**Navistar, Inc.**

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**Michael Giancarlo** Director, Finance Purchasing & Logistics

December 12, 2012

Distribution: Suppliers to Navistar and its affiliates

Throughout the year, Navistar and its supply base work together to create a mutually beneficial business relationship. It is important to Navistar that these relationships are built on ethical business conduct. As we move forward into the holiday season, I want to take this opportunity to remind our supply base of Navistar’s gift policy. We have implemented this policy to ensure that our relationship with you remains professional and above reproach.

Navistar prohibits its employees from accepting the following from its suppliers:

* + - * Cash, gift cards, or loans in any amount
			* Gifts that have a cumulative value of $100 or more over a 12-month period
			* Transportation, travel expenses, or accommodations for trips that are not business related
			* Donations for parties, including going-away parties
			* Personal discounts that are not available to all Navistar employees or to the general public
			* Sponsorship for recreational activities such as golf, softball, or bowling leagues
			* Excessive or inappropriate meals or entertainment
			* Alcohol for consumption on Navistar premises
			* Any form of entertainment where the supplier is not present and there is no legitimate business purpose for the event, except when given as a nominal gift (refer to the second point above)
			* Anything offered in exchange for something from Navistar

Navistar employees do not expect and should never solicit even nominal gifts from suppliers. If you decide

to give a nominal gift to a Navistar employee, please deliver it to the employee’s work location and avoid delivering anything to the employee’s home. If you are aware of a situation that may not be in the spirit of Navistar’s gift policy – even if it was inadvertent – please contact me at (331)332-2050 or Bruce Patterson, Navistar’s Corporate Compliance Officer, at (331) 332-2727.

Thank you for your support, and please accept my best wishes for a happy holiday season. Sincerely,

Michael Giancarlo

cc:

Persio Lisboa, Vice President & Chief Procurement Officer

Don Sharp, SVP Enterprise Services

Bruce Patterson, Vice President & Corporate Compliance Officer