



AUDIT COMMITTEE CHARTER

PURPOSE:

The Audit Committee (the "Committee") is appointed by the Board of Directors (the "Board" and each such director thereof a "Director") of Navistar International Corporation (the "Corporation") to assist the Board in fulfilling its responsibility for oversight of (i) the integrity of the financial statements of the Corporation, (ii) the Corporation's compliance with legal and regulatory requirements, (iii) the independence and qualifications of the Corporation's public accountant, (iv) the performance of the Corporation's internal audit function and independent public accountant, and (v) the assessment of business risk management, and for other such duties as directed by the Board.

MEMBERSHIP:

The Committee shall be composed of no fewer than three Directors all of whom shall be generally knowledgeable in financial and auditing matters as determined by the Board, including at least one member who shall be a financial expert. Committee members shall be designated by the Board and shall serve until their successors shall be duly designated or until such member's early resignation or removal. Committee members may be replaced by the Board at any time with or without cause. Once a year, in accordance with the listing standards applicable to the Corporation, there will be a written affirmation of compliance to the national securities exchange on which the Corporation's securities are listed regarding the financial literacy of all Committee members and the financial management expertise of at least one member.

Each member shall be free of any relationship (including disallowed compensatory arrangements) that, in the opinion of the Board, would interfere with his or her individual exercise of independent judgment, and shall meet the Independent Director requirements as defined in the Board's Corporate Governance Guidelines and as set forth in the listing standards applicable to the Corporation, or if the Corporation's securities are not listed on a national securities exchange, as set forth in the committee standards adopted by the New York Stock Exchange (NYSE), as both may be amended over time. No Director may serve as a member of the Committee if such Director serves on the audit committee of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such Director to serve effectively on the Committee. An Independent Director appointed by the Board shall chair the Committee. He or she shall be responsible for leadership of the Committee, including determining the agenda for Committee meetings (with input from Committee members and in consultation with management, the chief internal audit executive and the independent auditor), presiding over the meetings, and reporting to the Board. The chair of the Committee will also maintain regular liaison with the management of the Corporation, the lead independent audit partner and the chief internal audit executive.

MEETINGS:

The Committee shall meet as often as it determines to be necessary or appropriate. The Committee shall meet separately, periodically, with management, with the chief internal audit executive and also with the Corporation's independent auditor to discuss any matters that the Committee or the other party believes should be discussed privately. All meetings of the Committee shall be held pursuant to the by-laws of the Corporation and shall be governed by the same rules regarding meetings (including meetings by telephone conference or similar communications equipment), action without meetings, notice, waiver of notice, and quorum and voting requirements as contained in the by-laws of the Corporation and applicable to the Board. The Committee shall cause to be kept adequate minutes of its proceedings and the results of Committee meetings shall be reported to the full Board.

AUTHORITY:

In carrying out its responsibilities, the Committee shall have full access to the independent public accountants, the internal auditors, any of the Corporation's attorneys and advisors and such executive and other personnel of the Corporation as in its judgment seems appropriate. The Committee shall have the authority to retain such independent consulting, legal and other advisors as the Committee deems appropriate in its sole discretion. The Committee shall have sole authority to approve related fees and retention terms.

While the Committee has the responsibilities and powers set forth herein, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles ("GAAP"). This is the responsibility of the Corporation's management and the independent auditors. Nor is it the duty of the Committee to conduct investigations or to assure compliance with laws and regulations and the Corporation's corporate policies.

The Committee shall publish an annual committee report in the Corporation's proxy statement regarding the matters set forth herein.

RESPONSIBILITIES:

In furtherance of its purpose, the Committee shall have the following authority and responsibilities:

1. Review and discuss with management and the independent auditor, the Corporation's annual audited financial statements, quarterly financial statements, and all internal control reports (or summaries thereof) and recommend to the Board the inclusion of the Corporation's audited financial statements in the Corporation's annual report on Form 10-K. The review shall include consideration of the application of the Corporation's accounting principles and their impact on the quality of its financial reporting;
2. Review and discuss with management and the independent auditor the Corporation's Form 10-Qs prior to filing the reports with the Securities and Exchange Commission;
3. Discuss with management and the independent auditor, as appropriate, corporate policies with respect to earnings press releases, as well as financial information and earnings guidance provided to analysts and to rating agencies. This discussion would include the type of information to be disclosed and type of presentation to be made;
4. In connection with each periodic report of the Corporation, review management's disclosure to the Committee required under §302 of the Sarbanes-Oxley Act (the "Act") with respect to the Corporation's disclosure and internal controls, and the content of the Chief Executive Office ("CEO") and Chief Financial Officer ("CFO") certifications required by §302 and §906 of the Act and of management's annual report on internal controls required by Section 404 of the Act;
5. Discuss with management the adequacy of the Corporation's significant reserves and provisions made in connection with the preparation of the Corporation's financial statements;
6. Select the independent public accountant to be retained to audit the financial statements of the Corporation. In so doing, the Committee will request from the public accountant at least annually a written affirmation that the public accountant is in fact independent, and discuss with the public accountant any relationships that may impact the auditor's independence. The Committee shall be directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor, including, monitoring the rotation of the lead audit partner, the concurring review partner, the client service partner and other partners as required by rule, law or as otherwise deemed appropriate and the independent auditor must report directly to the Committee. The Committee shall have the sole authority to approve all audit engagement fees and terms, and the Committee, or the chair of the Committee, shall pre-approve any permitted non-audit service provided to the Corporation by the independent auditor in accordance with Section 10A(i) of the Securities Exchange Act of 1934. In carrying out its duties under this paragraph, if the Committee approves an audit service within the scope of engagement of the independent auditor, such audit service shall be deemed to have been pre-approved for purposes of this paragraph;
7. Review the auditing services with the independent auditor, including the plan, fees, scope and the results of their auditing engagements;
8. Discuss with the independent auditor and management, as appropriate, any audit problems or difficulties encountered during the course of the audit, and management's response;
9. Obtain and review at least annually a formal written report from the independent auditor delineating: the independent auditor's internal quality-control procedures; any material issues raised within the preceding five years by the independent auditor's internal quality-control reviews, by peer reviews of the firm, or by any governmental or other inquiry or investigation relating to any audit conducted by the firm; and all relationships between the independent auditor and the Corporation. The Committee will also review steps taken by the independent auditor to address any findings in any of the foregoing reviews;
10. Set policies for the hiring of employees or former employees of the Corporation's independent auditor;
11. Review the Corporation's programs for compliance with the financial disclosure requirements of applicable law;
12. Review with management, the chief internal audit executive and the independent auditor the Corporation's processes to maintain an adequate system of internal controls;
13. Review with financial management, the chief internal audit executive and the independent auditor at least annually the Corporation's critical accounting policies along with any significant changes in GAAP and/or MAP standards;
14. Provide guidance and oversight to the internal audit activities of the Corporation including (i) approve the charter of the internal audit function, (ii) approve the risk assessment, audit plan and budget of the internal audit function, (iii) approve the appointment, removal, evaluation, and compensation of the chief internal audit executive, (iv) receive communications directly from the chief internal audit executive on the results of internal audit activities or other matters

that he or she determines necessary, including private meetings without management present, and (v) determine whether there are scope, budgetary or staffing limitations that impede the ability of the internal audit function to execute its responsibilities;

15. Review the Board's and the Corporation's compliance with the Corporation's Code of Conduct and review and approve any waivers under such code;
16. Review and either approve, ratify, reject or take other action with respect to Related Person Transactions pursuant to the Corporation's Policy and Procedures with Respect to Related Person Transactions;
17. Establish procedures for receiving, retaining and treating confidential and non-confidential complaints about accounting and auditing matters;
18. Review expenses reported by the Board and the executive officers of the Corporation.
19. Discuss with management, the chief internal audit executive and the independent auditor the Corporation's programs and policies with respect to risk assessment and risk management. Such discussions should include the Corporation's major financial and non-financial risk exposures and steps taken by management to monitor and mitigate such exposures, which from time to time, might include: product integrity, employee safety, security, equal employment opportunities, environmental protection, charitable and political contributions, and issues of social responsibility; and periodically conduct an overall risk management review;
20. Discuss with management the status of legal and regulatory matters, taxation matters and other areas of oversight to the legal and compliance area as may be appropriate.
21. Conduct and present to the Board an annual performance evaluation of the Committee.
22. Reassess the Charter at least annually and present to the Board for its review and approval any proposed changes.
23. Provide recommendations to the Board regarding any proposal received from any stockholder concerning any of the foregoing matters which the stockholder proposes to present for action by the Corporation's stockholders; and
24. Perform such other duties and responsibilities as may be assigned to the Committee by law, the Corporation's charter or by-laws or the Board

AS ADOPTED BY THE BOARD OF DIRECTORS ON APRIL 14, 2009