officer, director, trustee or active fundraiser of such charitable or non-profit organization. If such a relationship exists, the contribution shall be subject to the review and recommendation by the Committee at the next Committee meeting for final approval by the Board or, in those instances in which the General Counsel or Corporate Secretary, in consultation with the Chief Executive Officer or the Chief Financial Officer, determines that it is not practicable or desirable for the Corporation to wait until the next regularly scheduled Committee meeting, at a special meeting of the Committee and the Board called by the General Counsel or Corporate Secretary.

H. Nepotism Policy

No Immediate Family Member of a director or executive officer shall be hired as an employee of the Corporation for a position entitling him or her to a salary in excess of \$120,000 per year unless the employment arrangement is approved by the Committee. In those instances in which the General Counsel or Corporate Secretary, in consultation with the Chief Executive Officer or the Chief Financial Officer, determines that it is not practicable or desirable for the Corporation to wait until the next regularly scheduled Committee and Board meeting, the employment arrangement shall be considered at a special meeting of the Committee and the Board called by the Chair. In the event a person becomes a director or executive officer of the Corporation and an Immediate Family Member of such person is already an employee of the Corporation in a position entitling him or her to a salary in excess of \$120,000 per year, no material change in the terms of employment, including compensation, may be made without the prior approval of the Board, upon the recommendation of the Committee (except, if the Immediate Family Member is himself or herself an executive officer of the Corporation, any proposed change in the terms of employment shall be reviewed and approved in the same manner as other executive officer compensatory arrangements).

I. Decisions of the Board

All decisions and interpretations made by the Board under this Policy are final and binding on all persons concerned.

J. Disclosure

All Related Person Transactions that are required to be disclosed in the Corporation's filings with the Securities and Exchange Commission, as required by the Securities Act of 1933 and the Securities Exchange Act of 1934 and related rules and regulations, shall be so disclosed in accordance with such laws, rules and regulations. The material features of the Policy shall be disclosed in the Corporation's annual report on Form 10-K or in the Corporation's proxy statement,

as required by applicable laws, rules and regulations. In addition, the Corporation shall post the Policy on its website and update it as necessary.

AS ADOPTED BY THE AUDIT COMMITTEE ON APRIL 16, 2018