

California Transparency in Supply Chains Act

The California Transparency in Supply Chains Act of 2010 ("the Act"), effective January, 2012 requires manufacturers to make publicly available information regarding their efforts to eradicate the risks of slavery and human trafficking from their supply chains.

Navistar, Inc. is a manufacturing company committed to acting ethically and in compliance with all laws, including applicable slavery and human trafficking laws.

This **DISCLOSURE** is on behalf of Navistar, Inc. and its applicable subsidiaries (collectively "Navistar").

1. **Internal Accountability:** Navistar maintains and annually trains employees on its Code of Conduct ("the Code"). Contractors are also provided a copy of the Code. The Code outlines employees' and contractors' accountability and responsibility for ethical behavior and compliance with internal policies. One of those policies, "Safety, Health and Human Trafficking," ("the Policy") requires employees and contractors to conduct business in compliance with applicable laws prohibiting human trafficking. Navistar's Manager, Safety and Health is responsible for overseeing this Policy.

2. **Training:** Navistar provides on-line training for employees and contractors on Navistar's payroll regarding human trafficking and slavery issues every three years. Training covers the Transparency in Supply Chain Act of 2010, the UK Modern Slavery Act 2015 and the Company responsibilities as it relates to both of them. It also provides information of Navistar reporting process.

3. **Certifications:** While Navistar does not require certifications from its direct suppliers that materials incorporated into its products comply with laws regarding slavery and human trafficking, it does contractually require direct suppliers to comply with all applicable laws as well as represent and warrant that the direct suppliers do not, directly or indirectly, engage in or otherwise support human trafficking.

4. **Verifications:** Navistar does not verify its product supply chains to evaluate and address the risks of human trafficking and slavery.

5. **Audits:** Navistar does not conduct audits to evaluate supplier compliance with company standards regarding human trafficking and slavery.

Anyone aware of a violation of the Policy or Code of Conduct may report the violation to any of the following: their manager; local or Corporate Human Resources; Navistar's Compliance Department; Navistar's Law Department; or, Global Security. Employees may anonymously report a violation to a compliance hotline or via the internet. Violations may also be reported directly to the Audit Committee via the internet. Navistar respects the confidentiality of all reports and prohibits retaliation.

Employees that deliberately avoid or suppress the reporting of identified issues or incidents may be subject to disciplinary action.