



## CODE OF CONDUCT

### Letter from the CEO

We at Navistar set high expectations. The challenges of our business demand it. And none of our expectations is higher than our expectation that we act ethically and with integrity.

Our ethics show up in everything we say and do. Each day we have opportunities to achieve our ethics expectations, both in the quality of the products we make and in the way we treat each other, our customers, our shareholders and everyone else who deals with our company.

We expect you to do the right thing. Each of us has a personal obligation to comply with Navistar's Code of Conduct. We expect it because it is engrained in our company values and because an ethical culture is the only way to achieve our goals.

Our ethics are embedded in every one of our products and every one of our communications. At Navistar our ethics should always reflect the best of who we are.

Thank you for putting ethics and integrity first.

Daniel C. Ustian  
Chairman, President and CEO

### Introduction

The Navistar Code of Conduct provides general principles to guide our behavior and reinforce our expectation that all employees act in an ethical manner at all times. The Code of Conduct is supplemented by Corporate Policies, which provide more detailed requirements for employee compliance.

The Code of Conduct and Corporate Policies apply to all employees. The term "employee" signifies all Navistar directors, executive officers, and employees, unless otherwise specified. The Code of Conduct and Corporate Policies apply to all U.S. operations and foreign operations and subsidiaries. In the rare event that Navistar's standards conflict with local laws and regulations, employees must consult with Navistar's Legal Department for guidance. As noted within this Code of Conduct, there are special standards that apply to certain operations, including those that do business with government entities. Be sure to abide by those standards where applicable and seek guidance when needed.

Our Code of Conduct provides clear guidelines for business behavior expected at Navistar. However, our Code of Conduct does not list every "do" and "don't." We expect our employees to read and understand the Code of Conduct and underlying policies. We also expect our employees to use common sense, individual conscience, and commit to 100 percent compliance with the law in applying the Code of Conduct to particular situations. If an employee has questions or needs further clarification about any aspect of the Code of Conduct or Corporate Policies, they should contact their immediate supervisor or the contacts specified in the respective policies. Questions, concerns or possible violations may also be directed to Navistar's Abuse and Compliance Hotline at 1-877-734-2548.

The Navistar Board of Directors has ultimate authority over the Code of Conduct. The Board of Directors approved the Code of Conduct and must approve any amendments. The Board of Directors has delegated the Audit Committee authority to review and approve any waiver of the Code of Conduct for executive officers or directors and such a waiver must be promptly disclosed to shareowners.

### Accountability and Responsibility

#### Conflicts of Interest

While working for Navistar, we may encounter situations in which our private interests interfere with our professional obligations. We must be diligent to avoid activities and personal interests that may create or appear to create a conflict of interest when conducting business for the Company.

Actions that may lead to a conflict of interest include, but are not limited to, the following:

- Giving or receiving lavish or inappropriate gifts and/or entertainment
- Taking a business or financial interest in an external entity that seeks to do business with Navistar
- Divulging corporate opportunities and/or other confidential information to external parties
- Employing persons in your sphere of influence with whom you have a close personal relationship

We must use common sense, our consciences, and a commitment to 100 percent compliance with Company policies and all applicable laws and regulations when assessing individual situations. Ultimately, it is our responsibility to avoid any situation that creates or appears to create a conflict of interest.

### **Delegation of Authority**

Navistar's Board of Directors has overall authority to guide and oversee the management of the Company, including oversight of the Code of Conduct. The Board of Directors and Executive Officers may assign specific responsibilities to other employees. The Board, the Executive Officers, and all employees granted authority by the Board and Executive Officers are expected to act in the best interest of Navistar's stakeholders at all times. Employees granted authority must accept the responsibility with integrity, observe Navistar standards and policies, and must not misuse the authority in any way. All employees are expected to create and maintain a culture of compliance and prevent, detect and respond to compliance issues in a fair, ethical, and timely manner.

### **Financial Responsibility**

As a company whose shares are publicly traded, Navistar is required to file reports with the U.S. Securities and Exchange Commission that contain information about the Company, our businesses, and our financial results. We must ensure that our financial statements and all other accompanying financial information are reported accurately, completely, and in a timely manner. In order to provide reasonable assurance as to the integrity and reliability of our financial statements, a system of internal controls must be maintained. As our financial statements must be audited on a periodic basis, we must make available to the independent auditors the Company's financial records. Any identified inappropriate or fraudulent accounting practices should be reported immediately so that the issue can be properly investigated and resolved.

### **Gifts and Entertainment**

During the course of conducting business, it is common for Navistar employees to exchange gifts and entertainment with our customers and business partners. The purchase and receipt of gifts and entertainment is permitted provided that certain guidelines are followed. Any gifts given or received must be of nominal value, typically defined as \$100 or less in cumulative value, and cash may never be given or received. We may not accept excessive or inappropriate meals or entertainment. In addition, gifts or entertainment must not be given or received if the intent is to directly influence business decisions. We must never offer or make payment or provide anything else of value directly or indirectly to government officials for the purpose of influencing the placement of contracts, obtaining a business advantage, or securing political or business concessions.

### **Insider Trading**

In the normal course of business, employees may become aware of material information about Navistar or companies that Navistar does business with that is not publicly available to all investors. Material, non-public information generally means information that if disclosed, would influence a reasonable investor's decision to buy, sell or hold a security, including but not limited to an earnings announcement, a prospective acquisition announcement, and other important information about company plans or expectations. Employees must not share this information with anyone, including other Navistar employees, unless there is a legitimate business reason for sharing the information. Furthermore, employees are prohibited from buying or selling securities, or engaging in any action for personal advantage while in possession of material, non-public information.

## **Corporate Citizenship**

### **Charitable Contributions**

Navistar strongly believes in giving back to the community by providing financial contributions and other corporate resources to support non-profit community organizations. We contribute to health, welfare, education, and other types of non-profit institutions, primarily in the communities in which we have major operations. In order to ensure that our contributions are aligned with our social responsibility objectives and are compliant with all applicable laws, the Vice President, Government Relations must approve the organization to which contributions will be made, as well as all subsequent contributions.

## **Environmental Protection and Energy Conservation**

As part of our commitment to good corporate citizenship, we strive to minimize the environmental impact of our business on the communities in which we operate, as well as on the global community in general. We adhere to high standards of environmental quality and to the principles of sustainable development. We promote the efficient use of energy and the reduction of waste in our facilities. In addition, as we design and develop vehicles and engines, we attempt to provide our customers with the highest fuel efficiency possible and to reduce potentially harmful emissions from our vehicles. In an effort to track our progress in this area, we have implemented programs to assess, monitor, and report against our environmental and energy goals.

## **Respect for People**

### **Alcohol and Drug Use**

Navistar is committed to providing our employees a safe place to work and our customers with quality products. We expect our employees to maintain a drug-and-alcohol-free environment to improve workplace safety, productivity, and quality. The use, possession, manufacture, or sale of alcohol, drugs, or other controlled substances on Company property is prohibited. In support of maintaining a drug-and-alcohol-free environment, subject to applicable law and local collective bargaining agreements, we conduct pre-employment, post-accident, and for-cause drug testing.

We encourage our employees with alcohol or drug abuse problems to seek treatment through the Employee Assistance Program (EAP). Phone numbers can be found on the Vital Lives website at <http://evaluate.internationaldelivers.com/intranet/vlcorp/EAP.asp> or through your local Human Resources, Safety, Medical or Security departments. Employee participation in a prescribed treatment program does not itself jeopardize employment with the Company.

### **Diversity and Equal Opportunity**

Navistar cultivates an inclusive work environment which is free of any type of unlawful discrimination and where all individuals may grow, succeed, and contribute to the overall success of the business. By respecting the diversity of our organization and being a good corporate citizen, we become an employer of choice and attract the most talented people in the industry. As we value diversity, we break down barriers to workplace performance and create a climate where our employees truly listen, understand, and deliver.

### **Harassment**

We are committed to maintaining a non-threatening work environment in which every employee is treated with dignity and respect. We will not tolerate offensive or inappropriate verbal, written, or physical conduct directed towards our employees, contractors, customers, or visitors. Employees found committing such acts may face disciplinary action up to and including termination. Anyone subjected to harassment or who witnesses such behavior should report it immediately without fear of reprisal.

### **Safety and Health**

Navistar is committed to maintaining a safe and healthy workplace in order to protect its employees, contractors, and visitors. We comply with applicable safety and health laws and regulations in all countries where we operate. We develop, administer, and continuously improve operational practices with the objective of preventing occupational injuries and illnesses. We provide education, training, and support for employees to allow them to perform their work in a safe manner and encourage them to accept responsibility for maintaining a safe work environment. Employees are expected to immediately report any work-related accident, illness, or unsafe working condition or practice.

### **Workplace Violence Prevention**

Navistar places a high priority on the safety of its employees, contractors, and visitors. We do not tolerate any acts or threats of violence or other forms of intimidation in the workplace, committed by or against our employees. Except when approved for special job functions, such as certain security positions, the possession of firearms or weapons is prohibited on Company property, as well as off-site when conducting Company business. To maintain a secure working environment, all employees have the obligation to remain alert and to immediately report any actual or suspected violent acts in the workplace.

## **Communication and Protection of Assets and Information**

### **Communications and Media Relations**

Navistar intends to provide clear, accurate, and consistent communications to both external parties and internal stakeholders. To achieve this objective only Authorized Spokespersons may respond to requests for information or comments from the press

or media, the public, investors, analysts, trade and industry organizations. All requests for information must be referred to Corporate Communications with the exception of requests for investor information which must be referred to the VP Investor Relations.

## **Computer Usage**

The use of technology is essential in helping Navistar achieve its business objectives. Although it can be a powerful tool when used properly, the misuse of technology could also pose serious risks for the Company. We must take all necessary measures to protect Navistar technology and associated data contained in or transmitted by the technology. Sound security practices must be employed at all times to prevent unauthorized access to Company systems and data. In an effort to reduce the threat of viruses, unauthorized hardware and software must not be introduced to the Company's network.

## **Confidential or Proprietary Information**

Protecting Navistar's confidential and proprietary information is essential for preserving the Company's competitive position. We are expected to take the appropriate measures to safeguard printed documents, electronic files, e-mail, and all other media containing confidential information. Also, we must be careful not to discuss confidential information in public places. For instances which require confidential or proprietary information to be disclosed (e.g., during the course of government investigations, legal proceedings, or potential merger and acquisition activity), we must first seek authorization from the appropriate responsible party.

## **Intellectual Property**

In order to preserve our status as a technological leader, we must develop and protect our intellectual property. Employees must be cautious never to disclose Navistar's trade secrets, including but not limited to operational plans, patterns, and devices that give Navistar a competitive advantage. Additionally, employees must be diligent to optimize the use of patents, trademarks, and copyrights to protect intellectual property. Conversely, employees must respect the intellectual property belonging to other entities and must not use intellectual property obtained through illegal or unethical means.

## **Privacy**

Navistar collects limited personal data from its employees for business purposes, such as administering employment and benefits programs. We take our responsibility to guard and protect the privacy of our employees very seriously. We must collect, handle, store, and dispose of personal data with extreme care and according to documented procedures. Any identified breach of systems or theft of devices containing personal data must be immediately reported to the Global Security Department.

## **Records**

Navistar has standards and processes to create, manage, and maintain our company records with which we must comply. Inconsistent handling or disposal of records can adversely affect our ability to serve our customers, meet legal requirements, and operate efficiently.

# **Laws and Regulations**

## **Anti-Corruption and Use of Commission/Fee Agents**

During the course of business, it is common for Navistar representatives to interact with local and federal government officials. Navistar employees and representatives must comply with all applicable anti-bribery laws including, but not limited to, the United States Foreign Corrupt Practices Act, as well as laws in other countries influenced by the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, during these interactions. All Navistar employees, as well as any party working on Navistar's behalf, must never offer, promise to make or make payment or provide anything else of value directly or indirectly to government officials for the purpose of influencing the placement of contracts, obtaining a business advantage, securing political or business concessions, or inducing a government employee to perform a routine duty or service.

## **Fair Competition**

Navistar is committed to acting fairly and honestly with its competitors and dealers and complying with applicable trade regulations. The antitrust laws of the United States and the competition laws of other countries are a critical part of the business environment in which Navistar operates. In addition, Navistar must comply with other applicable trade regulations. We expect all employees to engage in fair, ethical, and legal business conduct at all times. Therefore, it is crucial for employees to know, understand and comply fully with our Code of Conduct and with those laws and regulations that govern our interaction with our competitors and dealers and other trade regulations, wherever they and Navistar conduct business.

## Competitors:

Generally stated, any agreement or understanding between competitors which unreasonably or unduly restrains trade is illegal. In other words, any agreement or understanding by which two or more competitors raise, lower, peg, or stabilize prices would be considered price fixing and is illegal in all jurisdictions in which Navistar transacts business. Similarly, agreements or understandings with competitors to divide markets or allocate customers are illegal. Navistar's prices and decisions whether or not to sell to any customer must be determined independently, based on costs, market conditions, and competitive prices. Independent decision-making is required as to all business terms, including: credit, margins, business plans, trade programs, discounts, service, delivery, production capacity, product quality, or cost. Since contacts with competitors, whether formal or informal, business or social, can be misconstrued, it only makes good sense to be sensitive to the implications of such contacts. Thus, to be safe, employees should avoid contact with competitors, unless approved in advance by the Law Department.

## Dealers:

Navistar dealers are independent business concerns and, as such, are entitled to make their own decisions as to the manner in which they conduct their activities. Any attempt to deprive them of freedom to determine prices, terms, and conditions of sale, or to place undue limitations on their freedom to operate independently, involves a risk of violation of the antitrust and competition laws. This is an area that requires involvement with the Law Department. Those employees with decision-making responsibility regarding interactions between Navistar and our dealers should be in regular contact with the Law Department, particularly before any restrictions are placed on any of our dealers and/or before any existing dealer relationship is altered or new dealer is established.

## Other Trade Regulations:

Employees must also comply with all import and export laws and regulations, including providing accurate and timely data, obtaining appropriate licenses, determining restrictions on exports, and screening parties involved in transactions. Additionally, employees must not engage in foreign boycotts that the U.S. does not sanction and must promptly report any request to engage in such activity.

## **Government Laws and Regulations**

In order to avoid potential penalties and preserve Navistar's reputation, it is important that we conduct our business in compliance with all applicable laws and regulations in all of the countries in which we operate. We must be diligent to remain apprised of all the applicable government laws and regulations in our areas of operation. We establish and maintain programs to ensure full compliance with the government laws and regulations. In the rare event that Navistar standards conflict with local laws and regulations, employees must consult with Navistar's Legal Department for guidance.

## **Government Investigations**

Representatives from government agencies sometimes contact Navistar to obtain information related to a government investigation or inquiry. In such situations, we seek to cooperate with the government representatives while still preserving the right to privacy for matters considered confidential to the Company that are not material to the investigation. Before revealing any information or permitting examination of any person, records, or premises, contact the Law Department.

## **Money Laundering Prevention**

Money laundering is the process used to move cash or other funds generated from illegal activities to conceal the initial source of the funds. Navistar faces the risk of damage to its reputation, fines, and other penalties if it knowingly or unknowingly transacts business with entities attempting to launder money. To help prevent money laundering, employees must be familiar with red flags that may indicate the occurrence of money laundering, perform appropriate follow-up when a red flag is identified, and notify the Law Department when further investigation points to suspicious activity.

## **Political Activities**

Navistar encourages all employees to participate in the political process. In addition to registering and voting, our employees should give consideration to volunteering for their favorite candidates and parties and to seeking political office, but may only participate in such activities on their own time and with their own resources. We must not use any Company facilities, supplies, equipment or funds for any political activities. We may not use Company assets to make payments of any kind, whether money, services or property, to any political party or one of its officers, or any candidate for public office.

In addition, Navistar representatives who contact federal, state, or local government officials or employees to influence legislation or regulations may be engaged in regulated lobbying activities. The Law Department must be contacted to determine whether a potential contact with government personnel constitutes lobbying.

## Consumer and Supplier Relations

### Quality

A crucial component of Navistar's business success is the satisfaction of our customers. In order to consistently exceed our customers' expectations, we must deliver high quality, safe products and services. We are committed to meeting or exceeding all governmental safety standards applicable to our products.

### Supplier Relations

We believe that building and maintaining a "best in class" supplier base is critical to perpetuating Navistar's leadership position in the industry. Therefore, we are expected to act in a fair, ethical, and lawful manner in all dealings with suppliers. Also, we maintain programs that promote increased business with diverse suppliers (including minority-owned, women-owned, veteran-owned, service disabled veteran-owned and small and disadvantaged businesses) in an effort to comply with applicable laws and develop our supplier base.

### Communication is Everyone's Responsibility

If you ever see someone violating our policies, or procedures, if you suspect unethical, illegal, unsafe activity or misconduct, or if you simply have questions about the right thing to do, you should immediately contact one of the following:

- Your Manager
- Local or Corporate Human Resources
- Navistar's Compliance Department at 1-630-753-2727
- Navistar's Law Department at 1-630-753-3186
- Global Security at 1-800-247-2124

If you don't feel comfortable with any of the above options, you have other options where you can remain anonymous:

- Navistar Business Abuse and Compliance Hotline at 1-877-7DIALIT (1-877-734-2548) or via the internet at [tnwinc.com/webreport/default.asp](http://tnwinc.com/webreport/default.asp). This hotline and Website are operated by The Network, an independent company, and are available 24 hours a day, 7 days a week. When you call, a specially trained interview specialist documents your concern and relays the information to Navistar management for the appropriate follow-up. You do not have to give your name if you are not comfortable doing so.
- My Safe Workplace (1-877-524-9514) or via the internet at [www.mysafeworkplace.com](http://www.mysafeworkplace.com). This hotline and website are operated by an independent third party and are available 24 hours a day, 7 days a week. We encourage you to use this hotline or website to report human resource related matters (such as discrimination, harassment, etc.).

You may also report concerns directly to the Audit Committee at [Audit.committee@navistar.com](mailto:Audit.committee@navistar.com).

Navistar seeks to respect and preserve the confidentiality of employees who report any issues and incidents in good faith. We absolutely prohibit retaliation against anyone who raises a potential concern or issue. With your help, we can identify problems early, respond quickly, and prevent such activity in the future.

Failure to make timely reports may severely obstruct our ability to properly investigate, evaluate, and remediate the issues. Employees found to have deliberately avoided or suppressed the reporting of identified issues or incidents may be subject to disciplinary action.