

March 9, 2017

Greetings to all NICARC members,

I hope you have all enjoyed our mild winter (truth be told, though, I truly missed having snow to shovel!). Spring is just around the corner—a time of renewal.

I want to pass on some important news about the club and about Navistar.

First, I am pleased to announce that Kathy Niesman and Andrea Osterkorn have joined the Board for this club. They will make great additions to club management and we are very glad to have them aboard.

Second, Tom Cusack has assumed the position of Treasurer / Membership Chair, replacing Paul Monell who did a great job in that position for many years. His back-up person was Paul Cygan who resigned from the Board after 16 years. Terry Anderson has agreed to serve as the back-up for Tom. Many thanks to all for past and future service to the club!

Third, make note of a change of mailing address for the club, which is now:

NICARC P.O. Box 5454 Naperville, IL 60567

Mark your calendar for our next club event—the **Spring Luncheon on Tuesday, May 23**. You can expect an invitation within the next month. Our guest speaker will be Wayne Kryziak who serves on the Supplemental Benefit Committee. He will give us an update on some health care benefits-related topics and ongoing issues. Bring your questions!

Visit our club website (www.navistarretiree.org) to view the photos from the December Luncheon. On the website you can also find the club Charter and By Laws, obituaries, list of board members, various postings of communications, etc.

We need your feedback on this question, based on suggestions from a few members: Should the club change its events schedule from May and December to May and November? Since there are a lot of holiday events in December and because some of our members spend the winter months in warmer states, it was thought that moving the December luncheon to November would allow more people to attend. Please give us your opinion by replying to this mailing or calling me at 630-668-7054.

Following are some news items about Navistar:

Navistar Reports First Quarter 2017 Results

- Reports first quarter 2017 net loss of \$62 million, or 76-cents per share, on revenues of \$1.7 billion
- Generates \$55 million of adjusted EBITDA in the first quarter
- Company on track to achieve internal plan that supports full-year guidance
- Company increased its year end manufacturing cash guidance to approximately \$1 billion
- OnCommand Connection surpasses 270,000 subscribers

LISLE, Ill., March 7, 2017 /PRNewswire/ -- Navistar International Corporation (NYSE: NAV) today announced a first quarter 2017 net loss of \$62 million, or \$0.76 per diluted share, compared to a first quarter 2016 net loss of \$33 million, or \$0.40 per diluted share. Revenues in the quarter were \$1.7 billion, a decline of six percent compared to \$1.8 billion in the first quarter last year. The decrease primarily reflects lower truck volumes due to soft Class 8 heavy industry conditions and lower global sales.

Navistar Announces Key Leadership Appointments

LISLE, Ill., March 2, 2017 /PRNewswire/ -- Navistar International Corporation (NYSE: NAV) today announced the appointment of Persio V. Lisboa, president of operations, as executive vice president and chief operating officer, effective immediately. In addition, Steven K. Covey, senior vice president and general counsel, is retiring after 36 years with Navistar. Curt Kramer, currently associate general counsel and corporate secretary, will succeed Covey effective April 1, 2017.

VICTORY FOR WORKERS AT CLOSED ONTARIO PLANT

February 28, 2017

TORONTO –The long fight for severance money owed to workers at a closed Navistar plant in southwestern Ontario concluded this week with an arbitrated decision awarding all entitled workers their outstanding payments under the Employment Standards Act.

Production at the Navistar plant in Chatham stopped in June 2009, with the company announcing the plant's permanent closure in July 2011. The company refused to pay its workers, members of Unifor Locals 35 and 127, the severance as required under Ontario law.

Navistar and Volkswagen Truck & Bus Close Strategic Alliance

- Terms finalized for procurement joint venture and strategic technology and supply collaboration

- Volkswagen Truck & Bus takes 16.6% stake in Navistar; \$256 million equity investment in Navistar effective as of February 28, 2017
- Volkswagen Truck & Bus executives Renschler and Gründler join Navistar Board of Directors
- Navistar continues to expect cumulative synergies of \$500 million over first five years

LISLE, Ill., March 1, 2017 /PRNewswire/ -- Navistar International Corporation (NYSE: NAV) today announced the closing of its wide-ranging strategic alliance with Volkswagen Truck & Bus, which includes an equity investment in Navistar by Volkswagen Truck & Bus and framework agreements for a procurement joint venture and strategic technology and supply collaboration. The closing of the alliance follows receipt of all necessary regulatory approvals, finalization of agreements relating to the procurement joint venture and the technology and supply collaboration, and satisfaction of other customary closing conditions.

Navistar's Board Of Directors Elects Troy A. Clarke As Chairman

LISLE, Ill., Feb. 21, 2017 /PRNewswire/ -- Navistar International Corporation (NYSE: NAV) announced that immediately following the company's annual shareholder meeting held on February 14, 2017, its board of directors elected President and CEO Troy A. Clarke as chairman. Clarke replaces James H. Keyes, whose retirement was previously announced, and became effective as of the annual shareholder meeting. Keyes had served as non-executive chairman of Navistar's board since April 2013. In addition, board member General (Retired) Stanley A. McChrystal was elected as the independent lead director.

International Truck Launches 12.4l A26 Engine

LISLE, Ill., Feb. 27, 2017 /PRNewswire/ -- International Truck today launched the International® A26 engine, a powerful new 12.4-liter engine designed to provide industry-leading uptime to the Class 8 market. Driven by a commitment to deliver customer uptime, the A26 was developed through an initiative called Project Alpha, which brought together a new team of the industry's foremost powertrain engineers. The initiative pursued a fresh approach that emphasized simplicity over complexity and using only proven components to deliver industry-leading uptime.

Case Alleging Former Navistar CEO Misled Investors Moves Forward

A federal judge ruled on Jan. 25 that a civil case alleging Navistar's former CEO misled investors about a failed engine technology can move forward. The Securities and Exchange Commission filed the complaint last year against Dan Ustian, who served as the company's president and CEO between 2010 and 2012. The complaint alleged Ustian engaged in securities fraud and falsely led the company's investors to believe Navistar was able to produce an engine technology that could meet strict Environmental

Protection Agency standards, despite knowing that wasn't the case. Ustian had moved to have the complaint thrown out on several grounds, but this week's ruling means the case will proceed.

New VP of Investor Relations

Feb. 8, 2017--Navistar has hired Martin Ketelaar as Vice President, Investor Relations. In this role, Marty will be responsible for developing and implementing Navistar investor relations strategies, leading our investor marketing activities and managing relationships with shareholders, analysts and the overall financial community.

New Director of Strategic Initiatives within Used Truck

Holly Coombes has accepted the position of Director of Strategic Initiatives within Used Truck. In her new position, Holly will be responsible for leading the effort to enhance used truck residual values on the N-13 engine and to devise the UTO's sales strategy on this product. Additionally, Holly will be working with financial institutions to offer favorable financing programs for used truck customers. Holly will also be responsible for developing in depth financial reporting to assist in decision making.

New VP of Integrated Warranty

Feb. 8, 2017 Tony Sutton, who recently returned to the U.S. from China, has accepted the role of VP, Integrated Warranty. In his new role Tony will lead a cross-functional team representing multiple organizations including IPD, Procurement, R&D, Supply Chain, Finance, CSA, Parts & Service and Analytics. Tony will be accountable to drive improvements in warranty cost and customer satisfaction. His goal is to bring warranty expenses to benchmark levels and significantly reduce warranty cash spend.

Navistar Close to \$9 Million Shareholder Settlement for False Diesel Engine Technology Claims

On January 25, 2017, Navistar International Corp. is close to completing a settlement with shareholders over allegations that it made false and misleading statements about the benefits of a diesel engine technology that turned out to be a disaster for the company.

Well, that's it for now. Hope to see you all on May 23.

Linda Waggoner

President, NICARC