

FORM **BCA 8.12**  
**FEMALE AND MINORITY**  
**DIRECTORS REPORT**  
Business Corporation Act

**FILED**

**PAID**

Jesse White, Secretary of State  
Department of Business Services  
501 S. Second St., Rm. 350  
Springfield, IL 62756  
217-782-7808  
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JUN - 1 2020



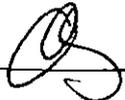
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JESSE WHITE  
SECRETARY OF STATE

**EXPEDITED**  
SECRETARY OF STATE

Payment must be made by check or money order payable to Secretary of State.

**FILING FEE: \$25.00** File prior to: 6/1 Year: 2020 File #: 57369663 Approved: 

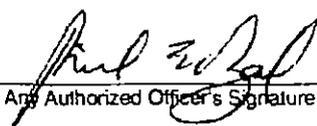
Corporate Name: **NAVISTAR INTERNATIONAL CORPORATION**  
Registered Agent: **% ILLINOIS CORPORATION SERVICE COMPANY**  
Registered Office: **801 ADLAI STEVENSON DRIVE**  
City, IL, ZIP: **SPRINGFIELD, IL 62703-4261** County: **SANGAMON**

**A COPY OF THE CORPORATION'S MOST RECENT SEC 10-K MUST ACCOMPANY THIS REPORT.**

1. Is the corporation a publicly held corporation with its principal executive office located in Illinois?  YES  NO
- 1a. Principal address of executive office in Illinois:  
2701 Navistar Drive, Lisle, IL 60532
2. Set forth data on specific qualifications, skills and experience that the corporation considers for its board of directors, nominees for the board of directors, and executive officers. (If additional space is required, please attach an additional page(s) as needed.)  
See attached Nominating and Governance Committee Charter (Exh. A)
3. Set forth the self-identified gender of each member of the board of directors. (If additional space is required, please attach an additional page(s) as needed.)  
All are male.
4. Set forth the race or ethnicity of each member of the board of directors. (If additional space is required, please attach an additional page(s) as needed.)  
All are Caucasian.
5. Set forth a description of the corporation's process for identifying and evaluating nominees for the board of directors, including whether and, if so, how demographic diversity is considered. (If additional space is required, please attach an additional page(s) as needed.)  
See attached Nominating & Governance Committee Charter (Exh. A) and Corporate Governance Guidelines (Exh. B)
6. Set forth a description of the corporation's process for identifying and appointing executive officers, including whether and, if so, how demographic diversity is considered. (If additional space is required, please attach an additional page(s) as needed.)  
See attached Executive Officer Diversity Summary (Exh. C)
7. Set forth a description of the corporation's policies and practices for promoting diversity, equity and inclusion among the board of directors and executive officers. (If additional space is required, please attach an additional page(s) as needed.)  
See attached Nominating & Governance Committee Charter (Exh. A) and Corporate Governance Guidelines (Exh. B)

Under the penalty of perjury and as an authorized officer, I declare that this report, pursuant to provisions of the Business Corporation Act, has been examined by me and is, to the best of my knowledge and belief, true, correct and complete.

Item 8 must be signed.

⇒ 8. By  Title Corporate Secretary Date 5/19/20  
Authorized Officer's Signature

**EXHIBIT A**

**Nominating and Governance Committee Charter**

## **NAVISTAR INTERNATIONAL CORPORATION NOMINATING AND GOVERNANCE COMMITTEE CHARTER**

### **PURPOSE:**

The Nominating and Governance Committee (the "Committee") is established by the Board of Directors (the "Board" and each such director thereof a "Director") of Navistar International Corporation (the "Corporation"). The Committee is responsible for (i) identifying individuals qualified to become Board members and recommending that the Board select the Director nominees for election, (ii) recommending to the Board the Directors to serve on the standing committees of the Board, (iii) assisting the Board in the implementation of sound corporate governance principles and practices by taking such action and making such reports and recommendations to the Board as it deems advisable, (iv) overseeing the evaluation of the Board, its committees and management and (v) overseeing the development and implementation of a succession plan for the chief executive officer ("CEO").

### **MEMBERSHIP:**

The Committee shall be composed of no fewer than two members. 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. All members of the Committee shall be Independent Directors (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"), and as both may be amended from time to time). The Committee shall be chaired by an Independent Director appointed by the Board.

### **MEETINGS:**

The Committee shall meet as often as it determines to be necessary or appropriate. 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 auditor, 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 recommend to the Board for its approval (1) the retention of such independent consulting, legal and other advisors as the Committee deems appropriate, including, without limitation, any search firm to be used to identify Director candidates and (2) the retention terms, fees and expenses of such advisors, which fees and expenses shall be paid by the Corporation upon the Board's approval thereof.

### **SUBCOMMITTEES:**

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee and, to the extent not expressly reserved to the Committee by the Board, or by applicable law, rule or regulation, to any other committee of the Board, which may or may not be composed of members of the Committee; provided, however, that all subcommittee members must be composed entirely of members who satisfy the membership criteria set forth above.

### **RESPONSIBILITIES:**

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

1. Provide recommendations to the Board regarding the number of Directors;
2. Provide recommendations to the Board as to the number of standing committees of the Board and the responsibilities of those committees;
3. Provide recommendations to the Board as to the criteria to be used by the Board in selecting:
  - a. the members of the standing committees;

- b. the committee chairs; and
  - c. the members of the Board (with respect to the selection of the members of the Board such criteria shall include, but not be limited to, diversity of the Board's composition);
4. Provide recommendations to the Board regarding the appointment of Directors to the Board's standing committees;
  5. To lead the search for individuals qualified to become members of the Board, including, but not limited to, developing and reviewing procedures applicable to the nomination of persons to be appointed or elected as Directors, such as the Corporation's policies with respect to stockholder nominations;
  6. Provide recommendations to the Board regarding the following:
    - a. nominees to be proposed to the Corporation's stockholders for election to the Board;
    - b. nominees to be appointed by the Board pursuant to the by-laws;
    - c. the removal of a Director where appropriate; and
    - d. an offer by a Director to resign;
  7. In accordance with the Corporate Governance Guidelines, the chair of the Committee shall also chair the meetings of the Independent Directors to evaluate the structure, processes and performance of the Board;
  8. Provide recommendations to the Board regarding the determination of which of the Directors are Independent Directors;
  9. Prepare an annual report for the Board regarding the compensation of the Directors, which shall include comparisons of the Directors' compensation with the compensation received by directors of other companies, and recommendations to the Board regarding changes in compensation of the Directors, including the compensation of the chair of the Board, the chairs of the committees of the Board and the Lead Independent Director, if applicable;
  10. Monitor compliance with the Corporate Governance Guidelines and recommend amendments to the Board as appropriate;
  11. Periodically reassess the Corporation's Statement of Corporate Policy Regarding Transactions in Securities for Directors, Executive Officers and Certain Other Personnel and recommend to the Board for its approval any proposed change;
  12. Provide recommendations to the Board regarding the processes and criteria to be used in evaluating the performance of the Board, its committees and management, and at least annually, and as circumstances otherwise dictate, oversee evaluation of the Board, its committees and management;
  13. Review programs for the assessment, selection and succession planning for the CEO of the Corporation and for training and development of the CEO of the Corporation and oversee any associated risks;
  14. Consider the adequacy of the by-laws and certificate of incorporation of the Corporation and recommend to the Board, as conditions dictate, that it adopt amendments to the by-laws and that it propose amendments to the certificate of incorporation for consideration by stockholders;
  15. Oversee risks related to corporate governance, including risks related to the political environment;
  16. Conduct and present to the Board an annual performance evaluation of the Committee;
  17. Reassess the charter of the Committee at least annually and present any proposed changes to the Board for its review and approval;
  18. 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

19. Perform such other duties and responsibilities as may be assigned to the Committee by law, the Corporation's certificate of Incorporation or by-laws or the Board.

AS ADOPTED BY THE BOARD OF DIRECTORS ON APRIL 18, 2017

**EXHIBIT B**

**Corporate Governance Guidelines**

## **NAVISTAR INTERNATIONAL CORPORATION CORPORATE GOVERNANCE GUIDELINES**

Navistar International Corporation's (the "Corporation") Board of Directors (the "Board" and each such director thereof a "Director") has adopted the following corporate governance guidelines (the "Guidelines") in order to preserve and strengthen the structure and processes of the Board. The Guidelines acknowledge the leadership exercised by the Board's standing committees (the "Committees") and their chairs. The Guidelines also recognize the importance of maintaining the flexibility to adapt corporate governance processes to the changing requirements of business. These Guidelines may be amended by the Board and the Board may make exceptions to them.

### **1. SELECTION OF THE CHAIR OF THE BOARD, CHIEF EXECUTIVE OFFICER, AND INDEPENDENT LEAD DIRECTOR.**

The Board will select the Chair of the Board and Chief Executive Officer (the "CEO") and determine from time to time whether the positions are to be combined and filled by one person or separated and filled by two persons. If the positions are separated, the Chair of the Board may be an employee or a non-employee Director. If the Chair is an employee Director, then the Board shall select a Lead Director from among the Independent Directors (the "Independent Lead Director"). The Independent Lead Director shall have the following specific duties and responsibilities:

- (a) facilitating communications and information sharing among the Independent Directors;
- (b) advising on Board and committee meeting agendas;
- (c) advising on meeting materials;
- (d) participating in the evaluation and selection of candidates for selection to the Board;
- (e) participating in the recruiting of new Directors;
- (f) overseeing the Board self-evaluation process and individual Director evaluations, if such individual Director evaluations are performed;
- (g) assisting in the evaluation of the CEO;
- (h) participating in the development of recommendations to the Board for the election of Board committee members and the appointment of committee chairs;
- (i) chairing Board meetings in the absence of the Chair;
- (j) making recommendations about retention of consultants reporting to the Board;
- (k) attending all Board committee meetings when available; and
- (l) providing feedback to the CEO regarding the other Directors' comments and concerns.

### **2. BOARD COMPOSITION AND INDEPENDENCE.**

The number of Directors will be determined by the Board.

After reviewing recommendations from the Nominating and Governance Committee, the Board will establish criteria for Board membership which it will use in determining the size of the Board, filling vacancies on the Board and making recommendations to stockholders regarding the election of Directors. These criteria should include, but not be limited to:

- (a) knowledge and contacts in the Corporation's industry and other relevant industries;
- (b) reputation in the business community;
- (c) personal and professional ethics and integrity;
- (d) experiences and achievements;
- (e) ability to make significant contributions to the Corporation's success;
- (f) ability to work effectively with other directors;
- (g) willingness to devote necessary time to the work;
- (h) ability to assist and evaluate the Corporation's management;
- (i) involvement only in other activities or interests that do not create a conflict with their responsibilities;
- (j) understanding of and ability to meet responsibilities to the Corporation's stockholders; and
- (k) having the potential to serve on the Board for at least five years.

Consideration is also given to having a diversity of backgrounds, skills, and perspectives among the Directors. In selecting Directors, the Board considers diversity of persons in terms of their expertise, age, gender, race, ethnicity, education, and other attributes which contribute to the Board's diversity.

In addition, no less than three-quarters of the Directors will be Independent Directors as defined under the New York Stock Exchange ("NYSE") listing standards and in accordance with the guidelines set forth in

the annex hereto. If at any time the Board determines that a director no longer qualifies as an Independent Director, that Director is required to offer to resign from the Board. The Board, after considering the recommendation of the Nominating and Governance Committee, will review the continued appropriateness of such Director's Board membership and decide whether to accept such Director's resignation.

The Board believes that Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively. Directors who also serve as active CEOs or in equivalent positions should not serve on more than one public company board in addition to the Navistar Board, and other Directors should not serve on more than four other boards of public companies in addition to the Navistar Board.

When the Board makes recommendations to stockholders regarding the election of Directors, or appoints a new Director to fill a vacancy on the Board, the Nominating and Governance Committee will provide recommendations to the Board for its consideration. In evaluating candidates, the Nominating and Governance Committee will use the criteria established by the Board. In determining whether to recommend a Director for re-election, consideration should be given to the Director's past attendance at meetings, participation in and contributions to the activities of the Board and the results of the most recent Board self-evaluation. In the case of new Directors, after the Board has decided to make a recommendation to the stockholders, or to appoint a Director to fill a vacancy, the Board will authorize the CEO to extend an invitation to the candidate to become a Director.

The Board does not believe that arbitrary term limits on a Director's service are appropriate, nor does it believe that Directors should expect to be re-nominated at the expiration of their term. In order to assist the Nominating and Governance Committee and the Board in applying the criteria for the size of the Board and for Board and Committee membership, each Director is required to notify the Corporate Secretary (a) whenever his or her principal occupation or primary business affiliation changes and (b) of his or her intention to join the board of directors of, or become affiliated with, another business entity. In instances where the Director's principal occupation or primary business affiliation changes, the notice should be accompanied by the Director's offer to resign from the Board. The notice will provide an opportunity for the Board, after considering the recommendation of the Nominating and Governance Committee, to review the continued appropriateness of the Director's Board membership and decide whether to accept the Director's resignation. A Director who has served as an executive officer of the Corporation should likewise offer the Board his or her resignation as a Director at the end of his or her tenure as an executive officer. The Board will decide at that time whether it is appropriate for the departing executive officer to continue to serve as a Director.

Non-employee Directors are eligible to retire from the Board after they attain five (5) years of service or as otherwise deemed retirement eligible by the Board.

### **3. BOARD MEETING AGENDAS AND INFORMATION.**

The Chair of the Board (or the Independent Lead Director when applicable) and CEO will establish the agendas for meetings of the Board, taking into consideration any items suggested by other Directors. If the positions are held by two persons, then the CEO, in consultation with the Chair of the Board, will establish the agendas. Directors are free to raise subjects at a Board meeting that are not on the agenda for that meeting.

In order to enhance the Directors' understanding and consideration of matters to be discussed at Board meetings, concise written information regarding all agenda items will be distributed to Directors in advance of each meeting if possible and practicable.

### **4. COMMITTEES.**

The Board will create Committees of its members to exercise a lead role in addressing significant issues affecting the Corporation. The Committees will have such duties and responsibilities as are conferred by the by-laws or delegated by the Board. The four current standing Committees are Finance, Audit, Compensation and Nominating and Governance. Each of the Board's Finance, Audit, Compensation and Nominating and Governance Committees shall be governed by a written charter and such other committees of the Board may be governed by a written charter as determined necessary or appropriate in the judgment of the Board. The written charters of the Finance, Audit, Compensation and Nominating and Governance Committees shall be published on the Corporation's website.

After reviewing recommendations from the Nominating and Governance Committee, the Board will establish criteria for Committee membership. In addition to the requirement that a majority of the Directors be Independent Directors, members of the Audit Committee, Compensation Committee and the Nominating and Governance Committee must all be independent. Further, the Audit Committee and the

Compensation Committee members must also satisfy any additional NYSE independence requirements. Specifically, Audit Committee members may not be affiliates of the Corporation and they may not directly or indirectly receive any compensation from the Corporation other than their Director's compensation. Similarly, in evaluating their independence, the Board shall consider whether members of the Compensation Committee are affiliated with the Corporation, a subsidiary of the Corporation, or an affiliate of a subsidiary of the Corporation, and whether the Committee members receive any direct or indirect compensation from the Corporation, other than their Director compensation.

The Board will appoint members of its Committees, including a chair of each Committee, after reviewing recommendations from the Nominating and Governance Committee. The appointments will be made annually at the first meeting of the Board after the annual meeting of the stockholders. Consideration will be given to periodic rotation of Committee membership and leadership by taking into account continuity, expertise and tenure. Committee chairs will report the highlights of their meetings to the full Board following each meeting of the respective Committees. The Committees may hold meetings in conjunction with the full Board.

Committee chairs, in consultation with the Chair of the Board (or the Independent Lead Director when applicable) and CEO, other Committee members and appropriate members of management, will determine the frequency, length and agendas of meetings of their Committees and will communicate agendas and meeting dates to the other Directors as far in advance of Committee meetings as is practicable.

## **5. DIRECTORS' RESPONSIBILITIES.**

The Board establishes broad corporate policies, sets strategic direction and oversees management, which is responsible for the Corporation's day-to-day operations. To foster open discussions, the proceedings and deliberations of the Board and its Committees are confidential. Accordingly, unless required by law or otherwise permitted by the Corporation, each Director will maintain confidentiality of non-public information received from the Corporation or its advisors as well as information obtained during Board and Committee proceedings and deliberations. Directors are expected to exercise their business judgment to act in good faith, on an informed basis and in what they reasonably believe to be the best long-term interest of the Corporation and its stockholders. Except in extenuating circumstances, directors are expected to attend all meetings of the Board and the Committees on which they serve. Directors should carefully review Board and committee meeting agendas and related materials in advance of meetings to enable them to participate in an informed manner.

## **6. EXECUTIVE SESSIONS OF NON-EMPLOYEE AND INDEPENDENT DIRECTORS.**

Executive Sessions are those sessions that include only non-employee Directors. If the Chair is an employee Director, Executive Sessions shall be chaired by the Independent Lead Director. Independent Director Sessions are those sessions that include only Independent Directors. From time to time management of the Corporation may be asked to attend an Executive Session or Independent Director Session of the Board. The Board will have at least three regularly scheduled meetings a year for non-employee Directors without management present. The Director who chairs the Committee which has responsibility for the subject to be considered shall act as chair pro tem. If any non-employee Director is not independent, then the Independent Directors shall also schedule an Independent Director Session at least once per year.

The performance of the CEO shall be reviewed annually at an Independent Director Session. A review and discussion of the Corporation's Board evaluation, strategic plans or such other matters as may be determined by the non-employee Directors shall occur at an Executive Session, but the formal actions of the Board generally should be taken at a Board meeting.

## **7. CEO AND MANAGEMENT EVALUATION, DEVELOPMENT AND SUCCESSION PLANNING.**

The Independent Directors, acting together, may retain consultants and advisors to assist them in performing the evaluation of the CEO at the Independent Director Session. After the Independent Director Session, the chair of the Compensation Committee and the CEO will discuss the results of that evaluation.

On an annual basis, the Compensation Committee and the CEO will review management succession planning for executives other than the CEO in preparation for discussion by the entire Board as well as the non-employee Directors. The Nominating and Governance Committee reviews CEO succession planning in preparation for discussion by the entire Board as well as the non-employee Directors. The Board and non-employee Directors discussion on management succession shall focus on succession planning for the CEO and other key members of senior management.

The CEO will provide opportunities for members of management to meet with the Directors.

## **8. REVIEW OF THE CORPORATION'S STRATEGIC PLANS.**

At least annually, the Board will review the Corporation's strategic plans with those members of management who have primary responsibility for their development and execution and then will discuss those strategic plans in Executive Session.

## **9. RISK MANAGEMENT.**

The Board provides oversight of the major risks facing the Corporation, and may delegate risk oversight responsibility to one or more Committees of the Board.

## **10. COMMUNICATIONS.**

The Board believes that management speaks for the Corporation. Directors may from time to time meet or otherwise communicate with various constituencies that are involved with the Corporation but it is expected that Directors would do this only with the knowledge of management and, in most instances, at the request of management.

## **11. BOARD COMPENSATION REVIEW.**

Management will report to the Nominating and Governance Committee once a year regarding the compensation of the Directors, including a comparison of the Directors' compensation with the compensation received by directors of other companies. Compensation of the Directors will be determined by the Board after reviewing recommendations of the Nominating and Governance Committee. Employees of the Corporation or any of its subsidiaries receive no additional compensation for service as a Director.

## **12. DIRECTOR STOCK OWNERSHIP.**

The Board believes that, in order to align the interests of Directors and stockholders, Directors elected by the holders of the Corporation's common stock should have a meaningful personal investment in the Corporation. In furtherance of this policy, the Board believes that each Director who receives Director compensation and who has served on the Board for at least five (5) years should own a minimum of shares of common stock or stock units equivalent to five (5) times the annual cash retainer. Compliance with these stock ownership guidelines will be measured periodically, and at least annually, by the Company. On each measurement date, compliance will be measured using the Director's annual cash retainer then in effect and the average 180-day trading price per share of Company common stock on the New York Stock Exchange on such date. Once a Director has achieved the applicable ownership guideline, such Director will be considered in compliance, regardless of any change in the price of the Company's common stock, so long as such Director continues to own at least the number of shares of Company common stock owned in order to achieve the applicable guideline. The Board will evaluate whether exceptions should be made in the case of any Director who, due to his or her unique financial circumstances, would incur a hardship by complying with this requirement.

## **13. ACCESS TO MANAGEMENT AND OUTSIDE ADVISORS.**

Directors shall have full and free access to any member of management for the purpose of understanding issues facing the Corporation. Any meetings or contacts that a Director wishes to initiate may be arranged through the CEO or the Corporate Secretary or directly by the Director. It is the expectation of the Board to keep the CEO informed of communications between a Director and any member of management of the Corporation, as appropriate. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Corporation. The Board and its Committees shall have the right at any time to retain independent outside financial, legal or other advisors. The Corporation shall provide appropriate funding necessary, as determined by the Board or any Committee, to compensate independent outside advisors, as well as to cover the ordinary administrative expenses incurred by the Board and its Committees in carrying out their duties.

## **14. DIRECTOR ORIENTATION AND EDUCATION.**

The Corporate Secretary is responsible for providing an orientation for new Directors, and for periodically providing material or briefing sessions for all Directors on subjects that would assist them in discharging their duties. Each Director is expected to participate in the Director orientation and continuing education program developed by the Corporate Secretary. In addition, each Director is responsible for maintaining the necessary level of expertise to perform his or her responsibilities as a Director. The Corporation

encourages Directors to attend annually an outside continuing education program for directors of public companies. The Corporation may reimburse Directors for costs relating to continuing education.

#### **15. VOTING FOR DIRECTORS.**

In an uncontested election, any nominee for Director who receives a greater number of votes "withheld" from his or her election than votes "for" such election (a "Majority Withheld Vote") shall promptly tender his or her resignation following certification of the stockholder vote. An election shall be considered *uncontested if, as of the record date for the meeting of stockholders at which directors are to be elected, the number of nominees for election does not exceed the number of directors to be elected.* The Nominating and Governance Committee shall promptly consider the resignation offer and make a recommendation to the Board. The Board will act on the Nominating and Governance Committee's recommendation within 90 days following certification of the stockholder vote. Thereafter, the Board will promptly publicly disclose its decision regarding whether to accept the Director's resignation offer. Any Director who tenders his or her resignation pursuant to this paragraph shall not participate in the Nominating and Governance Committee recommendation or Board action regarding whether to accept the resignation offer. However, if each member of the Nominating and Governance Committee received a Majority Withheld Vote at the same election, then all non-employee Directors on the Board who did not receive a Majority Withheld Vote shall appoint a committee amongst themselves to consider the resignation offers and recommend to the Board whether to accept them.

#### **16. ANNUAL PERFORMANCE EVALUATION.**

The Board's structure processes and performance shall be reviewed annually at a separate Executive Session to determine whether it and its Committees are functioning effectively. The evaluation will be based on criteria established by the Directors after receiving recommendations from the Nominating and Governance Committee. The Nominating and Governance Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. The assessment will focus on the Board's contribution to the Corporation and specifically focus on areas in which the Board or management believes that the Board could improve.

AS ADOPTED BY THE BOARD OF DIRECTORS ON DECEMBER 9, 2019

## ANNEX

The Board has established the following guidelines to assist it in determining director independence in accordance with the New York Stock Exchange (NYSE) corporate governance rules. An "Independent Director" shall mean a Director who, in the opinion of the Board:

- (i) within the preceding three years, has not been an employee, nor has an immediate family member of the Director been an executive officer, of the Corporation;
- (ii) within the preceding three years has not received during any twelve-month period more than \$120,000 in direct compensation from the Corporation, nor has an immediate family member of the Director received during any twelve-month period more than \$120,000 in direct compensation for services as an executive officer of the Corporation, excluding Director and Committee fees and pension or other forms of deferred compensation for prior service (provided such compensation was not contingent in any way on continued service);
- (iii) (A) is not a current partner or employee of a firm that is the Corporation's internal or independent auditor;  
(B) does not have an immediate family member who is a current partner of such a firm;  
(C) does not have an immediate family member who is a current employee of such a firm and personally works on the Corporation's audit;  
(D) within the preceding three years, has not, nor has an immediate family member of the Director, been a partner or employee of such a firm and personally worked on the Corporation's audit within that time;
- (iv) within the preceding three years, an executive officer of the Corporation has not served on the compensation committee of a company that, at the same time, employed the Director, or an immediate family member of the Director, as an executive officer;
- (v) is not a current employee, nor is an immediate family member of the Director a current executive officer, of another company that made payments to, or received payments from, the Corporation for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or two percent (2%) of such other company's consolidated gross revenues:  
and
- (vi) does not have any other relationships that could preclude the Director from exercising independent oversight over management of the Corporation.

For purposes of these guidelines, an "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home, and references to the "Corporation" include any subsidiary in the consolidated group with Navistar International Corporation or such other company as is relevant to any determination under the independent standards set forth in Section 303A.02(b) of the NYSE Listed Company Manual. The term "executive officer" has the same meaning specified for the term "officer" in Rule 16a-1(f) under the Securities Exchange Act of 1934.

The Board annually will review all commercial and charitable relationships between its Directors and the Corporation to determine whether the Directors meet these categorical independence tests. If a Director has a relationship with the Corporation that is not covered by these independence guidelines, those Directors who satisfy such guidelines will consider the relevant facts and circumstances and make an affirmative determination regarding whether such relationship could preclude the Director from exercising independent oversight over management of the Corporation.

The Corporation will disclose in its proxy statement any charitable contributions made by the Corporation to any charitable organization in which a Director serves as an executive officer if, within the preceding three years, contributions in any single fiscal year exceeded the greater of \$1 million, or two percent (2%) of such charitable organization's consolidated gross revenues.

**EXHIBIT C**

**Executive Officer Diversity Summary**

Rather than solely promoting from within, we continually seek opportunities to identify, appoint and hire executives from outside our organization to drive diversity and innovation within the company. For our executive level positions, we typically engage a third-party executive search firm. With all search firms, we confirm that they are as committed as we are to identify a wide range of diverse candidates for consideration. While that diversity includes demographic diversity, it also includes many other dimensions of diversity, including, but not limited to, age, background, color, disability, ethnicity, family or marital status, geographic location, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status and veteran status. As a result, the candidate pool for each of our executive searches is diverse in a myriad of ways which allows us to pick the best candidate for the role.