

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

_____ )	Civ. No. 1:13-cv-2111
CONSTRUCTION WORKERS PENSION )	
TRUST FUND – LAKE COUNTY AND )	CLASS ACTION
VICINITY, Individually and on Behalf of )	
All Others Similarly Situated, )	
)	
Plaintiff, )	
vs. )	
)	
NAVISTAR INTERNATIONAL )	
CORPORATION, DANIEL C. USTIAN, )	
ANDREW J. CEDEROTH, and JACK )	
ALLEN, )	
)	
Defendants. )	
_____ )	

**STIPULATION AND AGREEMENT OF SETTLEMENT**

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This Stipulation and Agreement of Settlement (“Settlement”) is made and entered into by and among (i) Lead Plaintiff, Central States, Southeast and Southwest Areas Pension Fund (“Central States” or the “Lead Plaintiff”), and Norfolk County Retirement System (“Norfolk County”), on behalf of themselves and each of the Class Members, by and through Lead Counsel; and (ii) Defendants, by and through their counsel.

This Settlement is intended by the Settling Parties to fully, finally and forever compromise, resolve, discharge and settle the Released Claims and result in the complete dismissal of this Action with prejudice, upon and subject to the approval of the Court and the terms and conditions herein, without any admission or concession as to the merits of any of the Settling Parties’ claims or defenses.

**WHEREAS:**

A. All terms with initial capitalization shall have the meanings ascribed to them in Paragraph 1 below or as otherwise defined herein.

B. On March 19, 2013, plaintiff Construction Workers Pension Trust Fund -- Lake County and Vicinity filed a class action complaint, Civil Action No. 1:13-cv-02111 (Dkt. 1), against Navistar International Corporation (“Navistar” or the “Company”) and two of its officers, Daniel C. Ustian and Andrew J. Cederoth, in the United States District Court for the Northern District of Illinois on behalf of a putative class comprised of purchasers of the Company’s common stock between November 3, 2010 and August 1, 2012, inclusive, asserting claims under Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §§ 78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the Securities and Exchange Commission (“SEC”), 17 C.F.R. § 240.10b-5. The case was assigned to the Honorable Samuel Der-Yeghiayan.

C. On July 30, 2013, the Court appointed Central States as Lead Plaintiff, and approved Lead Plaintiff’s selection of Cohen Milstein Sellers & Toll PLLC as Lead Counsel in this Action. Dkt. 55.

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D. On October 10, 2013, Lead Plaintiff filed a Consolidated Amended Complaint naming the Company, Defendants Ustian and Cederoth, and newly-named Defendants Eugenio Clariond, John D. Correnti, Diane H. Gulyas, Michael N. Hammes, David D. Harrison, James H. Keyes, Steven J. Klinger, William H. Osborne, Dennis D. Williams, Stanley A. McChrystal, John P. Waldron, Richard C. Tarapchak, Jack Allen, and Eric Tech, on behalf of all purchasers of the Company's stock between June 9, 2009 and August 1, 2012, inclusive. Dkt. 66.

E. On October 23, 2013, pursuant to an Executive Committee Order, the case was reassigned to the Honorable Sara L. Ellis. Dkt. 67.

F. On December 17, 2013, Defendants moved to dismiss the Consolidated Amended Complaint. Dkt. 99-104.

G. On July 22, 2014, the Court issued an order dismissing the Consolidated Amended Complaint without prejudice, granting leave to re-file. Dkt. 127.

H. On August 22, 2014, Lead Plaintiff filed its Second Consolidated Amended Complaint against the Company and Defendants Ustian, Cederoth, Allen, and Tech on behalf of all purchasers of the Company's stock between March 10, 2010 and August 1, 2012, inclusive. Dkt. 128.

I. On September 23, 2014, Defendants filed a motion to dismiss the Second Consolidated Amended Complaint. Dkt. 132-133.

J. On November 7, 2014, Lead Plaintiff voluntarily dismissed all claims against Defendant Tech. Dkt. 136.

K. On July 10, 2015, this Court granted in part and denied in part Defendants' motion to dismiss. Dkt. 146. Shortly following the Court's Order, and at the Court's encouragement, the parties agreed to explore a potential resolution of this case.

L. On October 1, 2015, Lead Plaintiff and Defendants participated in a day-long mediation presided over by Jed Melnick, Esq. at JAMS (Judicial Arbitration and Mediation Services). The parties made substantial progress toward a settlement and continued, after the mediation, to engage in further negotiations for several more weeks under the auspices of Mr.

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Melnick; ultimately, the process resulted in a mediator's proposal. The proposal recommended that all parties agree to settle for \$9,100,000.00. The Settling Parties accepted the proposal.

M. On December 1, 2015, Lead Plaintiff and Defendants informed the Court that a settlement in principle had been reached.

N. Lead Plaintiff and Lead Counsel have concluded, after due investigation and after carefully considering the relevant circumstances, including, without limitation, the review of over 54,000 pages of documents produced by Defendants as part of confirmatory discovery conducted under the auspices of the mediator, Mr. Melnick; the claims asserted in the Action; and the legal and factual defenses thereto, and the applicable law; that it is in the best interests of the Class to enter into this Settlement in order to avoid the uncertainties of litigation and to ensure that the benefits reflected herein are obtained for the Class, and that the Settlement set forth herein is fair, reasonable and adequate and in the best interests of the Class Members.

O. Defendants have denied and continue to deny the claims alleged in the Action. Defendants also have denied and continue to deny, *inter alia*, that any member of the Class has suffered any damages; that the price of Navistar common stock was artificially inflated by reason of the alleged misrepresentations, omissions, or otherwise; or that the members of the Class were harmed by the conduct alleged in the Action or that could have been alleged as part of the Action. In addition, Defendants maintain that they have meritorious defenses to all claims alleged in the Action. Nonetheless, taking into account the uncertainty, risks, and costs inherent in any litigation, especially in complex cases such as this Action, Defendants have concluded that further conduct of the Action could be protracted and distracting. Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in this Stipulation. As set forth in ¶ 43 below, this Stipulation shall in no event be construed as or deemed to be evidence of an admission or concession by Defendants or any of the Released Parties with respect to any claim of any fault or liability or wrongdoing or damage whatsoever.

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NOW THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among the Settling Parties, through their respective counsel of record, that, subject to the approval of the District Court pursuant to Rule 23(e) of the Federal Rules of Civil Procedure, the PSLRA and other conditions set forth herein, in consideration of the benefits flowing to the Settling Parties hereto, that the Action and all Released Claims as against the Released Parties shall be fully, finally and forever compromised, settled, released, discharged and dismissed with prejudice, upon and subject to the following terms and conditions:

**DEFINITIONS**

1. As used in this Settlement, the following terms shall have the meanings specified below. In the event of any inconsistency between any definition set forth below and any definition set forth in any document attached as an exhibit to this Settlement, the definition set forth below shall control.

(a) “Action” means the action pending in this Court under the caption *Construction Workers Pension Trust Fund -- Lake County and Vicinity v. Navistar International Corporation, et al.*, No. 1:13-cv-02111 (SLE) (N.D. Ill.).

(b) “Authorized Claimant” means a Class Member that timely submits a valid Proof of Claim Form to the Claims Administrator in accordance with the requirements established by the Court, and that is approved by the Claims Administrator for payment from the Net Settlement Fund.

(c) “Claim” means a claim submitted by a Class Member to the Claims Administrator for payment pursuant to the Plan of Allocation.

(d) “Claims Administrator” means Epiq Systems, Inc.

(e) “Class” means, for purposes of this Settlement, and to be certified pursuant to Fed. R. Civ. P. 23, for purposes of effectuating this Settlement only, all persons and entities who purchased or otherwise acquired the common stock of Navistar International Corporation (ticker symbol: NAV) between March 10, 2010 and August 1, 2012, both dates inclusive. Excluded from the Class are: Defendants; members of the immediate family of any Defendant;

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any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest during the Class Period; the officers and directors of Navistar during the Class Period; the Icahn Group as defined in ¶ 1(p) herein; the MHR Group as defined in ¶ 1(u) herein; and legal representatives, agents, executors, heirs, successors, or assigns of any such excluded person or entity. Any person or entity that timely and validly requests exclusion from the Class pursuant to and in accordance with the terms of the Preliminary Approval Order is also excluded from the Class.

(f) “Class Distribution Order” means an order entered by the Court authorizing and directing that the Net Settlement Fund be distributed, in whole or in part, to eligible Class Members.

(g) “Class Member” means a person or entity that is a member of the Class.

(h) “Class Period” means the period from March 10, 2010 to August 1, 2012, both dates inclusive.

(i) “Defendants” means Navistar International Corporation, Daniel C. Ustian, Andrew J. Cederoth, Eugenio Clariond, John D. Correnti, Diane H. Gulyas, Michael N. Hammes, David D. Harrison, James H. Keyes, Steven J. Klinger, William H. Osborne, Dennis D. Williams, Stanley A. McChrystal, John P. Waldron, Richard C. Tarapchak, Jack Allen, and Eric Tech.

(j) “Defendants’ Counsel” means the law firms of Latham & Watkins LLP, Greenberg Traurig LLP, and the Laurence H. Levine Law Offices.

(k) “Effective Date” means the first day on which the Settlement shall become effective as set forth in ¶ 39, below.

(l) “Escrow Account” means an escrow account established, maintained, and controlled by the Escrow Agent, into which Defendants shall deposit or cause to be deposited the Settlement Amount.

(m) “Escrow Agent” means Cohen Milstein Sellers & Toll PLLC.

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(n) “Final” means, with respect to any order of court, including, without limitation, the Judgment, that such order represents a final and binding determination of all issues within its scope and is not subject to further review on appeal or otherwise. Without limitation, an order becomes “Final” when (i) no appeal has been filed and the prescribed time for commencing any appeal has expired; or (ii) an appeal has been filed and either (a) the appeal has been dismissed and the prescribed time, if any, for commencing any further appeal has expired, or (b) the order has been affirmed in all material respects and the prescribed time, if any, for commencing any further appeal has expired. For purposes of this paragraph, an “appeal” includes appeals as of right, discretionary appeals, interlocutory appeals, proceedings involving writs of *certiorari* or *mandamus*, and any other proceedings of like kind. However, any appeal or proceeding seeking subsequent judicial review pertaining solely to a Class Distribution Order, a Plan of Allocation, or to the Court’s award of Lead Counsel’s fees and/or expenses shall not in any way delay or affect the time set forth above for the Judgment to become Final.

(o) “Final Approval Hearing” means the hearing set by the Court under Rule 23(e) of the Federal Rules of Civil Procedure to consider final approval of the Settlement, Lead Counsel’s request for an award of attorneys’ fees, and reimbursement of Litigation Expenses.

(p) “Icahn Group” means the following persons and entities: Barberry Corp., Beckton Corp., Carl C. Icahn, Icahn Capital LP, Icahn Enterprises Holdings L.P., Icahn Enterprises G.P. Inc., Icahn Offshore LP, Icahn Onshore LP, Icahn Partners LP, Icahn Partners Master Fund LP, Icahn Partners Master Fund II LP, Icahn Partners Master Fund III LP, IPH GP LLC, High River Limited Partnership, and Hopper Investments LLC.

(q) “Judgment” means the order of final judgment to be entered by the Court which, subject to the approval of the Court, shall be substantially in the form attached hereto as Exhibit B.

(r) “Lead Counsel” means the law firm of Cohen Milstein Sellers & Toll PLLC.

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(s) “Lead Plaintiff” means Central States, Southeast and Southwest Areas Pension Fund.

(t) “Litigation Expenses” means the reasonable costs and expenses incurred by Lead Counsel in connection with commencing and prosecuting the Action, for which Lead Counsel intends to apply to the Court for reimbursement from the Settlement Fund. Litigation Expenses may also include reimbursement of the reasonable costs and expenses (including lost wages) of Lead Plaintiff in accordance with 15 U.S.C. § 78u-4(a)(4).

(u) “MHR Group” means the following persons or entities: Mark H. Rachesky, M.D., MHR Holdings LLC, MHR Fund Management LLC, MHR Capital Partners Master Account LP, MHR Capital Partners (100) LP, MHR Advisors LLC, MHR Institutional Advisors III LLC, and MHR Institutional Partners III LP.

(v) “Net Settlement Fund” means the Settlement Fund less: (i) any Taxes and Tax Expenses; (ii) any Notice and Administration Costs; and (iii) any attorneys’ fees and Litigation Expenses awarded by the District Court.

(w) “Norfolk County” means Norfolk County Retirement System. Norfolk County’s last purchase of Navistar common stock during the Class Period was made on June 7, 2012. The inclusion of Norfolk County as an additional named plaintiff and proposed representative of the Settlement Class in this matter was a material element of the Settlement. The proposed Preliminary Approval Order and proposed Judgment will deem Norfolk County added to Lead Plaintiff’s Second Amended Complaint as an additional named plaintiff and will preliminarily, and then finally, appoint Norfolk County as a representative of the Settlement Class.

(x) “Notice” means the Notice of Pendency of Class Action and Proposed Settlement (substantially in the form attached hereto as Exhibit A-1), which is to be sent to members of the Class.

(y) “Notice and Administration Costs” means the costs, fees and expenses that are reasonably incurred by the Claims Administrator in connection with (i) providing notice to the

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Class; and (ii) administering the claims process, including, without limitation, the actual costs of publication, printing and mailing the Notice, reimbursements to nominee owners for forwarding the Notice to their beneficial owners, the administrative expenses actually incurred and fees reasonably charged by the Claims Administrator in connection with identifying Class Members and providing notice and processing the submitted Claims, and the reasonable fees, if any, of the Escrow Agent. Prior to the Effective Date, the Escrow Agent, without further approval of Defendants or the Court, may pay from the Settlement Fund up to \$250,000.00 in Notice and Administration Costs actually and reasonably incurred associated with the administration of the Settlement. Prior to the Effective Date, payment of any Notice and Administration Costs exceeding \$250,000.00 shall require notice to and agreement from Defendants, through Defendants' Counsel. Subsequent to the Effective Date, without further approval by Defendants or the Court, the Settlement Fund may be used by Lead Counsel to pay reasonable and necessary Notice and Administration Costs in excess of \$250,000.00. In the event that the Settlement is terminated pursuant to the terms of this stipulation, all Notice and Administration Costs properly paid or incurred, including any related fees, shall not be returned or repaid to Defendants.

(z) "Plan of Allocation" means the proposed plan of allocation of the Net Settlement Fund set forth in ¶ 18 below and in the Notice, or such other plan of allocation that the Court approves. The Plan of Allocation is not part of the Settlement, and Defendants and the Released Parties shall have no responsibility for the Plan of Allocation or its implementation, and no liability with respect thereto.

(aa) "Preliminary Approval Order" means the order to be entered by the Court preliminarily approving the Settlement, and directing that notice be provided to the Class, which, subject to the approval of the Court, shall be substantially in the form attached hereto as Exhibit A.

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(bb) “Proof of Claim Form” means the form provided to Class Members by the Claims Administrator for purposes of submitting a Claim, substantially in the form attached hereto as Exhibit A-3.

(cc) “Released Claims” means any and all actions, causes of action, claims (including “Unknown Claims,” as defined in ¶ 1(mm) herein), duties, debts, demands, rights, disputes, suits, matters, damages, losses, obligations, proceedings, issues, judgments, and liabilities of every nature and description whatsoever (and including, but not limited to, any claims for damages, whether compensatory, consequential, special, punitive, exemplary or otherwise, and any fees, costs, expenses, or charges), whether known or unknown, suspected or unsuspected, fixed or contingent, foreseen or unforeseen, liquidated or unliquidated, accrued or unaccrued, matured or unmatured, at law or in equity, whether class, derivative, or individual in nature, whether or not concealed or hidden, which now exist, or heretofore have existed, or can, shall or may exist, whether arising under federal, state, common, statutory, administrative or foreign law, regulation, or at equity, that Lead Plaintiff, Norfolk County, or any Class Member has asserted in this Action, or could have asserted now or in the future in this Action or in any other proceeding or forum that arise out of, relate to or are based upon, (a) the allegations, claims, transactions, facts, matters, occurrences, events, failures, representations, statements, or omissions alleged, involved, set forth, or referred to in this Action; and (b) the purchase, sale, acquisition or holding of Navistar common stock during the Class Period. Released Claims do not, however, include claims to enforce this Settlement, or claims in any derivative actions currently pending against any of the Released Parties.

(dd) “Released Party” and “Released Parties” means each Defendant and his, her or its respective past, present or future directors, officers, employees, parents, partners, members, principals, agents, owners, fiduciaries, shareholders, related or affiliated entities, subsidiaries, divisions, accountants, auditors, attorneys, associates, consultants, advisors, insurers, co-insurers, reinsurers, trustees, estates, beneficiaries, administrators, foundations, underwriters, banks or bankers, personal or legal representatives, divisions, joint ventures, spouses, domestic

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partners, family members, heirs, executors, or any other person or entity acting or purporting to act for or on behalf of any of the Defendants, and each of their respective predecessors, successors and assigns, and any trusts for which any of them are trustees, settlors, or beneficiaries.

(ee) “Settled Defendants’ Claims” means any and all claims, rights or causes of action or liabilities whatsoever, whether based on federal, state, local, statutory, or common law, or any other law, rule, or regulation, including both known claims and Unknown Claims (as defined in ¶ 1(mm) herein), that have been or could have been asserted in the Action or any forum by Defendants or the Released Parties, against Lead Plaintiff, Norfolk County, any of the Class Members, or their attorneys, which arise out of or relate to the institution, prosecution, or settlement of the Action. Settled Defendants’ Claims do not, however, include claims to effectuate or to enforce this Settlement.

(ff) “Settlement” means this Stipulation and Agreement of Settlement and the settlement contained herein.

(gg) “Settlement Amount” means Nine Million One Hundred Thousand Dollars (\$9,100,000.00).

(hh) “Settlement Fund” means the Settlement Amount plus any interest earned thereon after it is deposited into the Escrow Account.

(ii) “Settling Parties” means Defendants, Lead Plaintiff, and Norfolk County, on behalf of themselves and the Class.

(jj) “Summary Notice” means the Summary Notice of Pendency of Class Action and Proposed Settlement, which shall be substantially in the form attached hereto as Exhibit A-2, to be published as set forth in the Preliminary Approval Order.

(kk) “Taxes” means any taxes due and payable with respect to the income earned by the Settlement Fund, including any interest or penalties thereon.

(ll) “Tax Expenses” means any reasonable expenses and costs incurred in connection with the payment of Taxes or the preparation of tax returns, including, without

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limitation, reasonable expenses of tax attorneys and/or accountants and/or other advisors and reasonable expenses relating to the filing of or failure to file all necessary or advisable tax returns.

(mm) “Unknown Claims” means any and all Released Claims, of every nature and description, that Lead Plaintiff, Norfolk County, and/or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, which if known by him, her or it, might have affected his, her or its settlement with and release of the Released Parties, or might have affected his, her or its decision not to object to this Settlement or not to exclude himself, herself or itself from the Class or to release the Released Claims. With respect to any Settled Defendants’ Claims, “Unknown Claims” means any and all Settled Defendants’ Claims, of every nature and description, which Defendants and the other Released Parties do not know or suspect to exist in their favor at the time of the release of the Lead Plaintiff, Norfolk County, the Class Members, and their attorneys, which, if known by them, might have affected their decisions with respect to the release of the Settled Defendants’ Claims or the Settlement.

**SETTLEMENT CONSIDERATION**

2. Navistar, on behalf of all Defendants, shall cause a check in the amount of Nine Million One Hundred Thousand Dollars (\$9,100,000.00), made out to Navistar Securities Litigation Settlement Fund, to be delivered to Lead Counsel no later than ten (10) business days after the later of: (i) entry of a Preliminary Approval Order by the Court, or (ii) receipt by Defendants’ Counsel from Lead Counsel of information necessary to make the payment including a tax identification number for the Escrow Account and payment instructions, including payee and address. The Settlement Amount shall constitute the full and sole monetary contribution made by or on behalf of the Released Parties in connection with the resolution of the Action and the Settlement.

**CAFA NOTICE**

3. Pursuant to the Class Action Fairness Act (“CAFA”), 28 U.S.C. § 1715, no later than ten (10) days after the Settlement is filed with the Court, Defendants will serve proper notice of the proposed Settlement upon the appropriate representatives and, within five (5) business days thereafter, will provide written notification to Lead Counsel that they have done so. Defendants shall be responsible for all costs and expenses related to such notification.

**RELEASES**

4. Upon the Effective Date, Lead Plaintiff, Norfolk County, and each of the Class Members (on behalf of themselves and each of their respective present and former directors, officers, employees, parents, subsidiaries, related or affiliated entities, shareholders, members, divisions, partners, joint ventures, family members, spouses, domestic partners, heirs, principals, agents, owners, fiduciaries, personal or legal representatives, attorneys, auditors, accountants, advisors, banks or bankers, insurers, reinsurers, trustees, trusts, estates, executors, administrators, predecessors, successors, assigns, and any other person or entity who has the right, ability, standing, or capacity to assert, prosecute, or maintain on behalf of any Class Member any of the Released Claims (or to obtain the proceeds of any recovery therefrom)), regardless of whether that Class Member actually submits a Proof of Claim Form, seeks or obtains a distribution from the Net Settlement Fund, is entitled to receive a distribution under the Plan of Allocation approved by the Court, or has objected to the Settlement, the Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and Litigation Expenses, shall be deemed to have and by operation of the Judgment shall have fully, finally and forever waived, released, relinquished, discharged and dismissed each and every Released Claim against each and every Released Party.

5. With respect to any and all Released Claims, the Settling Parties stipulate and agree that, upon the Effective Date, Lead Plaintiff and Norfolk County expressly waive, and each Class Member shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, to the fullest extent permitted by law, the provisions, rights and benefits of California Civil Code § 1542, and of any U.S. federal or state law, or principle of common law

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or the law of any foreign jurisdiction, that is similar, comparable, or equivalent to Section 1542 of the California Civil Code, which provides, in relevant part:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Lead Plaintiff, Norfolk County, and other Class Members, or certain of them, may hereafter discover facts in addition to or different from those which he, she or it now knows or believes to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff, Norfolk County, and the Class Members, and each of them, upon the Effective Date, by operation of the Judgment shall have, fully, finally, and forever settled and released any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, that now exist or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, claims relating to conduct that is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Lead Plaintiff and Norfolk County acknowledge, and Class Members by law and operation of the Judgment shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Released Claims was separately bargained for and was a material element of the Settlement.

6. Upon the Effective Date, Lead Plaintiff, Norfolk County, and each of the Class Members (on behalf of themselves and each of their respective present and former directors, officers, employees, parents, subsidiaries, related or affiliated entities, shareholders, members, divisions, partners, joint ventures, family members, spouses, domestic partners, heirs, principals, agents, owners, fiduciaries, personal or legal representatives, attorneys, auditors, accountants, advisors, banks or bankers, insurers, reinsurers, trustees, trusts, estates, executors, administrators, predecessors, successors, assigns, and any other person or entity who has the right, ability,

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standing, or capacity to assert, prosecute, or maintain on behalf of any Class Member any of the Released Claims (or to obtain the proceeds of any recovery therefrom)), regardless of whether that Class Member actually submits a Proof of Claim Form, seeks or obtains a distribution from the Net Settlement Fund, is entitled to receive a distribution under the Plan of Allocation approved by the Court, or has objected to the Settlement, the Plan of Allocation, or Lead Counsel's application for attorneys' fees and Litigation Expenses, and in accordance with the terms of the proposed Judgment attached hereto as Exhibit B, shall have covenanted not to sue the Released Parties with respect to any Released Claims and are forever barred and enjoined from commencing, instituting, participating in, maintaining, or continuing to prosecute any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any Released Claim (including, without limitation, Unknown Claims), as well as any claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of this Action against any Released Party.

7. Upon the Effective Date, each of the Released Parties shall be deemed to have and by operation of the Judgment shall have fully, finally and forever waived, released, relinquished, discharged and dismissed each and every one of the Settled Defendants' Claims, and shall be forever barred and enjoined from commencing, instituting, participating in, maintaining, or continuing to prosecute any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Settled Defendants' Claims (including, without limitation, Unknown Claims).

**USE AND TAX TREATMENT OF SETTLEMENT FUND**

8. The Settlement Fund shall be held and invested in the Escrow Account as provided in ¶ 9 hereof. If the Settlement becomes Final, any interest earned on the Settlement Fund shall be for the benefit of the Class. If the Settlement does not become Final and the Settlement is terminated for any reason, within ten (10) days of termination, the Settlement Fund shall be returned pursuant to written instructions from Defendants' Counsel, together with any

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interest earned on the Settlement Fund, less any Notice and Administration Costs actually incurred.

9. The Escrow Agent shall invest any funds in excess of the \$250,000.00 preliminarily allocated to Notice and Administration Costs, in United States Agency or Treasury Securities having maturities of 180 days or less, money market mutual funds comprised of investments secured by the full faith and credit of the United States government, or an interest-bearing account insured by the Federal Deposit Insurance Corporation (“FDIC”), and shall collect or reinvest all interest accrued thereon. Any funds held in escrow in an amount equal to or less than \$250,000.00 may be held in an interest-bearing bank account insured by the FDIC. The Released Parties and Defendants’ Counsel shall have no responsibility for, interest in, or liability with respect to the investment decisions of the Escrow Agent. The Settlement Fund and the Escrow Agent shall bear all risks related to investment of the Settlement Amount.

10. The Escrow Agent shall not disburse the Settlement Fund except as provided in this Settlement.

11. Subject to the terms and conditions of this Settlement, the Settlement Fund shall be used to pay: (i) Taxes and Tax Expenses; (ii) Notice and Administration Costs; and (iii) any attorneys’ fees and Litigation Expenses awarded by the Court.

12. After (i) the Judgment becomes Final, and (ii) entry by the Court of a Class Distribution Order approving distribution of the Net Settlement Fund to the Class, the Claims Administrator shall distribute the Net Settlement Fund to Authorized Claimants in accordance with the terms of such Class Distribution Order; provided, however, that any amounts in the Escrow Account necessary for payment of Taxes and Tax Expenses and/or Notice and Administration Costs shall remain in the Escrow Account for such purpose.

13. Except as provided herein, the Net Settlement Fund shall remain in the Escrow Account prior to the distribution. All funds held in the Escrow Account shall be deemed to be in the custody of the Court and shall remain subject to the jurisdiction of the Court until such time as the funds are distributed or returned pursuant to the terms of this Settlement.

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14. The Settling Parties agree that the Settlement Fund is intended to be a “qualified settlement fund” within the meaning of Treasury Regulation § 1.468B-1 and that the Claims Administrator, as “administrator” of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall be solely responsible for filing or causing to be filed all informational and other tax returns as may be necessary or appropriate (including, without limitation, the returns described in Treasury Regulation § 1.468B-2(k)) for the Settlement Fund. Such returns shall be consistent with this paragraph and in all events shall reflect that all Taxes on the income earned on the Settlement Fund shall be paid out of the Settlement Fund as provided by ¶ 15 herein. The Claims Administrator shall also be solely responsible for causing payment to be made from the Settlement Fund of any Taxes and Tax Expenses owed with respect to the Settlement Fund, and is authorized to withdraw, without prior order of the Court, from the Settlement Fund such amounts as are necessary to pay Taxes and Tax Expenses. Defendants will provide to the Claims Administrator the statement described in Treasury Regulation § 1.468B-3(e). However, neither the Released Parties nor Defendants’ Counsel shall have any liability or responsibility for the filing of any tax returns or other documents with the Internal Revenue Service or any other state or local taxing authority. The Claims Administrator, as “administrator” of the Settlement Fund within the meaning of Treasury Regulation § 1.468B-2(k)(3), shall timely make such elections as are necessary or advisable to carry out this paragraph, including, as necessary, making a “relation-back election,” as described in Treasury Regulation § 1.468B-1(j), to cause the Qualified Settlement Fund to come into existence at the earliest allowable date, and shall take or cause to be taken all actions as may be necessary or appropriate in connection therewith.

15. All Taxes (including any interest or penalties) and Tax Expenses shall be considered to be a cost of administration of the Settlement and shall be paid out of the Settlement Fund. The Released Parties shall not have any responsibility for, and no liability with respect to, payment of any such Taxes or Tax Expenses, and shall have no responsibility for, and no liability with respect to, the acts or omissions of the Claims Administrator, Lead Counsel or their agents,

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with regard to Taxes and Tax Expenses. The Settling Parties agree to cooperate with each other, and their tax attorneys and accountants, to the extent reasonably necessary to carry out the terms of this Settlement with regard to Taxes and Tax Expenses.

16. If all conditions of the Settlement are satisfied and the Judgment is entered and becomes Final, no portion of the Settlement Fund will be returned to Defendants, irrespective of the number of Claims filed, the collective amount of losses of Authorized Claimants, the percentage of recovery of losses, or the amounts to be paid to Authorized Claimants from the Net Settlement Fund. If any portion of the Net Settlement Fund remains following distribution pursuant to ¶ 25 and is of such an amount that in the discretion of the Claims Administrator it is not cost effective or efficient to redistribute to the Class, then such remaining funds, after payment of any further Notice and Administration Costs and Taxes and Tax Expenses, shall be donated to a nonsectarian charitable organization(s) certified as tax-exempt under United States Internal Revenue Code Section 501(c)(3), to be proposed by Lead Counsel and subject to Court approval.

**CLASS CERTIFICATION**

17. Solely for purposes of the Settlement, the Settling Parties stipulate and agree to: (a) certification of the Action as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Class; (b) appointment of Lead Plaintiff and Norfolk County as class representatives; and (c) appointment of Lead Counsel as class counsel pursuant to Rule 23(g) of the Federal Rules of Civil Procedure.

**PLAN OF ALLOCATION**

18. The Net Settlement Fund shall be distributed to Authorized Claimants in accordance with a Plan of Allocation prepared by Lead Counsel, in conjunction with Lead Plaintiff's damages expert, and set forth in Exhibit A-1. The Released Parties and Defendants' Counsel have had no role in the preparation of the Plan of Allocation.

19. The finality of the Settlement shall not be conditioned on any ruling by the District Court concerning the Plan of Allocation or any award of attorneys' fees or

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reimbursement of Litigation Expenses. Any order or proceeding relating to a request for approval of the Plan of Allocation, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate the Settlement or affect or delay the Effective Date or the effectiveness or finality of the Judgment and the release of the Released Claims. There shall be no distribution of any of the Settlement Fund to any Class Member until the Plan of Allocation is finally approved and such order of approval is affirmed on appeal and/or is no longer subject to review by appeal or *certiorari*, and the time for any petition for rehearing, appeal, or review, by *certiorari* or otherwise, has expired. Again, and for the avoidance of doubt, the Released Parties and Defendants' Counsel shall have no responsibility for, and no liability with respect to, the investment or distribution of the Settlement Fund.

20. The allocation of the Net Settlement Fund among Authorized Claimants is a matter separate and apart from the proposed Settlement, and any decision by the Court concerning the Plan of Allocation shall not affect the validity or finality of the proposed Settlement. The Plan of Allocation is not a necessary term of this Settlement, and it is not a condition of this Settlement that any particular plan of allocation be approved by the Court. None of the Settling Parties may cancel or terminate the Settlement based on this Court's or any appellate court's ruling with respect to the Plan of Allocation or any plan of allocation in this Action. The Released Parties shall have no responsibility for, and no liability with respect to, the allocation of the Net Settlement Fund, nor shall they object to the Plan of Allocation proposed by Lead Plaintiff.

**ATTORNEYS' FEES AND LITIGATION EXPENSES**

21. Lead Counsel may apply to the Court for an award from the Settlement Fund of attorneys' fees not to exceed 22% of the Settlement Fund (*i.e.*, up to \$2,002,000.00). Litigation Expenses may include reimbursement of the expenses of Lead Plaintiff's counsel up to \$175,000.00 and Lead Plaintiff's expenses up to approximately \$10,000.00 in accordance with 15 U.S.C. § 78u-4(a)(4). Attorneys' fees and Litigation Expenses are not the subject of any agreement between the Settling Parties other than what is set forth in this Settlement.

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22. The Released Parties will take no position on Lead Counsel's request for attorneys' fees or Litigation Expenses, and shall have no responsibility for, and no liability with respect to, the attorneys' fees or Litigation Expenses that the Court may award.

23. The procedure for and amounts of any award of attorneys' fees and Litigation Expenses, and the allowance or disallowance by the Court thereof, shall not be a condition of the Settlement. Lead Counsel shall request that its application for an award of attorneys' fees and Litigation Expenses be considered by the Court separately from the Court's consideration of the fairness and adequacy of the Settlement. Any order or proceedings relating to such request, or any appeal from any order relating thereto or reversal or modification thereof, shall not operate to terminate the Settlement or affect the release of the Released Claims. The finality of the Settlement shall not be conditioned on any ruling by the Court concerning Lead Counsel's application for attorneys' fees and Litigation Expenses.

24. Within ten (10) days after both the Judgment and an order by the Court approving Lead Counsel's attorneys' fees and Litigation Expenses (the "Fee and Expense Order") become Final, any awarded attorneys' fees and Litigation Expenses shall be paid to Lead Counsel from the Escrow Account. Notwithstanding the foregoing, such attorneys' fees and Litigation Expenses awarded by the Court may be paid immediately following entry of the Judgment and the Fee and Expense Order notwithstanding the existence of or pendency of any appeal or collateral attack on the Settlement or any part thereof or the Fee and Expense Order. In the event that the Effective Date does not occur, or the Judgment or the Fee and Expense Order is reversed or modified by a Final, non-appealable order, or the Settlement is terminated or canceled for any reason, and in the event that attorneys' fees and Litigation Expenses have been paid out of the Escrow Account to any extent, then Lead Counsel shall be obligated and do hereby agree, within ten (10) days from receiving notice from Defendants' Counsel or from the Court, to refund to the Escrow Account such attorneys' fees and Litigation Expenses that have been paid, plus interest thereon at the same rate as would have been earned had those sums remained in the Escrow Account.

**ADMINISTRATION OF THE SETTLEMENT**

25. The Claims Administrator, subject to the supervision of Lead Counsel and the jurisdiction of the Court, shall administer and calculate the Claims submitted by Class Members, oversee distribution of the Net Settlement Fund to Authorized Claimants, and perform all claims administration procedures necessary or appropriate in connection therewith. The Claims Administrator shall receive and administer Claims in accordance with the Plan of Allocation approved by the Court. The proposed Plan of Allocation is set forth in the Notice attached hereto as Exhibit A-1.

26. The Released Parties shall have no liability, obligation or responsibility whatsoever to any person, including, but not limited to, Class Members, the Escrow Agent, or the Claims Administrator, in connection with the administration of the Settlement, the processing of claims, or the disbursement of the Net Settlement Fund.

27. Within ten (10) days of the Court's Preliminary Approval Order, Defendants will use reasonable efforts to cause Navistar's transfer agent to provide the Claims Administrator in a computer-readable format, the last known names and addresses of all of Navistar's shareholders of record during the Class Period.

28. Lead Counsel shall cause the Claims Administrator to mail the Notice to those Class Members who may be identified through the records maintained by or on behalf of Navistar, and to publish the Summary Notice, pursuant to the terms of the Preliminary Approval Order entered by the Court.

29. Any Class Member who does not timely submit a valid Proof of Claim Form by the deadline set by the Court will not be entitled to receive any distribution from the Net Settlement Fund but will nevertheless be bound by all of the terms of the Settlement, including the terms of the Judgment to be entered in the Action and the releases provided for therein, and will be permanently barred and enjoined from bringing any action, claim or other proceeding of any kind against any Released Party concerning any Released Claim.

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30. By submitting a Claim, a Class Member shall be deemed to have submitted to the jurisdiction of the Court with respect to the Claim, and the Claim will be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to their status as a Class Member and the validity and amount of their Claim. No discovery shall be allowed on the merits of this Action or this Settlement in connection with the processing of Proof of Claim Forms, nor shall any discovery be taken of the Released Parties in connection with such matters. Defendants, moreover, shall have no right to take such discovery.

31. Lead Counsel will apply to the Court, with reasonable notice to Defendants, for a Class Distribution Order, *inter alia*: (i) approving the Claims Administrator's administrative determinations concerning the acceptance and rejection of the Claims submitted; (ii) approving payment of any outstanding Notice and Administration Costs from the Escrow Account; and (iii) if the Effective Date has occurred, directing payment of the Net Settlement Fund to Authorized Claimants.

32. Payment pursuant to the Class Distribution Order shall be final and conclusive against any and all Class Members. All Class Members who did not submit a Claim or whose Claim was not approved by the Court shall be barred from participating in distributions from the Net Settlement Fund, but shall be bound by all of the terms of this Settlement, including the terms of the Judgment and the releases provided for therein, and will be permanently barred and enjoined from bringing any action, claim or proceeding of any kind against any Released Party concerning any Released Claim.

33. All proceedings with respect to the administration, processing and determination of Claims and the determination of all controversies relating thereto, including disputed questions of law and fact with respect to the validity of Claims, shall be subject to the jurisdiction of the Court.

**OBJECTIONS AND REQUESTS FOR EXCLUSION**

34. Any member of the Class may appear at the Final Approval Hearing and show cause why the proposed Settlement should or should not be approved as fair, reasonable, adequate and in the best interests of the Class, or why the Judgment should or should not be entered thereon, and/or to present opposition to the Plan of Allocation or to the application of Lead Counsel for attorneys' fees and reimbursement of Litigation Expenses. However, no Class Member or any other person or entity shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the terms of the Plan of Allocation or the application by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses, unless that Class Member (i) has served written objections, by hand or first-class mail, including the basis therefor, as well as copies of any papers and/or briefs in support of his, her or its position upon Lead Counsel and Defendants' Counsel for receipt no later than twenty-one (21) days prior to the Final Approval Hearing; and (ii) filed said objections, papers and briefs with the Clerk of the United States District Court for the Northern District of Illinois no later than twenty-one (21) days prior to the Final Approval Hearing. Any objection must include: (a) the full name, address, and phone number of the objecting Class Member; (b) a list and documentation of all of the Class Member's transactions in Navistar common stock during the Class Period, such as brokerage confirmation receipts or other competent documentary evidence of such transactions, including the amount and date of each purchase (or acquisition) or sale and the price or other consideration paid and/or received (including all income received thereon); (c) a written statement of all grounds for the objection accompanied by any legal support for the objection; (d) copies of any papers, briefs or other documents upon which the objection is based; (e) a list of all persons who will be called to testify in support of the objection; (f) a statement of whether the objector intends to appear at the Final Approval Hearing; (g) a list of cases in which the objector or the objector's counsel have appeared as settlement objectors or counsel for objectors in the preceding five years; and (h) the objector's signature, even if represented by counsel. If the objector intends to

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appear at the Final Approval Hearing through counsel, the objection must also state the identity of all attorneys who will appear on his, her or its behalf at the Final Approval Hearing. Any Class Member who does not make his, her or its objection in the manner provided for herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the Settlement, to the Judgment, to the Plan of Allocation or to the application by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses. The Notice shall also state the manner in which a notice of objection should be prepared, filed and delivered. By objecting to the Settlement, the Judgment, the Plan of Allocation and/or the application by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses, or otherwise requesting to be heard at the Final Approval Hearing, an objector shall be deemed to have submitted to the jurisdiction of the Court with respect to the person's or entity's objection or request to be heard and the subject matter of the Settlement, including, but not limited to, enforcement of the terms of the Settlement (including, but not limited to, the release of the Released Claims provided for in the Settlement and the Judgment).

35. A person or entity requesting exclusion from the Class must timely provide the following information to the Claims Administrator: (i) name; (ii) address; (iii) telephone number; (iv) number of shares of Navistar common stock purchased (or otherwise acquired) or sold; (v) prices or other consideration paid or received for such Navistar common stock; (vi) the date of each purchase (or acquisition) or sale transaction; and (vii) a statement that the person or entity wishes to be excluded from the Class. Unless otherwise ordered by the Court, any Class Member who does not timely submit a written request for exclusion as provided by this section shall be bound by the Settlement. Lead Plaintiff shall request that any requests for exclusion must be received by the Claims Administrator no later than twenty-one (21) days prior to the Final Approval Hearing.

36. The Claims Administrator shall scan and electronically send copies of all requests for exclusion in PDF format (or such other format as shall be agreed) to Defendants' Counsel

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and to Lead Counsel expeditiously (and not more than two (2) days) after the Claims Administrator receives such a request. Lead Counsel shall provide Defendants' Counsel, within two (2) days after the expiration of the request for exclusion deadline, copies of all requests for exclusion of any Class Members who will be identified to the Court as having validly and timely requested exclusion from the Class. Lead Counsel will submit to the Court a final list of all persons or entities who have requested exclusion from the Class at least two (2) days before the Final Approval Hearing.

**PRELIMINARY APPROVAL OF THE SETTLEMENT**

37. Promptly after execution of this Settlement, Lead Plaintiff, by and through Lead Counsel, with Defendants' Counsel's consent, shall submit the Settlement together with its exhibits to the Court and shall move for entry of the Preliminary Approval Order, among other things, preliminarily approving the Settlement, approving the contents and method of distribution of the Notice and Summary Notice, approving the contents of the Proof of Claim Form, and setting a date for the Final Approval Hearing. To permit compliance with the settlement notice requirements of the Class Action Fairness Act, the Final Approval Hearing shall take place no earlier than one hundred (100) days after the Court enters the Preliminary Approval Order.

**JUDGMENT APPROVING THE SETTLEMENT**

38. Lead Plaintiff, by and through Lead Counsel, with Defendants' Counsel's consent, shall request that the Court, if it approves the Settlement following the Final Approval Hearing, enter the Judgment. The Settlement is expressly conditioned upon, among other things, the entry of a Judgment substantially in the form attached hereto as Exhibit B and in all respects consistent with this Settlement.

**EFFECTIVE DATE OF THE SETTLEMENT, AND TERMINATION**

39. The Effective Date of the Settlement shall be the first date by which all of the following have occurred:

- (a) The Court has entered the Preliminary Approval Order;

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(b) Navistar has caused the Settlement Amount to be deposited into the Escrow Account;

(c) Defendants have not exercised their option to terminate the Settlement pursuant to ¶ 41 herein;

(d) The Court has approved the Settlement following notice to the Class and the Final Approval Hearing in accordance with Rule 23 of the Federal Rules of Civil Procedure, and has entered the Judgment; and

(e) The Judgment has become Final, as defined in ¶ 1(n) herein.

40. Defendants, Lead Plaintiff, and Norfolk County each shall have the right to terminate the Settlement by providing written notice of their election to do so to the other within twenty (20) days of the date on which: (a) the Court refuses to approve this Stipulation and Agreement of Settlement, or the terms contained herein, in any material respect; (b) the Court declines to enter the Preliminary Approval Order in any material respect; (c) the Court refuses to grant final approval of this Settlement or any material part of it; (d) the Court declines to enter the Judgment in any material respect; (e) the Effective Date of the Settlement does not occur; or (f) the payment of the Settlement Amount is not satisfied in accordance with the terms herein. In addition, Defendants may also terminate the Settlement in accordance with ¶ 41. The foregoing list is not intended to limit or impair the Settling Parties' rights under the law of contracts of the State of Illinois with respect to any breach of this Settlement (except as provided in ¶ 2 hereof). In the event the Settlement is terminated, the provisions of ¶¶ 8, 9, 10, 13, 24, 26, 42, 43, 46, 48, 57, 58, 59, 60, and 61 shall survive termination. If the Settlement does not become Final or is terminated for any reason, within ten (10) days of termination, the Settlement Fund shall be returned to Defendants pursuant to written instructions from Defendants' Counsel, together with any interest earned on the Settlement Fund, less any Notice and Administration Costs actually and reasonably incurred.

41. Defendants shall have the option to terminate the Settlement in the event that the aggregate number of total shares of Navistar common stock purchased or acquired during the

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Class Period by persons or entities who would otherwise be entitled to participate in the Settlement as Class Members, but who timely and validly request exclusion in accordance with the terms of this Settlement, equals or exceeds the threshold (the “Opt-Out Threshold”) as calculated pursuant to a separate agreement (the “Supplemental Agreement”) executed between Lead Counsel and Defendants’ Counsel, which is incorporated by reference into this Settlement. The Opt-Out Threshold may be disclosed *in camera* to the Court for purposes of approval of the Settlement, as may be required by the Court, but such disclosure shall be carried out to the fullest extent possible in accordance with the practices of the Court so as to maintain the confidentiality of the Opt-Out Threshold.

42. Except as otherwise provided herein, in the event the Settlement is terminated, the Settling Parties reserve their rights to proceed in all respects as if this Settlement had not been entered into and without any prejudice in any way from the negotiation, fact or terms of this Settlement. If the Settlement is terminated, the Settling Parties shall be restored to their respective positions as of July 10, 2015, the date the Court issued its Order on Defendants’ motion to dismiss and prior to any settlement discussions. The Settling Parties will in good faith propose a new case schedule for the completion of class certification briefing, discovery and other pretrial proceedings and for the trial of this Action.

**NO ADMISSION OF WRONGDOING**

43. Whether or not the Settlement is approved by the Court, and whether or not the Settlement is consummated, the fact and terms of this Settlement, including its exhibits, all negotiations, discussions, drafts and proceedings in connection with the Settlement, and any act performed or document signed in connection with the Settlement:

(a) shall not be an express or implicit concession or admission by any of the Released Parties or by Lead Plaintiff, Norfolk County, or the other Class Members with respect to the truth of any fact alleged by Lead Plaintiff or the validity, or lack thereof, of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Action or in any litigation, or of

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any liability, negligence, fault or wrongdoing of the Released Parties; and shall not be offered or received against the Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members as evidence of, or be deemed to be evidence of, any presumption, concession or admission by any of the Released Parties or by Lead Plaintiff, Norfolk County, or the other Class Members with respect to the truth of any fact alleged by Lead Plaintiff or the validity, or lack thereof, of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Action or in any litigation, or of any liability, negligence, fault or wrongdoing of the Released Parties;

(b) shall not be an express or implicit concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Released Party; shall not be evidence of any infirmity in the claims of Lead Plaintiff, Norfolk County, and the other Class Members; and shall not be offered or received against the Released Parties as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Released Party, or against Lead Plaintiff, Norfolk County, or any of the other Class Members as evidence of any infirmity in the claims of Lead Plaintiff, Norfolk County, and the other Class Members;

(c) shall not be an express or implicit concession or admission with respect to any liability, negligence, fault or wrongdoing by Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members; and shall not be offered or received against the Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members, in any arbitration proceeding or other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Settlement; provided, however, that if this

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Settlement is approved by the Court, the Released Parties may refer to the Settlement and the Judgment in any action that may be brought against them to effectuate the liability protection granted them hereunder, including, without limitation, to support a defense or claim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or claim under U.S. federal or state law or foreign law;

(d) shall not be construed against the Released Parties, Defendants' Counsel, Lead Counsel, Lead Plaintiff, Norfolk County, or the other Class Members as an express or implicit admission or concession that the consideration to be paid hereunder represents the amount which could be or would have been recovered after trial or that any damages potentially recoverable under the Complaint would have exceeded or would have been less than the Settlement Amount;

(e) shall not be construed as or received in evidence as an express or implicit admission, concession or presumption against Lead Plaintiff, Norfolk County, or the other Class Members or any of them that any of their claims are without merit; and

(f) shall not be construed as or received in evidence as an express or implicit admission, concession or presumption against the Released Parties that class certification is appropriate in this Action, except for purposes of this Settlement.

**MISCELLANEOUS PROVISIONS**

44. All of the exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

45. The Settling Parties intend this Settlement to be a final and complete resolution of all disputes asserted or that could be asserted by Lead Plaintiff, Norfolk County, or any other Class Members in the Action or with respect to all Released Claims. Except in the event of termination of this Settlement, Lead Plaintiff, Norfolk County, all Class Members, and Defendants agree not to assert under Rule 11 of the Federal Rules of Civil Procedure or any similar law, rule or regulation, that the Action was brought or defended in bad faith or without a

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reasonable basis. The Settling Parties agree that the Settlement Amount and the other terms of the Settlement were negotiated at arm's length and in good faith by the Settling Parties and reflect a settlement that was reached voluntarily based upon adequate information and after consultation with their respective experienced legal counsel.

46. While maintaining their positions that the claims and defenses asserted in the Action are meritorious, Lead Plaintiff, Norfolk County, and Lead Counsel, on the one hand, and Defendants and Defendants' Counsel, on the other, shall not make any public statements or statements to the media (whether or not for attribution) that disparage the other's business, conduct, or reputation or that of their counsel based on the subject matter of the Action.

47. This Settlement may not be modified or amended, nor may any of its provisions be waived, except by a writing signed by all Settling Parties or their successors-in-interest. After prior notice to the Court, but without further order of the Court, the Settling Parties may agree to reasonable extensions of time to carry out any provisions of this Settlement.

48. The headings herein are used for the purpose of convenience only and are not meant to have legal effect.

49. The waiver by one party of any breach of this Settlement by any other party shall not be deemed a waiver of any other prior or subsequent breach of this Settlement. The provisions of this Settlement may not be waived except by a writing signed by the affected party, or counsel for that party.

50. This Settlement, including its exhibits and the Supplemental Agreement, which are material parts thereof, constitute the entire agreement among the Settling Parties, and no representations, warranties or inducements have been made to any party concerning this Settlement, its exhibits, or the Supplemental Agreement, other than the representations, warranties and covenants contained and memorialized in such documents. It is understood by the Settling Parties that, except for the matters expressly represented herein, the facts or law with respect to which this Settlement is entered into may turn out to be other than, or different from, the facts now known to each party or believed by such party to be true; each party therefore

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expressly assumes the risk of the facts or law turning out to be so different, and agrees that this Settlement shall be in all respects effective and not subject to termination by reason of any such different facts or law.

51. This Settlement may be executed in one or more counterparts, including by signature transmitted via facsimile, or by a .pdf/.tif image of the signature transmitted via e-mail. All executed counterparts and each of them shall be deemed to be one and the same instrument.

52. Lead Plaintiff agrees that it will use its best efforts to obtain all necessary approvals of the Court required by this Settlement, and Defendants agree to provide such support as may be reasonably requested by Lead Plaintiff or Lead Counsel.

53. Each signatory to this Settlement represents that he or she has authority to sign this Settlement on behalf of Lead Plaintiff, Norfolk County, or Defendants, as the case may be, and that they have the authority to take appropriate action required or permitted to be taken pursuant to this Settlement to effectuate its terms. Lead Plaintiff, Norfolk County, and Lead Counsel also represent and warrant that none of Lead Plaintiff or Norfolk County's claims or causes of action referred to herein, or that could have been alleged in the Action, has been assigned, encumbered, hypothecated, conveyed, transferred, or in any manner granted or given, in whole or in part, to any other person or entity.

54. This Settlement shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto, including all Released Parties, and any corporation, partnership, or other entity into or with which any party hereto may merge, consolidate or reorganize.

55. Any notice required by this Settlement shall be submitted by overnight mail or e-mail to each of the signatories below.

56. The administration, consummation and enforcement of the Settlement shall be under the authority of the Court and the Settling Parties intend that the Court retain jurisdiction for the purpose of, *inter alia*, entering orders, providing for awards of attorneys' fees and Litigation Expenses, and enforcing the terms of the Settlement.

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57. The construction, interpretation, operation, effect and validity of this Settlement, and all documents necessary to effectuate it, shall be governed by the internal laws of the State of Illinois without regard to that State's choice-of-law principles, except to the extent that federal law requires that federal law govern.

58. To the extent there are disputes regarding the interpretation of any term of this Settlement, the Settling Parties will attempt to resolve any such dispute in good faith. If the Settling Parties fail to resolve the dispute, or in the event of a breach of the terms of the Settlement, any non-breaching Settling Party shall be entitled to bring an action seeking to enforce those provisions, and the exclusive forum for any such action shall be this Court. The prevailing Settling Party in any such action to enforce these provisions of the Settlement shall be entitled to recover their reasonable attorneys' fees and expenses incurred in connection with remedying the breach.

59. This Settlement shall not be construed more strictly against one Settling Party than another merely by virtue of the fact that it, or any part of it, may have been prepared by counsel for one of the Settling Parties, it being recognized that it is the result of arm's-length negotiations among the Settling Parties and all Settling Parties have contributed substantially and materially to the preparation of this Settlement.

60. Nothing in this Settlement, or the negotiations or proceedings relating to the Settlement, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, the attorney-client privilege, the joint defense privilege, the accountants' privilege, or work product immunity; further, all information and documents transmitted between Lead Plaintiff's Counsel and Defendants' Counsel in connection with this Settlement shall be kept confidential and shall be inadmissible in any proceeding in any U.S. federal or state court or other tribunal or otherwise, in accordance with Rule 408 of the Federal Rules of Evidence as if such Rule applied in all respects in any such proceeding or forum.

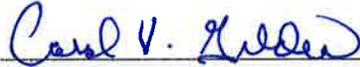
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61. Except where specifically noted, all time periods set forth in this Settlement will be computed in calendar days and pursuant to the terms of Rule 6(a) of the Federal Rules of Civil Procedure.

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IN WITNESS WHEREOF, the Settling Parties hereto have caused this Settlement to be executed, by their duly authorized attorneys, as of May 4, 2016.

**COHEN MILSTEIN SELLERS & TOLL PLLC**



Carol V. Gilden  
190 South LaSalle Street  
Suite 1705  
Chicago, IL 60603  
Tel.: (312) 357-0370  
Fax: (312) 357-0369  
cgilden@cohenmilstein.com

Steven J. Toll  
S. Douglas Bunch  
Genevieve Fontan  
1100 New York Avenue, N.W.  
Suite 500 West  
Washington, D.C. 20005  
Tel.: (202) 408-4600  
Fax: (202) 408-4699  
dbunch@cohenmilstein.com  
gfontan@cohenmilstein.com

***Attorneys for Lead Plaintiff, Norfolk County,  
and the Class***

**LATHAM & WATKINS LLP**

Sean M. Berkowitz  
Robin M. Hulshizer  
Eric R. Swibel  
330 N. Wabash Avenue  
Suite 2800  
Chicago, IL 60611  
Tel.: (312) 876-7700  
Fax: (312) 993-9767  
sean.berkowitz@lw.com  
robin.hulshizer@lw.com  
eric.swibel@lw.com

***Counsel for Defendants Navistar  
International Corporation, Daniel C.  
Ustian, Andrew J. Cederoth, and Jack Allen***

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IN WITNESS WHEREOF, the Settling Parties hereto have caused this Settlement to be executed, by their duly authorized attorneys, as of May 4, 2016.

**COHEN MILSTEIN SELLERS & TOLL PLLC**

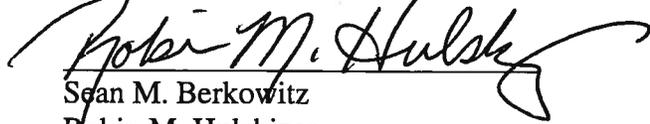
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Carol V. Gilden  
190 South LaSalle Street  
Suite 1705  
Chicago, IL 60603  
Tel.: (312) 357-0370  
Fax: (312) 357-0369  
cgilden@cohenmilstein.com

Steven J. Toll  
S. Douglas Bunch  
Genevieve Fontan  
1100 New York Avenue, N.W.  
Suite 500 West  
Washington, D.C. 20005  
Tel.: (202) 408-4600  
Fax: (202) 408-4699  
dbunch@cohenmilstein.com  
gfontan@cohenmilstein.com

***Attorneys for Lead Plaintiff, Norfolk County,  
and the Class***

**LATHAM & WATKINS LLP**



Sean M. Berkowitz  
Robin M. Hulshizer  
Eric R. Swibel  
330 N. Wabash Avenue  
Suite 2800  
Chicago, IL 60611  
Tel.: (312) 876-7700  
Fax: (312) 993-9767  
sean.berkowitz@lw.com  
robin.hulshizer@lw.com  
eric.swibel@lw.com

***Counsel for Defendants Navistar  
International Corporation, Daniel C.  
Ustian, Andrew J. Cederoth, and Jack Allen***

# EXHIBIT A



**NOW, THEREFORE, IT IS HEREBY ORDERED:**

1. This Preliminary Approval Order hereby incorporates by reference the definitions in the Settlement, and all capitalized terms used herein, unless otherwise defined, shall have the same meanings as set forth in the Settlement. As in the Settlement, unless otherwise specified, all time periods set forth in the Preliminary Approval Order will be computed in calendar days and pursuant to the terms of Rule 6(a) of the Federal Rules of Civil Procedure.

2. The Court preliminarily approves the Settlement, including all provisions therein and exhibits attached thereto, as fair, reasonable and adequate to the Class, pending the Final Approval Hearing.

3. The Court deems Norfolk County added to Lead Plaintiff's Second Amended Complaint as an additional named plaintiff.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, the Court preliminarily certifies, for the purposes of effectuating this settlement only, a Class of all persons and entities who purchased or otherwise acquired the common stock of Navistar International Corporation (ticker symbol: NAV) ("Navistar") between March 10, 2010 and August 1, 2012, both dates inclusive. Excluded from the Class are: Defendants; members of the immediate family of any Defendant; any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest during the Class Period; the officers and directors of Navistar during the Class Period; the Icahn Group; the MHR Group; and legal representatives, agents, executors, heirs, successors, or assigns of any such excluded person or entity. Any person or entity that timely and validly requests exclusion from the Class pursuant to and in accordance with the terms of this Preliminary Approval Order is also excluded from the Class.

5. With respect to the Class, this Court preliminarily finds, for purposes of effectuating this Settlement only, that the prerequisites for class certification under Rule 23 of the Federal Rules of Civil Procedure have been satisfied, in that: (a) the members of the Class are so numerous that joinder of all Class Members in the litigation is impracticable; (b) there are questions of law and fact common to the Class which predominate over any individual questions; (c) the claims of the Lead Plaintiff and Norfolk County are typical of the claims of the Class; (d) the Lead Plaintiff, Norfolk County, and Lead Counsel have fairly and adequately represented and protected the interests of all of the Class Members; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, considering: (i) the interests of the members of the Class in individually controlling the prosecution of separate actions; (ii) the extent and nature of any litigation concerning the controversy already commenced by members of the Class; (iii) the desirability or undesirability of continuing the litigation of these claims in this particular forum; and (iv) the difficulties likely to be encountered in the management of the litigation.

6. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of this Settlement only, Lead Plaintiff and Norfolk County are preliminarily appointed as class representatives for the Class and Cohen Milstein Sellers & Toll PLLC, previously appointed Lead Counsel, is preliminarily appointed counsel for the Class.

7. The Court approves the form of Notice of Pendency of Class Action and Proposed Settlement (the "Notice") (annexed hereto as Exhibit A-1); the Summary Notice of Pendency of Class Action and Proposed Settlement ("Summary Notice") (annexed hereto as Exhibit A-2) (Exhibits A-1 and A-2 are together referred to as the "Notices"); and the Proof of Claim Form (annexed hereto as Exhibit A-3), and finds that the procedures established for publication, mailing

and distribution of the Notices substantially in the manner and form set forth in Paragraph 7 of this Preliminary Approval Order meet the requirements of Rule 23 of the Federal Rules of Civil Procedure; Section 21D(a)(7) of the Securities Exchange Act of 1934 (the “Securities Exchange Act”), as amended by the Private Securities Litigation Reform Act of 1995 (the “PSLRA”), 15 U.S.C. § 78u-4(a)(7); the Constitution of the United States (including the Due Process clause); and any other applicable law, and constitute the best notice practicable under the circumstances and shall constitute sufficient notice to all persons or entities entitled thereto.

8. The Court approves the appointment of Epiq Systems, Inc. as the Claims Administrator to supervise and administer the notice procedure, as well as the processing of claims as more fully set forth below:

a. No later than twenty-one (21) days after entry of the Preliminary Approval Order (the “Notice Date”), the Claims Administrator shall cause a copy of the Notice and Proof of Claim Form, annexed hereto as Exhibits A-1 and A-3, respectively, to be mailed by first-class mail, postage prepaid, to those members of the Class who may be identified through reasonable effort;

b. The Summary Notice annexed hereto as Exhibit A-2 shall be published once in *Investor’s Business Daily* and on *PR Newswire* no later than fourteen (14) days after the Notice Date; and

c. The Settlement, the Notice, and the Proof of Claim Form shall also be placed on a website dedicated to administration of this Settlement on or before the Notice Date.

9. Nominees who purchased or acquired Navistar common stock for beneficial owners who are Class Members are directed to: (a) request within fourteen (14) days of receipt of the

Notice additional copies of the Notice and the Proof of Claim Form from the Claims Administrator for such beneficial owners; or (b) send a list of the names and addresses of such beneficial owners to the Claims Administrator within fourteen (14) days after receipt of the Notice. If a nominee elects to send the Notice and the Proof of Claim Form to beneficial owners, such nominee is directed to mail the Notice and the Proof of Claim Form within fourteen (14) days of receipt of the additional copies from the Claims Administrator, and upon such mailing, the nominee shall send a statement to the Claims Administrator confirming that the mailing was made as directed, and the nominee shall retain the list of names and addresses for use in connection with any possible future notice to the Class. Upon full compliance with this Preliminary Approval Order, including the timely mailing of the Notice to beneficial owners, such nominees may seek reimbursement of their reasonable expenses actually incurred in complying with this Preliminary Approval Order by providing the Claims Administrator with proper documentation supporting the expenses for which reimbursement is sought and reflecting compliance with these instructions, including timely mailing of the Notice, if the nominee elected or elects to do so. Such properly documented expenses incurred by nominees in compliance with the terms of this Preliminary Approval Order shall be paid from the Settlement Fund.

10. No later than thirty-five (35) days prior to the Final Approval Hearing, Lead Counsel shall cause to be filed with the Clerk of this Court affidavits or declarations of the person or persons under whose general direction the mailing of the Notice and the publication of the Summary Notice shall have been made, showing that such mailing and publication have been made in accordance with this Preliminary Approval Order.

**HEARING: RIGHT TO BE HEARD**

11. The Court will hold a Final Approval Hearing under Rule 23(e) of the Federal Rules of Civil Procedure, on \_\_\_\_\_, 2016, at \_\_\_\_\_M.,<sup>1</sup> in the United States District Court for the Northern District of Illinois, United States Courthouse, 219 South Dearborn Street, Courtroom 1403, Chicago, IL 60604, for the following purposes: (i) to determine whether the Settlement should be finally approved as fair, reasonable, adequate and in the best interests of the Class; (ii) to determine whether the Judgment, in the form attached as Exhibit B to the Settlement, should be entered dismissing and releasing the Released Claims (as that term is defined in the Settlement) with prejudice; (iii) to determine, for purposes of the Settlement only, whether the Class should be finally certified; whether Lead Plaintiff and Norfolk County should be finally appointed as representative for the Class; and whether Lead Counsel should be finally appointed as counsel for the Class; (iv) to rule upon the Plan of Allocation; (v) to rule upon Lead Counsel's application for an award of attorneys' fees and reimbursement of Lead Counsel's and Lead Plaintiff's Litigation Expenses (hereinafter "Litigation Expenses"); and (vi) to consider any other matters that may properly be brought before the Court in connection with the Settlement.

12. Papers in support of the Settlement, the Plan of Allocation and Lead Counsel's application for attorneys' fees and reimbursement of Litigation Expenses shall be filed no later than thirty-five (35) days prior to the Final Approval Hearing, and any papers in further support thereof shall be filed no later than seven (7) days before the Final Approval Hearing. If an objection is filed pursuant to Paragraph 12 below, any reply papers shall be filed no later than seven (7) days before the Final Approval Hearing.

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<sup>1</sup> The parties have respectfully requested that the Court schedule the Final Approval Hearing no earlier than 100 days after entry of this Preliminary Approval Order, so that, among other things, Defendants may comply with the provisions set forth in the Class Action Fairness Act, 28 U.S.C. § 1715(b).

13. Any member of the Class may appear at the Final Approval Hearing and show cause why the proposed Settlement should or should not be approved as fair, reasonable, adequate and in the best interests of the Class, or why the Judgment should or should not be entered thereon, and/or to present opposition to the Plan of Allocation or to the application of Lead Counsel for attorneys' fees and reimbursement of Litigation Expenses. However, no Class Member or any other person shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the Judgment to be entered thereon approving the same, or the terms of the Plan of Allocation or the application by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses, unless that Class Member (i) has served written objections, by hand or first-class mail, including the basis therefor, as well as copies of any papers and/or briefs in support of his, her or its position upon the following counsel for receipt no later than twenty-one (21) days prior to the Final Approval Hearing:

**Lead Counsel for the Class**

***Cohen Milstein Sellers & Toll PLLC***

Carol V. Gilden  
190 South LaSalle Street  
Suite 1705  
Chicago, IL 60603  
Tel.: (312) 357-0370  
Fax: (312) 357-0369  
cgilden@cohenmilstein.com

**Counsel for Defendants**

***Latham & Watkins LLP***

Eric R. Swibel  
330 N. Wabash Avenue  
Suite 2800  
Chicago, IL 60611  
Tel.: (312) 876-7700  
Fax: (312) 993-9767  
eric.swibel@lw.com

and (ii) filed said objections, papers and briefs with the Clerk of the United States District Court for the Northern District of Illinois no later than twenty-one (21) days prior to the Final Approval Hearing. Any objection must include: (a) the full name, address, and phone number of the objecting Class Member; (b) a list and documentation of all of the Class Member's transactions in Navistar common stock during the Class Period, such as brokerage confirmation receipts or other competent documentary evidence of such transactions, including the amount and date of each purchase (or acquisition) or sale and the price or other consideration paid and/or received (including all income received thereon); (c) a written statement of all grounds for the objection accompanied by any legal support for the objection; (d) copies of any papers, briefs or other documents upon which the objection is based; (e) a list of all persons who will be called to testify in support of the objection; (f) a statement of whether the objector intends to appear at the Final Approval Hearing; (g) a list of cases in which the objector or the objector's counsel have appeared as settlement objectors or counsel for objectors in the preceding five years; and (h) the objector's signature, even if represented by counsel. If the objector intends to appear at the Final Approval Hearing through counsel, the objection must also state the identity of all attorneys who will appear on his, her or its behalf at the Final Approval Hearing. Any Class Member who does not make his, her or its objection in the manner provided for herein shall be deemed to have waived such objection and shall forever be foreclosed from making any objection to the fairness or adequacy of the Settlement, to the Judgment, to the Plan of Allocation or to the application by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses. The Notice shall also state the manner in which a notice of objection should be prepared, filed and delivered. By objecting to the Settlement, the Judgment, the Plan of Allocation and/or the application by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses, or otherwise requesting to be

heard at the Final Approval Hearing, an objector shall be deemed to have submitted to the jurisdiction of the Court with respect to the person's or entity's objection or request to be heard and the subject matter of the Settlement, including, but not limited to, enforcement of the terms of the Settlement (including, but not limited to, the release of the Released Claims provided for in the Settlement and the Judgment).

14. All Class Members shall be bound by all determinations and judgments in the Action concerning the Settlement, whether favorable or unfavorable to the Class. If the Settlement is approved, all Class Members will be bound by the Settlement, including, but not limited to, the release of the Released Claims provided for in the Settlement, and by any judgment or determination of the Court affecting Class Members, regardless of whether or not a Class Member submits a Proof of Claim Form.

15. Any Class Member may enter an appearance in the Action, at his, her or its own expense, individually or through counsel of his, her or its own choice. If they do not enter an appearance, they will be represented by Lead Counsel. If any Class Member chooses to hire an attorney at their own expense to appear at the Final Approval Hearing, that attorney must file a notice of appearance with the Court and serve it on Lead Counsel and Defendants' Counsel so that the notice is received fourteen (14) days prior to the Final Approval Hearing.

16. The Court reserves the right to (a) adjourn or continue the Final Approval Hearing, without further notice to Class Members; and (b) approve the Settlement with modification and without further notice to Class Members. Lead Counsel shall cause any new date for the Final Approval Hearing to be posted on the website dedicated to the Settlement. The Court retains jurisdiction of this Action to consider all further applications arising out of or otherwise relating to

the proposed Settlement; to allow, disallow or adjust on equitable grounds the claims of any member of the Class; and as otherwise warranted.

### **CLAIMS PROCESS**

17. In order to be entitled to participate in the Settlement, a Class Member must complete and submit a Proof of Claim Form in accordance with the instructions contained therein. To be valid and accepted, Proof of Claim Forms submitted in connection with this Settlement must be postmarked no later than one-hundred twenty (120) days from the date of this Order.

18. The Claims Administrator, subject to the supervision of Lead Counsel and the Court, will make administrative determinations concerning the acceptance and rejection of the Proof of Claim Forms submitted. By submitting a Proof of Claim Form, a Class Member shall be deemed to have submitted to the jurisdiction of the Court with respect to the claim submitted, and the claim will be subject to investigation and discovery, if any, under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to their status as a Class Member and the validity and amount of their claim. No discovery shall be allowed on the merits of this Action or this Settlement in connection with the processing of Proof of Claim Forms, nor shall any discovery be taken of the Released Parties in connection with such matters. Defendants shall have no right to take such discovery.

19. Any Class Member who does not timely submit a valid Proof of Claim Form shall not be eligible to share in the distribution of the Net Settlement Fund, but nonetheless will be bound by all of the terms of the Settlement, including the releases provided for therein, and shall be barred and enjoined from bringing any action, claim or other proceeding of any kind asserting any Released Claim (including, without limitation, Unknown Claims), as well as any claims arising

out of, relating to, or in connection with, the defense, settlement, or resolution of this Action against any Released Party..

**REQUEST FOR EXCLUSION FROM THE CLASS**

20. Any requests for exclusion must be received no later than twenty-one (21) days prior to the Final Approval Hearing. Any Class Member who wishes to be excluded from the Class must provide their (i) name, (ii) address, (iii) telephone number, (iv) number of shares of Navistar common stock purchased (or otherwise acquired) or sold, (v) prices or other consideration paid or received for such shares(s), (vi) the date of each purchase or sale transaction, and (vii) a statement that the Class Member wishes to be excluded from the Class. The request for exclusion must also be signed by the person or entity requesting exclusion. All Class Members who submit valid and timely requests for exclusion in the manner set forth in this paragraph shall have no rights under the Settlement, shall not share in the distribution of the Net Settlement Fund, and shall not be bound by the Settlement or Judgment.

21. Any member of the Class who does not request exclusion from the Class in the manner stated in this Preliminary Approval Order shall be deemed to have waived his, her or its right to be excluded from the Class, and shall forever be barred from requesting exclusion from the Class in this or any other proceeding, and shall be bound by the Settlement and the Judgment, including, but not limited to, the release of the Released Claims provided for in the Settlement and the Judgment, if the Court approves the Settlement.

22. The Released Parties shall have no responsibility or liability whatsoever in connection with the administration of the Settlement, the processing of claims, the disbursement of the Net Settlement Fund, including, without limitation, the determination, administration, or calculation of claims, the payment or withholding of Taxes or Tax Expenses, or any losses incurred

in connection therewith, or with respect to the Plan of Allocation or Lead Counsel's application for an award of attorneys' fees and reimbursement of Litigation Expenses.. The Plan of Allocation and Lead Counsel's application for an award of attorneys' fees and reimbursement of Litigation Expenses will be considered separately from the fairness, reasonableness and adequacy of the Settlement. At or after the Final Approval Hearing, the Court will determine whether Lead Counsel's proposed Plan of Allocation should be approved, and the amount of attorneys' fees and Litigation Expenses to be awarded to Lead Counsel. Any appeal from any orders relating solely to the Plan of Allocation or solely to Lead Counsel's application for an award of attorneys' fees and Litigation Expenses (or both), or any reversal or modification thereof, shall not operate to terminate or cancel the Settlement, or affect or delay the finality of the Judgment approving the Settlement.

23. Only Class Members and Lead Counsel shall have any right to any portion of, or any rights in the distribution of, the Settlement Fund, unless otherwise ordered by the Court or otherwise provided in the Settlement.

24. All funds held in the Escrow Account shall be deemed and considered to be *in custodia legis* and shall remain subject to the jurisdiction of the Court until such time as such funds shall be distributed pursuant to the Settlement and/or further order of the Court.

25. As set forth in the Settlement, prior to the Effective Date, the Escrow Agent, without further approval of Defendants or the Court, may pay from the Settlement Fund up to \$250,000.00 in Notice and Administration Costs actually and reasonably incurred associated with the administration of the Settlement. Prior to the Effective Date, payment of any Notice and Administration Costs exceeding \$250,000.00 shall require notice to and agreement from Defendants, through Defendants' Counsel. Subsequent to the Effective Date, without further

approval by Defendants or the Court, the Settlement Fund may be used by Lead Counsel to pay reasonable and necessary Notice and Administration Costs in excess of \$250,000.00. In the event the Court does not approve the Settlement, the Settlement is terminated pursuant to its terms, or if the Settlement otherwise fails to become effective, neither Lead Plaintiff nor Lead Counsel shall have any obligation to repay any such amounts actually and properly incurred or disbursed for such purposes. If the Settlement does not become Final or is terminated for any reason, within ten (10) days of termination, the Settlement Fund shall be returned to Defendants pursuant to written instructions from Defendants' Counsel, together with any interest earned on the Settlement Fund, less any Notice and Administration Costs actually and reasonably incurred.

26. Whether or not the Settlement is approved by the Court, the fact and terms of this Preliminary Approval Order and the Settlement, including its exhibits, all negotiations, discussions, drafts and proceedings in connection with the Settlement, and any act performed or document signed in connection with the Settlement:

- a. shall not be an express or implicit concession or admission by any of the Released Parties or by Lead Plaintiff, Norfolk County, or the other Class Members with respect to the truth of any fact alleged by Lead Plaintiff or the validity, or lack thereof, of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Action or in any litigation, or of any liability, negligence, fault or wrongdoing of the Released Parties; and shall not be offered or received against the Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members as evidence of, or be deemed to be evidence of, any presumption, concession or admission by any of the

Released Parties or by Lead Plaintiff, Norfolk County, or the other Class Members with respect to the truth of any fact alleged by Lead Plaintiff or the validity, or lack thereof, of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Action or in any litigation, or of any liability, negligence, fault or wrongdoing of the Released Parties;

- b. shall not be an express or implicit concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Released Party; shall not be evidence of any infirmity in the claims of Lead Plaintiff, Norfolk County, and the other Class Members; and shall not be offered or received against the Released Parties as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Released Party, or against Lead Plaintiff, Norfolk County, or any of the other Class Members as evidence of any infirmity in the claims of Lead Plaintiff, Norfolk County, and the other Class Members;
- c. shall not be an express or implicit concession or admission with respect to any liability, negligence, fault or wrongdoing by Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members; and shall not be offered or received against the Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way

referred to for any other reason as against any of the Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members, in any arbitration proceeding or other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Settlement; provided, however, that if this Settlement is approved by the Court, the Released Parties may refer to the Settlement and the Judgment in any action that may be brought against them to effectuate the liability protection granted them hereunder, including, without limitation, to support a defense or claim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or claim under U.S. federal or state law or foreign law;

- d. shall not be construed against the Released Parties, Defendants' Counsel, Lead Counsel, Lead Plaintiff, Norfolk County, or the other Class Members as an express or implicit admission or concession that the consideration to be paid hereunder represents the amount which could be or would have been recovered after trial or that any damages potentially recoverable under the Complaint would have exceeded or would have been less than the Settlement Amount;
- e. shall not be construed as or received in evidence as an express or implicit admission, concession or presumption against Lead Plaintiff, Norfolk County, or the other Class Members or any of them that any of their claims are without merit; and

- f. shall not be construed as or received in evidence as an express or implicit admission, concession or presumption against the Released Parties that class certification is appropriate in this Action, except for purposes of this Settlement.

27. Unless otherwise provided in the Settlement, there shall be no distribution of any of the Net Settlement Fund to any Class Member until a Plan of Allocation is finally approved and is affirmed on appeal or *certiorari* or is no longer subject to review by appeal or *certiorari* and the time for any petition for rehearing, appeal or review, whether by *certiorari* or otherwise, has expired.

28. This Action shall be stayed through the Court's ruling on this Settlement, except as to any proceedings relating to the Settlement.

29. In the event that the Settlement fails to become effective in accordance with its terms, or if the Judgment is not entered or is reversed, vacated or materially modified on appeal (and, in the event of material modification, if any party elects to terminate the Settlement), this Preliminary Approval Order (except Paragraphs 25-29) shall be null and void, the Settlement shall be deemed terminated, and the parties shall return to their positions as of July 10, 2015, the date the Court issued its Order on Defendants' motion to dismiss the Second Amended Complaint and prior to any settlement discussions, without prejudice in any way, as provided for in the Settlement.

30. The Court preliminarily finds that the Escrow Account is a "qualified settlement fund" pursuant to Internal Revenue Code Section 468B and the Treasury Regulations promulgated thereunder.

IT IS SO ORDERED.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE SARA L. ELLIS  
UNITED STATES DISTRICT JUDGE

# EXHIBIT A-1

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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

CONSTRUCTION WORKERS PENSION )	Civ. No. 1:13-cv-2111
TRUST FUND – LAKE COUNTY AND )	
VICINITY, Individually and on Behalf of )	CLASS ACTION
All Others Similarly Situated, )	
Plaintiff, )	
vs. )	
NAVISTAR INTERNATIONAL )	
CORPORATION, DANIEL C. USTIAN, )	
ANDREW J. CEDEROTH, and JACK )	
ALLEN, )	
Defendants. )	

**NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED  
SETTLEMENT**

***IF YOU PURCHASED OR ACQUIRED THE COMMON STOCK OF NAVISTAR  
INTERNATIONAL CORPORATION BETWEEN MARCH 10, 2010 AND AUGUST 1, 2012,  
BOTH DATES INCLUSIVE, YOU COULD RECEIVE A PAYMENT FROM A CLASS  
ACTION SETTLEMENT.***

*A Federal Court authorized this Notice. This is not a solicitation from a lawyer.*

This Notice explains important rights you may have, including your possible receipt of cash from the Settlement. ***Your legal rights will be affected*** whether or not you act.

**PLEASE READ THIS NOTICE CAREFULLY!**

1. **Securities and Time Period:** Navistar International Corporation (“Navistar” or the “Company”) common stock (ticker symbol: NAV) purchased or acquired between March 10, 2010 and August 1, 2012, both dates inclusive.
2. **Description of the Action and the Class:** The Settlement<sup>1</sup> resolves class action litigation over whether Navistar, and certain of Navistar’s executives, made or were otherwise liable for material misrepresentations and omissions concerning the Company’s development of

<sup>1</sup> This Notice incorporates by reference the definitions in the Stipulation and Agreement of Settlement, dated May 4, 2016 (the “Settlement”), and all capitalized terms used, but not defined herein, shall have the same meanings as in the Settlement. A copy of the Settlement can be obtained at [www.navistarsecuritiessettlement.com](http://www.navistarsecuritiessettlement.com).

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exhaust gas recirculation (“EGR”) diesel engine technology to meet 2010 U.S. Environmental Protection Agency (“EPA”) 0.2 NOx emissions requirements.

3. The Central States, Southeast and Southwest Areas Pension Fund was appointed by the Court to represent all Class Members and was designated as the Lead Plaintiff and as class representative for the case. Norfolk County Retirement System was also designated as class representative for the case. Cohen Milstein Sellers & Toll PLLC (“Cohen Milstein”) was appointed by the Court to serve as Lead Counsel. The “Class” consists of:

all persons or entities who purchased or otherwise acquired the common stock of Navistar International Corporation (ticker symbol: NAV) between March 10, 2010 and August 1, 2012, both dates inclusive. Excluded from the Class are: Defendants; members of the immediate family of any Defendant; any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest during the Class Period; the officers and directors of Navistar during the Class Period; the Icahn Group; the MHR Group; and legal representatives, agents, executors, heirs, successors, or assigns of any such excluded person or entity.

4. **Statement of Class’s Recovery:** Subject to Court approval, and as described more fully in ¶¶ 18-20 below, Lead Plaintiff and Norfolk County, on behalf of themselves and the Class, have agreed to settle all Released Claims against the Defendants and other Released Parties in exchange for a settlement payment of \$9,100,000.00 in cash (the “Settlement Amount”) to be deposited into an interest-bearing escrow account (the “Settlement Fund”) and certain other terms. The Settlement Fund less all Taxes, Tax Expenses, Notice and Administration Costs, and attorneys’ fees and Litigation Expenses awarded to Lead Counsel (the “Net Settlement Fund”) will be distributed to members of the Class in accordance with a plan of allocation (the “Plan of Allocation”) that will be submitted to and approved by the Court. The proposed Plan of Allocation is included in this Notice, and may be modified by the Court without further notice.

5. **Statement of Estimated Average Amount of Recovery:** Your recovery will depend on the number of shares of Navistar common stock that you purchased or acquired during the Class Period, the price(s) at which those shares were purchased or acquired, the timing of your purchases, and any sales. Depending on the number of eligible shares of common stock that participate in the Settlement, and when and at what price that common stock was purchased or acquired and sold, the estimated average recovery per share of Navistar common stock will be approximately \$0.21 before deduction of Court-approved fees and expenses and any other awards or payments.

6. **Statement of the Parties’ Position on Damages:** The parties do not agree on the likelihood that Lead Plaintiff, Norfolk County, and/or the Class would be able to prevail at trial or the amount of damages that potentially would be recoverable if Lead Plaintiff, Norfolk County, and/or the Class were to prevail on any or all of their claims. The issues on which the parties disagree include, but are not limited to: (1) whether certain public statements made by Defendants were materially false or misleading; (2) whether the Defendants are liable under the federal securities laws for any statements or alleged omissions; and (3) whether all or part of the

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damages allegedly suffered by Lead Plaintiff, Norfolk County, and/or members of the Class were caused by any alleged misstatements or omissions.

7. **Statement of Attorneys’ Fees and Expenses Sought:** Lead Counsel has litigated this case on a contingent basis. They have conducted this litigation and advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Class, they would receive fees and be reimbursed for their expenses from the Settlement Fund. This is customary in this type of litigation. Prior to final distribution of the Net Settlement Fund, Lead Counsel will apply to the Court for an award of attorneys’ fees from the Settlement Fund in an amount not to exceed 22% of the Settlement Fund (or \$2,002,000.00), plus interest earned at the same rate and for the same period as earned by the Settlement Fund. In addition, Lead Counsel also will apply for the reimbursement of expenses paid or incurred in connection with the prosecution and resolution of the Action in an amount not to exceed \$175,000.00 plus interest earned at the same rate and for the same period as earned by the Settlement Fund. In addition, Lead Counsel also may apply for reimbursement of the expenses of Lead Plaintiff in accordance with 15 U.S.C. § 78u-4(a)(4) not to exceed approximately \$10,000.00. If the Court approves Lead Counsel’s fee and expense application, the estimated average cost per share of common stock is \$0.05.

8. **Identification of Attorneys’ Representatives:** Lead Plaintiff, Norfolk County, and the Class are being represented by Cohen Milstein Sellers & Toll PLLC. Any questions regarding the Settlement should be directed to Carol V. Gilden, 190 South LaSalle Street, Suite 1705, Chicago, IL 60603, cgilden@cohenmilstein.com.

<b>YOUR LEGAL RIGHTS AND OPTIONS IN THE SETTLEMENT:</b>	
<b>REMAIN A MEMBER OF THE CLASS AND FILE A PROOF OF CLAIM FORM.</b>	This is the only way to receive a payment. If you wish to obtain a payment as a member of the Class, you will need to file a proof of claim form (the “Proof of Claim Form”), which is included with this Notice, postmarked no later than [REDACTED], 2016.
<b>EXCLUDE YOURSELF FROM THE CLASS BY SUBMITTING A WRITTEN REQUEST FOR EXCLUSION SO THAT IT IS RECEIVED NO LATER THAN [REDACTED], 2016.</b>	If you exclude yourself from the Class, you will receive no payment pursuant to this Settlement. You may be able to seek recovery against the Defendants or other Released Parties through other litigation.
<b>OBJECT TO THE SETTLEMENT BY SUBMITTING A WRITTEN OBJECTION SO THAT IT IS RECEIVED NO LATER THAN [REDACTED], 2016.</b>	Write to the Court and explain why you do not like the Settlement, the proposed Plan of Allocation, or the request for attorneys’ fees and reimbursement of Litigation Expenses. You cannot object to the Settlement unless you are a member of the Class and do not validly

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	exclude yourself.
<b>GO TO THE HEARING ON [REDACTED], 2016 AT [REDACTED] [REDACTED].M., AND FILE A NOTICE OF INTENTION TO APPEAR SO THAT IT IS RECEIVED NO LATER THAN [REDACTED], 2016.</b>	You may attend the hearing to speak in Court about the fairness of the Settlement, the proposed Plan of Allocation, or Lead Counsel’s request for attorneys’ fees and reimbursement of Litigation Expenses. You cannot object to the Settlement unless you are a member of the Class and do not validly exclude yourself.
<b>DO NOTHING</b>	Receive no payment, remain a Class Member, give up your rights to seek recovery against the Defendants and the other Released Parties through other litigation and be bound by the Judgment entered by the Court if it approves the Settlement, including the release of the Released Claims.

**WHAT THIS NOTICE CONTAINS**

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**WHY DID I GET THIS NOTICE?**

9. This Notice is being sent to you pursuant to an order of the United States District Court for the Northern District of Illinois (the “Court” or “District Court”) because you or someone in your family may have purchased or otherwise acquired Navistar common stock as described above. The Court has directed us to send you this Notice because, as a potential Class Member, you have a right to know about your options before the Court rules on the proposed Settlement of this case. Additionally, you have the right to understand how a class action lawsuit may generally affect your legal rights.

10. A class action is a type of lawsuit in which the claims of a number of individuals are resolved together, thus providing the class members with both consistency and efficiency. In a class action lawsuit, the Court selects one or more people, known as class representatives or lead plaintiffs, to sue on behalf of all people with similar claims, commonly known as the class or the class members. Once the class is certified, the Court must resolve all issues on behalf of the class members, except for any persons who choose to exclude themselves from the class. (For more information on excluding yourself from the Class, please read “What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?” located below.) In the Action, the Court has directed that Lead Plaintiff and Lead Counsel have primary responsibility for prosecuting all claims against Defendants on behalf of investors who purchased or acquired Navistar common stock during the Class Period.

11. The Court in charge of this case is the United States District Court for the Northern District of Illinois, and the case is known as *Construction Workers Pension Trust Fund -- Lake County and Vicinity v. Navistar International Corporation, et al.*, No. 1:13-cv-02111 (SLE) (N.D. Ill.) (the “Action”). The Judge presiding over this case is the Honorable Sara L. Ellis, United States District Judge. The person who is suing is called the plaintiff, and those who are being sued are called defendants. In this case, the Lead Plaintiff is Central States, Southeast and Southwest Areas Pension Fund, an additional class representative is Norfolk County Retirement System, and the Defendants are Navistar International Corporation; Daniel C. Ustian, the Company’s CEO during the Class Period; Andrew J. Cederroth, the Company’s CFO during the Class Period; and Jack Allen, the Company’s COO during the Class Period. This Settlement is with all Defendants: Navistar International Corporation; Daniel C. Ustian; Andrew J. Cederroth; and Jack Allen.

12. This Notice explains the lawsuit, the Settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them. The purpose of this Notice is to inform you of this case, that it is a class action, how you might be affected, and how to exclude yourself from the Settlement if you wish to do so. It also is being sent to inform you of the terms of the proposed Settlement, and of a hearing to be held by the Court to consider the fairness, reasonableness and adequacy of the proposed Settlement and the application by Lead Counsel for attorneys’ fees and reimbursement of expenses incurred to date (the “Final Approval Hearing”).

13. The Final Approval Hearing will be held on [REDACTED], 2016 at [REDACTED] :[REDACTED] [REDACTED].m., before the Honorable Sara L. Ellis at the United States District Court for the Northern District of

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Illinois, United States Courthouse, 219 South Dearborn Street, Courtroom 1403, Chicago, IL 60604, to determine:

- (i) whether the proposed Settlement on the terms and conditions provided for in the Stipulation and Agreement of Settlement (the “Settlement”) is fair, reasonable and adequate, and should be approved by the Court;
- (ii) whether a judgment should be entered dismissing the Action with prejudice, and whether the release by the Class Members of the Released Claims should be ordered;
- (iii) whether, for purposes of the Settlement, the Class should be certified; whether Lead Plaintiff and Norfolk County should be finally appointed as class representatives for the Class; and whether Lead Counsel should be finally appointed as class counsel for the Class;
- (iv) whether the proposed Plan of Allocation is fair and reasonable and should be approved by the Court; and
- (v) whether Lead Counsel’s request for an award of attorneys’ fees and reimbursement of Litigation Expenses should be approved by the Court.

14. This Notice does not express any opinion by the Court concerning the merits of any claim in the Action, and the Court still has to decide whether to approve the Settlement. Any distribution will not be paid until after the completion of all claims processing. Please be patient.

<b>WHAT IS THIS CASE ABOUT? WHAT HAS HAPPENED SO FAR?</b>
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15. This Action alleges that in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the “Exchange Act”), Defendants misled investors by misrepresenting the status of the Company’s development of EGR diesel engine technology to meet 2010 EPA 0.2 NOx emissions requirements. In particular, it alleges that the Company knowingly or recklessly misrepresented the progress it had made in developing 0.2 NOx EGR technology, and that when the market learned that the Company would abandon EGR technology for an alternative technology, investors were harmed. Defendants have expressly denied, and continue to deny, all the allegations of wrongdoing or liability against them in the Action.

16. On July 22, 2014, the Court dismissed Lead Plaintiff’s Consolidated Amended Complaint without prejudice, granting Lead Plaintiff leave to amend. Then, on July 10, 2015, the Court issued a memorandum and order (the “Motion to Dismiss Order”) granting in part and denying in part Defendants’ motion to dismiss the Second Consolidated Amended Complaint (the “Complaint”). In the Motion to Dismiss Order, the Court found that Lead Plaintiff adequately alleged violations of the Exchange Act against Defendant Ustian for two of the alleged false statements.

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17. On July 22, 2015, Lead Plaintiff and Defendants informed the Court of their intention to explore a potential resolution of the case. On October 1, 2015, Lead Plaintiff and Defendants participated in a day-long mediation under the auspices of a professional mediator; settlement discussions continued in the weeks that followed. On December 1, 2015, Lead Plaintiff and Defendants informed the Court that a settlement in principle had been reached.

**WHAT ARE LEAD PLAINTIFF'S REASONS FOR THE SETTLEMENT?**

18. Lead Plaintiff and Lead Counsel believe that the claims asserted against the Defendants have merit. Lead Plaintiff and Lead Counsel recognize, however, the expense and length of continued proceedings necessary to pursue their claims against the Defendants through continued discovery, trial and appeals, as well as the difficulties in establishing liability. Lead Plaintiff and Lead Counsel have considered the uncertain outcome of trial and appellate risk in complex lawsuits like this one.

19. In light of the risks of continued litigation, Lead Plaintiff and Lead Counsel believe that the proposed Settlement is fair, reasonable and adequate, and in the best interests of the Class. Lead Plaintiff and Lead Counsel also believe that the Settlement provides a substantial benefit now, namely Defendants' payment of \$9,100,000.00 in cash (less the various deductions described in this Notice), as compared to the risk that the claims would produce a similar, smaller, or no recovery after summary judgment, trial and appeals, possibly years in the future. In this regard, Lead Plaintiff has conducted confirmatory discovery, including the review of documents produced by Defendants.

20. Defendants have denied and continue to deny the claims alleged in the Action. Defendants also have denied and continue to deny, *inter alia*, that any member of the Class has suffered any damages; that the price of Navistar common stock was artificially inflated by reason of the alleged misrepresentations, omissions, or otherwise; or that the members of the Class were harmed by the conduct alleged in the Action or that could have been alleged as part of the Action. In addition, the Defendants maintain that they have meritorious defenses to all claims alleged in the Action. Nonetheless, taking into account the uncertainty, risks, and costs inherent in any litigation, especially in complex cases such as this Action, Defendants have concluded that further conduct of the Action could be protracted and distracting. Defendants have, therefore, determined that it is desirable and beneficial to them that the Action be settled in the manner and upon the terms and conditions set forth in the Settlement.

**WHAT MIGHT HAPPEN IF THERE WERE NO SETTLEMENT?**

21. If there were no Settlement and Lead Plaintiff failed to establish any essential legal or factual element of their claims against the Defendants, neither Lead Plaintiff nor members of the Class would recover anything from the Defendants. Also, if the Defendants were successful in proving any of their defenses, the Class likely would recover substantially less than the amount provided in the Settlement, or nothing at all.

**HOW DO I KNOW IF I AM AFFECTED BY THE SETTLEMENT?**

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22. If you are a member of the Class, you are subject to the Settlement unless you timely request to be excluded. The Class consists of: all persons or entities who purchased or otherwise acquired the common stock of Navistar International Corporation (ticker symbol: NAV) between March 10, 2010 and August 1, 2012, both dates inclusive; *except* those persons or entities that timely and validly request exclusion from the Class pursuant to and in accordance with the terms herein. Also excluded from the Class are: Defendants; members of the immediate family of any Defendant; any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest during the Class Period; the officers and directors of Navistar during the Class Period; the Icahn Group; the MHR Group; and legal representatives, agents, executors, heirs, successors, or assigns of any such excluded person or entity.

23. RECEIPT OF THIS NOTICE DOES NOT NECESSARILY MEAN THAT YOU ARE A CLASS MEMBER OR THAT YOU ARE ELIGIBLE TO RECEIVE PROCEEDS FROM THE SETTLEMENT. IF YOU WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MUST SUBMIT THE ENCLOSED PROOF OF CLAIM FORM POSTMARKED NO LATER THAN [REDACTED], 2016.

**HOW MUCH WILL MY PAYMENT BE? WHEN WILL I RECEIVE IT?**

**I. THE PROPOSED PLAN OF ALLOCATION: GENERAL PROVISIONS**

24. Navistar, on behalf of all Defendants, has agreed to cause the Settlement Amount to be paid in cash no later than ten (10) business days after the later of: (i) preliminary approval of the Settlement by the District Court, or (ii) receipt by Defendants' Counsel from Lead Counsel of payment instructions. At this time, it is not possible to make any determination as to how much individual Class Members may receive from the Settlement.

25. The \$9,100,000.00 Settlement Amount, and the interest earned thereon while it is held in escrow before distribution, is referred to as the "Settlement Fund." The Settlement Fund, less all taxes, tax expenses, Notice and Administration costs, and attorneys' fees and Litigation Expenses awarded to Lead Counsel (the "Net Settlement Fund"), shall be distributed based on the acceptable Proof of Claim Forms submitted by members of the Class ("Authorized Claimants"). The Net Settlement Fund will be distributed to Authorized Claimants who timely submit acceptable Proof of Claim Forms under the Plan of Allocation described below, or as otherwise ordered by the Court.

26. Your share of the Net Settlement Fund will depend on the number of shares (represented by valid and acceptable Proof of Claim Forms) that members of the Class submit to the Claims Administrator, relative to the Net Settlement Fund; how many shares you purchased or acquired and when you purchased or acquired them; whether you held or sold those shares; the date on which you sold those shares; and the price at which you sold them, among other factors. At this time, it is not possible to determine how much individual Class Members may receive from the Settlement.

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27. A payment to any Authorized Claimant that would amount to less than \$10.00 in total will not be included in the calculation of the Net Settlement Fund, and no payment to those members of the Class will be made.

28. For each Authorized Claimant, a Recognized Loss will be calculated. The calculation of a Recognized Loss, as defined in ¶ 29 below, is not intended to be an estimate of, nor does it indicate, the amount that a Class Member might have been able to recover after a trial. Nor is the calculation of a Recognized Loss pursuant to the Plan of Allocation an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement, which depends on the total amount of all Recognized Losses of all Authorized Claimants. The Recognized Loss formula provides the basis for proportionately allocating the Net Settlement Fund to Authorized Claimants. That computation is only a method to weigh Class Members' claims against one another. Each Authorized Claimant will receive a *pro rata* share of the Net Settlement Fund based on his, her or its Recognized Loss.

**II. CALCULATION OF RECOGNIZED LOSS OR GAIN AMOUNTS**

29. The Plan of Allocation has been prepared by Lead Counsel's damages consultant. It reflects the allegations in the Complaint that Defendants made materially untrue and misleading statements and omissions resulting in violations of Sections 10(b) and 20(a) of the Exchange Act and that Lead Plaintiff's damages were caused by disclosures relating to Defendants' misleading statements. The objective of the Plan of Allocation is to equitably distribute the Net Settlement Fund to Class Members who suffered economic losses as a result of the alleged violations of the federal securities laws, as opposed to losses caused by market or industry factors or factors unrelated to the alleged violations of law. As set forth in the Plan of Allocation, Lead Plaintiff alleges that on certain disclosure dates, Navistar disclosed information that allegedly corrected previous alleged misrepresentations and omissions, causing a drop in Navistar's stock price (net of factors unrelated to the alleged misrepresentations and omissions). An Authorized Claimant's Recognized Loss will be based upon the particular disclosure date(s) on which the Claimant held Navistar stock for those shares purchased or acquired during the Class Period.

30. Based on the foregoing, and for purposes of this settlement only, the Recognized Loss for any share of Navistar common stock purchased or acquired<sup>2</sup> during the Class Period will be calculated as follows:

**III. PLAN OF ALLOCATION**

31. For all shares of Navistar common stock purchased or otherwise acquired for consideration between March 10, 2010 and August 1, 2012, both dates inclusive, the Recognized Loss is calculated as the number of shares sold multiplied by *the lesser of*:

- A. the recoverable damages set forth in Table A below; and
- B. the following calculation depending on the date of sale:

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<sup>2</sup> All transactions are to be calculated at trade prices exclusive of commissions or fees.

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- (i) if the shares are sold prior to August 2, 2012, the purchase/acquisition price per share less the sale price per share for those shares;
- (ii) if the shares are sold between August 2, 2012 and October 31, 2012, inclusive, the purchase/acquisition price per share less the PSLRA rolling average price on the date of sale as set forth in Table B below; or
- (iii) if the shares are still held as of the close of trading on October 31, 2012, the purchase/acquisition price per share less the PSLRA 90-day look back price of \$22.73 per share.

<b>TABLE A</b>				
		<b>Date of Sale (inclusive)</b>		
		<b>On or Before 7/5/2012</b>	<b>7/6/2012 through 8/1/2012</b>	<b>8/2/2012 and later</b>
<b>Date of Purchase (inclusive)</b>	<b>3/10/2010 through 7/5/2012</b>	\$0.00	\$3.43	\$6.62
	<b>7/6/2012 through 8/1/2012</b>		\$0.00	\$3.19

<b>TABLE B</b>					
<b>Date</b>	<b>PSLRA</b>	<b>Date</b>	<b>PSLRA</b>	<b>Date</b>	<b>PSLRA</b>
8/2/12	\$21.44	8/31/12	\$24.11	10/2/12	\$23.64
8/3/12	\$21.92	9/4/12	\$23.93	10/3/12	\$23.58
8/6/12	\$22.82	9/5/12	\$23.79	10/4/12	\$23.54
8/7/12	\$23.53	9/6/12	\$23.79	10/5/12	\$23.49
8/8/12	\$23.86	9/7/12	\$23.83	10/8/12	\$23.47
8/9/12	\$24.14	9/10/12	\$23.84	10/9/12	\$23.45
8/10/12	\$24.41	9/11/12	\$23.86	10/10/12	\$23.42
8/13/12	\$24.54	9/12/12	\$23.90	10/11/12	\$23.40
8/14/12	\$24.58	9/13/12	\$23.94	10/12/12	\$23.38
8/15/12	\$24.64	9/14/12	\$24.00	10/15/12	\$23.35
8/16/12	\$24.71	9/17/12	\$24.04	10/16/12	\$23.29
8/17/12	\$24.77	9/18/12	\$24.06	10/17/12	\$23.25
8/20/12	\$24.79	9/19/12	\$24.08	10/18/12	\$23.20
8/21/12	\$24.82	9/20/12	\$24.08	10/19/12	\$23.13
8/22/12	\$24.82	9/21/12	\$24.06	10/22/12	\$23.07
8/23/12	\$24.72	9/24/12	\$24.03	10/23/12	\$23.01
8/24/12	\$24.61	9/25/12	\$23.96	10/24/12	\$22.94
8/27/12	\$24.54	9/26/12	\$23.90	10/25/12	\$22.87
8/28/12	\$24.45	9/27/12	\$23.85	10/26/12	\$22.80

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8/29/12	\$24.35	9/28/12	\$23.78	10/31/12	\$22.73
8/30/12	\$24.21	10/1/12	\$23.71		

32. All purchases/acquisitions and sales of Navistar shares during the Class Period shall be matched on a first-in-first-out (“FIFO”) basis. Sales of Navistar shares by Class Members during the Class Period and the 90 days thereafter will be matched first against the first Navistar shares purchased or acquired that have not already been matched to sales under FIFO, and then against subsequent purchases/acquisitions in chronological order, until the end of the Class Period. A purchase/acquisition or sale of Navistar common stock shall be deemed to have occurred on the “contract” or “trade” date as opposed to the “settlement” or “payment” date.

33. The date of covering a “short sale” is deemed to be the date of purchase of shares. The date of a “short sale” is deemed to be the date of sale of shares. However, the Recognized Loss on “short sales” is zero. In the event that a claimant has an opening short position in Navistar common stock, the earliest Class Period purchases shall be matched against such opening short position and not be entitled to a recovery until that short position is fully covered.

34. To the extent a Class Member had a gain from his, her, or its overall transactions in Navistar common stock during the Class Period, the value of the claim will be zero. Shares held before the beginning of the Class Period are excluded from the calculation of overall gain or loss. For shares held through the end of the 90-day look back period, a value of \$22.73 will be applied as the holding value for the purpose of calculating an overall loss or gain. If, during the Class Period, a Class Member had a net market loss in his, her or its trading in Navistar common stock, the Class Member’s net Recognized Loss shall be limited to the Class Member’s net market loss.

35. The receipt or grant by gift, devise or inheritance of Navistar common stock during the Class Period shall not be deemed to be a purchase or acquisition of Navistar common stock for purposes of the calculation of an Authorized Claimant’s Recognized Loss if the Person from whom the Navistar common stock was received did not themselves acquire the common stock during the Class Period, nor shall it be deemed an assignment of any claim relating to the purchase or acquisition of such shares unless specifically provided in the instrument or gift or assignment.

36. If any funds remain in the Net Settlement Fund by reason of uncashed distributions or otherwise, then after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund six (6) months after the initial distribution of such funds shall be redistributed to Class Members who have cashed their initial distributions in a manner consistent with the Plan of Allocation. The Claims Administrator shall, if feasible, continue to reallocate any further balance remaining in the Net Settlement Fund after the redistribution is completed among Class Members in the same manner and timeframe as provided for above. If any portion of the Net Settlement Fund remains following the above-described distributions and is of such an amount that in the determination of the Claims Administrator is not cost-effective or efficient to redistribute to the Class, then such remaining funds, after payment of any further Notice and Administration Costs

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and Taxes and Tax Expenses, shall be donated to a nonsectarian charitable organization(s) certified as tax-exempt under United States Internal Revenue Code Section 501(c)(3), to be proposed by Lead Counsel and subject to Court approval.

**V. DISTRIBUTION OF THE NET SETTLEMENT FUND**

37. The Recognized Loss will be used solely to calculate the relative amount of the Net Settlement Fund to be apportioned to each Authorized Claimant and does not reflect the actual amount an Authorized Claimant may expect to recover from the Net Settlement Fund. The combined Recognized Losses of all Authorized Claimants may be greater than the Net Settlement Fund. If this is the case, and subject to the \$10.00 minimum payment requirement described in ¶ 27 above, each Authorized Claimant shall receive his, her or its *pro rata* share of the Net Settlement Fund, which shall be his, her or its Recognized Loss divided by the total of all Recognized Losses to be paid, multiplied by the total amount in the Net Settlement Fund.

38. Payment pursuant to the Plan of Allocation shall be conclusive against all Authorized Claimants. No person shall have any claim relating to the Plan of Allocation, or distributions made pursuant to the Plan of Allocation, or denials of any Proof of Claim in whole or in part, against Defendants or the other Released Parties (defined below). No person shall have any claim based on distributions made substantially in accordance with the Settlement, the Plan of Allocation, or further order(s) of the Court against Lead Counsel, Lead Plaintiff, Norfolk County, Class Members, the Claims Administrator, Defendants, the Released Parties, or any person designated by Lead Counsel. All members of the Class who fail to timely submit an acceptable Proof of Claim Form by the deadline set by the Court, or such other deadline as may be ordered by the Court, or otherwise allowed, shall be forever barred from receiving any payments pursuant to the Settlement, but will in all other respects be subject to and bound by the terms of the Settlement, including the release of the Released Claims.

39. The Net Settlement Fund will not be distributed until the Court has approved a plan of allocation, and the time for any petition for rehearing, appeal or review, whether by *certiorari* or otherwise, has expired.

40. Approval of the Settlement is independent from approval of the Plan of Allocation. Any determination with respect to the Plan of Allocation will not affect the Settlement, if approved.

41. Only those Class Members who purchased or otherwise acquired Navistar common stock during the Class Period and were damaged as a result of such purchases or acquisitions will be eligible to share in the distribution of the Net Settlement Fund. Each person or entity wishing to participate in the distribution must timely submit a valid Proof of Claim Form establishing membership in the Class, and include all required documentation, before the deadline set forth herein.

42. Unless the Court otherwise orders, any Class Member who fails to submit a Proof of Claim Form before the deadline shall be forever barred from receiving payments pursuant to the Settlement but will in all other respects remain a Class Member and be subject to the provisions of the Settlement, including the terms of any judgments entered and releases given.

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This means that each Class Member is bound by the release of claims (described in ¶¶ 46-50 below) regardless of whether or not such Class Member submits a Proof of Claim Form.

43. Persons and entities that are excluded from the Class by definition or that exclude themselves from the Class will not be eligible to receive a distribution from the Net Settlement Fund and should not submit Proof of Claim Forms.

44. The Court has reserved jurisdiction to allow, disallow, or adjust on equitable grounds the claim of any member of the Class.

45. The Plan of Allocation set forth herein is the proposed plan submitted by Lead Plaintiff and Lead Counsel for the Court's approval. The Court may approve this plan as proposed or may modify it without further notice to the Class.

**WHAT RIGHTS AM I GIVING UP BY AGREEING TO THE SETTLEMENT?**

46. If the Settlement is approved, the Court will enter a judgment (the "Judgment"). The Judgment will dismiss with prejudice the claims in the Action and will provide that Lead Plaintiff, Norfolk County, and all other Class Members, on behalf of themselves and any of their personal representatives, spouses, domestic partners, trustees, heirs, executors, administrators, successors, assigns (or any other person or entity who has the right, ability, standing, or capacity to assert on behalf of any Class Member any of the Released Claims (or to obtain the proceeds of any recovery therefrom)) shall be deemed to have – and by operation of the Judgment shall have – fully and finally released, dismissed and forever discharged the Released Claims against the Released Parties, and shall forever be enjoined from pursuing any or all Released Claims.

47. There is a risk that Lead Plaintiff, Norfolk County, and Class Members may hereafter discover facts in addition to or different from those which they now know or believe to be true with respect to the subject matter of the Released Claims, but Lead Plaintiff and Norfolk County shall expressly fully, finally and forever settle and release – and each Class Member shall be deemed to have, and by operation of the Judgment shall have fully, finally and forever settled and released – any and all Released Claims, known or unknown, suspected or unsuspected, contingent or non-contingent, whether or not concealed or hidden, which now exist, or heretofore have existed, upon any theory of law or equity now existing or coming into existence in the future, including, but not limited to, conduct which is negligent, reckless, intentional, with or without malice, or a breach of any duty, law or rule, without regard to the subsequent discovery or existence of such different or additional facts. Such claims are referred to as "Unknown Claims" and include any and all Released Claims, of every nature and description, that Lead Plaintiff, Norfolk County, and/or any Class Member does not know or suspect to exist in his, her or its favor at the time of the release of the Released Parties, which if known by him, her or it, might have affected his, her or its settlement with and release of the Released Parties, or might have affected his, her or its decision not to object to this Settlement or not to exclude himself, herself or itself from the Class or to release the Released Claims. Lead Plaintiff and Norfolk County acknowledge, and Class Members by law and operation of the Judgment shall be deemed to have acknowledged, that the inclusion of "Unknown Claims" in the definition of Released Claims was separately bargained for and was a material element of the Settlement.

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48. The Judgment also will provide that the Defendants and each of the other Released Parties shall be deemed to have and by operation of the Judgment shall have fully, finally and forever waived, released, relinquished, discharged and dismissed each and every one of the Settled Defendants' Claims, and shall be forever barred and enjoined from commencing, instituting, participating in, maintaining, or continuing to prosecute any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Settled Defendants' Claims (including, without limitation, Unknown Claims) arising out of, relating to, or in connection with the institution, prosecution, assertion, settlement or resolution of the Action or the Released Claims. Notwithstanding the above, nothing in this Judgment shall bar any action by any of the Settling Parties to enforce or effectuate the terms of the Settlement, the Preliminary Approval Order, or this Judgment.

49. "Released Claims" means any and all actions, causes of action, claims (including "Unknown Claims," as defined in the Settlement), duties, debts, demands, rights, disputes, suits, matters, damages, losses, obligations, proceedings, issues, judgments, and liabilities of every nature and description whatsoever (and including, but not limited to, any claims for damages, whether compensatory, consequential, special, punitive, exemplary or otherwise, and any fees, costs, expenses, or charges), whether known or unknown, suspected or unsuspected, fixed or contingent, foreseen or unforeseen, liquidated or unliquidated, accrued or unaccrued, matured or unmatured, at law or in equity, whether class, derivative, or individual in nature, whether or not concealed or hidden, which now exist, or heretofore have existed, or can, shall or may exist, whether arising under federal, state, common, statutory, administrative or foreign law, regulation, or at equity, that that Lead Plaintiff, Norfolk County, or any Class Member has asserted in this Action, or could have asserted now or in the future in this Action or in any other proceeding or forum that arise out of, relate to or are based upon, (a) the allegations, claims, transactions, facts, matters, occurrences, events, failures, representations, statements, or omissions alleged, involved, set forth, or referred to in this Action; and (b) the purchase, sale, acquisition or holding of Navistar common stock during the Class Period.. Released Claims do not, however, include claims to enforce this Settlement, or claims in any derivative actions currently pending against any of the Released Parties.

50. "Released Parties" means each Defendant and his, her or its respective past, present or future directors, officers, employees, parents, partners, members, principals, agents, owners, fiduciaries, shareholders, related or affiliated entities, subsidiaries, divisions, accountants, auditors, attorneys, associates, consultants, advisors, insurers, co-insurers, reinsurers, trustees, estates, beneficiaries, administrators, foundations, underwriters, banks or bankers, personal or legal representatives, divisions, joint ventures, spouses, domestic partners, family members, heirs, executors, or any other person or entity acting or purporting to act for or on behalf of any of the Defendants, and each of their respective predecessors, successors and assigns, and any trusts for which any of them are trustees, settlors, or beneficiaries.

<p><b>WHAT PAYMENT ARE THE ATTORNEYS FOR THE CLASS SEEKING? HOW WILL THE LAWYERS BE PAID?</b></p>
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51. Lead Counsel has not received any payment for its services in pursuing claims against Defendants on behalf of the Class, nor has Lead Counsel been reimbursed for its out-of-

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pocket expenses. Before final approval of the Settlement, Lead Counsel intends to apply to the Court for an award of attorneys' fees from the Settlement Fund in an amount not to exceed 22% of the Settlement Fund (or \$2,002,000.00), plus interest at the same rate and for the same time period as earned by the Settlement Fund. At the same time, Lead Counsel also intends to apply for the reimbursement of certain expenses paid or incurred in connection with the prosecution and resolution of the Action in an amount not to exceed \$275,000.00, plus interest at the same rate and for the same time period as earned by the Settlement Fund. In addition, Lead Counsel may also apply for reimbursements for, among other things, litigation-related expenses of Lead Plaintiff in accordance with 15 U.S.C. § 78u-4(a)(4) not to exceed \$10,000.00. The sums approved by the Court will be paid from the Settlement Fund. Class Members are not personally liable for the payment of these sums.

**HOW DO I PARTICIPATE IN THE SETTLEMENT? WHAT DO I NEED TO DO?**

52. If you purchased or acquired Navistar common stock as described above, and you are not excluded from the definition of the Class and you do not timely exclude yourself from the Class in the manner provided in this Notice, then you are a member of the Class and you will be bound by the proposed Settlement if the Court approves it, and by any judgment or determination of the Court affecting the Class. If you are a member of the Class, you must submit a Proof of Claim Form and supporting documentation to establish your entitlement to share in the Settlement. A Proof of Claim Form is included with this Notice, or you may go to the website maintained by the Claims Administrator for the Settlement to request that a Proof of Claim Form be mailed to you. The website is [www.navistarsecuritiessettlement.com](http://www.navistarsecuritiessettlement.com). You may also request a Proof of Claim Form by calling toll-free (844) 778-5949 or emailing [info@navistarsecuritiessettlement.com](mailto:info@navistarsecuritiessettlement.com). Copies of the Proof of Claim Form can also be downloaded from Lead Counsel's website at [www.cohenmilstein.com](http://www.cohenmilstein.com). Those who exclude themselves from the Class, and those who do not submit timely and valid Proof of Claim Forms with adequate supporting documentation, will not be eligible to share in the Settlement. Please retain all records of your ownership of, or transactions in, Navistar common stock during the Class Period, as they may be needed to document your claim. Do not submit original documentation with your Proof of Claim Form – submit copies only – because materials submitted will not be returned.

53. As a Class Member, you are represented by Lead Plaintiff, Norfolk County, and Lead Counsel unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file a notice of appearance on your behalf and must serve copies of his or her notice of appearance on the attorneys listed in the section below entitled, "When and Where Will the Court Decide Whether to Approve the Settlement?"

54. If you do not wish to remain a Class Member, you may exclude yourself from the Class by following the instructions in the section below entitled, "What If I Do Not Want To Be A Part Of The Settlement? How Do I Exclude Myself?"

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55. If you wish to object to the Settlement or any of its terms, the proposed Plan of Allocation, or Lead Counsel’s application for attorneys’ fees and reimbursement of Litigation Expenses, and if you do not exclude yourself from the Class, you may present your objections by following the instructions in the section below entitled, “When and Where Will the Court Decide Whether to Approve the Settlement?”

**WHAT IF I DO NOT WANT TO BE A PART OF THE SETTLEMENT?  
HOW DO I EXCLUDE MYSELF?**

56. Each Class Member will be bound by all determinations and judgments in this lawsuit, including those concerning the Settlement and the releases contained therein, whether favorable or unfavorable, unless such person or entity mails, by first class mail (or its equivalent outside the U.S.), or otherwise delivers a written request for exclusion from the Class, addressed to Navistar Securities Settlement, P.O. Box 4540, Portland, OR 97208-4540. The exclusion request must be received by no later than [REDACTED], 2016. Each request for exclusion must clearly indicate the name, address and telephone number of the person or entity seeking exclusion, that the sender requests to be excluded from the Class in *Construction Workers Pension Trust Fund -- Lake County and Vicinity v. Navistar International Corporation, et al.*, No. 1:13-cv-02111 (SLE) (N.D. Ill.), and must be signed by such person or entity. Such persons or entities requesting exclusion are also required to provide the following information: (i) the quantity of Navistar common stock purchased (or otherwise acquired) or sold between March 10, 2010 and August 1, 2012, both dates inclusive; (ii) the prices or other consideration paid or received for such common stock; and (iii) the dates of such transactions. Requests for exclusion will not be valid if they do not include the information set forth above and are not received within the time stated above, unless the Court otherwise determines.

***Please keep a copy of everything you send by mail, in case it is lost during shipping.***

57. If a person or entity requests to be excluded from the Class, that person or entity will not receive any benefit provided for in the Settlement.

**WHEN AND WHERE WILL THE COURT DECIDE WHETHER TO APPROVE THE  
SETTLEMENT?  
DO I HAVE TO COME TO THE HEARING?  
MAY I SPEAK AT THE HEARING IF I DON’T LIKE THE SETTLEMENT?**

58. **If you do not wish to object in person to the proposed Settlement and/or the application for attorneys’ fees and reimbursement of Litigation Expenses, you do not need to attend the Final Approval Hearing. You can object to or participate in the Settlement without attending the Final Approval Hearing.**

59. The Final Approval Hearing will be held on [REDACTED], 2016, at [REDACTED] .m., before the Honorable Sara L. Ellis at the United States District Court for the Northern District of Illinois, United States Courthouse, 219 South Dearborn Street, Courtroom 1403, Chicago, IL 60604. The Court has the right to approve the Settlement, the Plan of Allocation or the request

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for attorneys' fees and reimbursement of Litigation Expenses at or after the Final Approval Hearing without further notice to the members of the Class.

60. Any Class Member who does not request exclusion in accordance with ¶ 56 above may object to the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses. Objections must be in writing. You must file any written objection, together with copies of all other supporting papers and briefs, with the Clerk's Office at the United States District Court for the Northern District of Illinois at the address set forth below on or before [REDACTED], 2016. You must also serve the papers on Lead Counsel for the Class and Defendants' Counsel at the addresses set forth below so that the papers are *received* on or before [REDACTED], 2016.

<b>Clerk's Office</b>	<b>Lead Counsel for the Class</b>	<b>Defendants' Counsel</b>
U.S. DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS 219 S. Dearborn St. Chicago, IL 60604	COHEN MILSTEIN SELLERS & TOLL PLLC Carol V. Gilden, Esq. 190 South LaSalle St., Suite 1705 Chicago, IL 60603	LATHAM & WATKINS LLP Eric R. Swibel, Esq. 330 N. Wabash Ave., Suite 2800 Chicago, IL 60611

61. To object, you must send a letter, brief or other writing saying that you object to the Settlement in *Construction Workers Pension Trust Fund -- Lake County and Vicinity v. Navistar International Corporation, et al.*, No. 1:13-cv-02111 (SLE) (N.D. Ill.), and explaining in detail the basis for your objection or objections. Be sure to include your name, address, telephone number, your signature, the quantity of Navistar common stock that you purchased or acquired from March 10, 2010 and August 1, 2012, both dates inclusive, the dates of these purchases and sales, and copies of documents (such as brokerage statements) sufficient to show that you are a member of the Class. Persons or entities who intend to object to the Settlement, the Plan of Allocation and/or to Lead Counsel's application for an award of attorneys' fees and reimbursement of Litigation Expenses must include a list of cases in which you or your counsel have appeared as settlement objectors or counsel for objectors in the preceding five years.

62. You may not object to the Settlement, or any aspect of it, if you are not a member of the Class or if you excluded yourself from the Class.

63. If you wish to be heard orally at the Final Approval Hearing in opposition to the approval of the Settlement, the Plan of Allocation, or Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses, and if you have filed and served a timely written objection as described above, you also must notify the above counsel on or before [REDACTED], 2016, concerning your intention to appear. Persons or entities who intend to object and desire to present evidence at the Final Approval Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the hearing.

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64. You may file a written objection without having to appear at the Final Approval Hearing. You may not appear at the Final Approval Hearing to present your objection, however, unless you have first filed and served a written objection in accordance with the procedures described above, unless the Court orders otherwise.

65. You are not required to hire an attorney to represent you in making written objections or in appearing at the Final Approval Hearing. If you decide to hire an attorney at your own expense, he or she must file a notice of appearance with the Court and serve it on Lead Counsel so that the notice is received on or before [REDACTED], 2016.

66. If you object to the Settlement, the Plan of Allocation and/or Lead Counsel's request for an award of attorneys' fees and reimbursement of Litigation Expenses, or otherwise request to be heard at the Final Approval Hearing in the manner stated above, you are submitting to the jurisdiction of the Court with respect to the subject matter of the Settlement, including, but not limited to, the release of the Released Claims contained in the Judgment. If the Court overrules your objection and approves the Settlement or the part of the Settlement to which you have objected, you only will potentially share in the Net Settlement Fund if you file a Proof of Claim Form in the manner stated in ¶ 52 above and the Claims Administrator approves your claim.

67. The Final Approval Hearing may be adjourned by the Court without further written notice to the Class. Any new date for the Final Approval Hearing will be posted on the settlement website at [www.navistarsecuritiessettlement.com](http://www.navistarsecuritiessettlement.com). If you intend to attend the Final Approval Hearing, you should confirm the date and time with Lead Counsel.

**Unless the Court orders otherwise, any Class Member who does not object in the manner described above will be deemed to have waived any objection and will be forever foreclosed from making any objection to the proposed Settlement or Lead Counsel's request for reimbursement of expenses. Class Members do not need to appear at the hearing or take any other action to indicate their approval.**

**WHAT IF I BOUGHT SHARES ON SOMEONE ELSE'S BEHALF?**

68. If you purchased or otherwise acquired Navistar common stock for the beneficial interest of a person or organization other than yourself, you must either (i) within fourteen (14) days after you receive this Notice, request from the Claims Administrator sufficient copies of the Notice and the Proof of Claim Form to forward to all such beneficial owners, and within fourteen (14) days of receipt of the copies of the Notice and the Proof of Claim Form forward them to all such beneficial owners; or (ii) within fourteen (14) days after you receive this Notice, provide a list of the names and addresses of all such beneficial owners (preferably in electronic format (e.g., Excel .csv)) to Navistar Securities Settlement, P.O. Box 4540, Portland, OR 97208-4540, or by email to [info@navistarsecuritiessettlement.com](mailto:info@navistarsecuritiessettlement.com). If you choose the second option, the Claims Administrator will send a copy of the Notice and the Proof of Claim Form to each beneficial owner whose name and address you provide. Upon full compliance with these directions, nominees may seek reimbursement of their reasonable expenses *actually* incurred by providing the Claims Administrator with proper documentation supporting the expenses for

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which reimbursement is sought. Copies of this Notice may also be obtained by calling the Claims Administrator at (844) 778-5949. Copies of this Notice may be downloaded from the settlement website, [www.navistarsecuritiessettlement.com](http://www.navistarsecuritiessettlement.com), or from Lead Counsel's website, [www.cohenmilstein.com](http://www.cohenmilstein.com).

**CAN I SEE THE COURT FILE? WHO SHOULD I CONTACT IF I HAVE QUESTIONS?**

69. This Notice contains only a summary of the terms of the proposed Settlement. More detailed information about the matters involved in the Action is available at [www.navistarsecuritiessettlement.com](http://www.navistarsecuritiessettlement.com), including, among other documents, copies of the Settlement and the Complaint. All inquiries concerning this Notice should be directed to:

Navistar Securities Settlement  
P.O. Box 4540  
Portland, OR 97208-4540  
(844) 778-5949  
[info@navistarsecuritiessettlement.com](mailto:info@navistarsecuritiessettlement.com)

**OR**

COHEN MILSTEIN SELLERS & TOLL PLLC  
Carol V. Gilden, Esq.  
190 S. LaSalle St., Suite 1705  
Chicago, IL 60603  
(312) 357-0370  
[cgilden@cohenmilstein.com](mailto:cgilden@cohenmilstein.com)

**Lead Counsel**

**DO NOT CALL OR WRITE THE COURT OR THE OFFICE OF THE CLERK OF COURT REGARDING THIS NOTICE.**

Dated: \_\_\_\_\_, 2016

By Order of the Court  
United States District Court  
for the Northern District of Illinois

# EXHIBIT A-2

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

CONSTRUCTION WORKERS PENSION )	Civ. No. 1:13-cv-2111
TRUST FUND – LAKE COUNTY AND )	
VICINITY, Individually and on Behalf of )	CLASS ACTION
All Others Similarly Situated, )	
Plaintiff, )	
vs. )	
)	
NAVISTAR INTERNATIONAL )	
CORPORATION, DANIEL C. USTIAN, )	
ANDREW J. CEDEROTH, and JACK )	
ALLEN, )	
Defendants. )	

**SUMMARY NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT**

**EXHIBIT A-2**

**TO: ALL PERSONS AND ENTITIES WHO PURCHASED OR ACQUIRED COMMON STOCK OF NAVISTAR INTERNATIONAL CORPORATION (“NAVISTAR” OR THE “COMPANY”) (TICKER SYMBOL: NAV) BETWEEN MARCH 10, 2010 AND AUGUST 1, 2012, BOTH DATES INCLUSIVE (THE “CLASS PERIOD”).**

**PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED BY A CLASS ACTION LAWSUIT PENDING IN THIS COURT.**

YOU ARE HEREBY NOTIFIED that a proposed Settlement has been reached in this Action.<sup>1</sup> A hearing will be held with respect to the Settlement on [REDACTED], 2016, at [REDACTED] .M. before the Honorable Sara L. Ellis at the United States District Court for the Northern District of Illinois, United States Courthouse, 219 South Dearborn Street, Courtroom 1403, Chicago, IL 60604.

The purpose of the hearing is to determine, among other things, whether the proposed Settlement of the securities class action claims asserted in this Action, pursuant to which Navistar, on behalf of all Defendants, will cause to be deposited into a Settlement Fund the sum of nine million one hundred thousand dollars (\$9,100,000.00) in exchange for the dismissal of

<sup>1</sup> This Summary Notice incorporates by reference the definitions in the Stipulation and Agreement of Settlement, dated May 4, 2016 (the “Settlement”), and all capitalized terms used, but not defined, herein shall have the same meanings as in the Settlement. A copy of the Settlement can be obtained at [www.navistarsecuritiessettlement.com](http://www.navistarsecuritiessettlement.com).

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the Action with prejudice and a release of claims against the Defendants and other Released Parties, should be approved by the Court as fair, reasonable, adequate and in the best interests of the Class. If you purchased or otherwise acquired Navistar common stock (ticker symbol: NAV) during the Class Period, you may be entitled to share in the distribution of the Settlement Fund if you submit a Proof of Claim Form no later than [REDACTED], 2016, and if the information and documentation you provide in that Proof of Claim Form establishes that you are entitled to a recovery.

This Summary Notice provides only a summary of matters regarding the Action and the Settlement. A detailed notice (the "Notice") describing the Action, the proposed Settlement, and the rights of Class Members to appear in Court at the Final Approval Hearing, to request to be excluded from the Class, and/or to object to the Settlement, the Plan of Allocation and/or the request by Lead Counsel for an award of attorneys' fees and reimbursement of Litigation Expenses, has been mailed to persons or entities known to be potential Class Members. You may obtain a copy of that Notice, a Proof of Claim Form, or other information at [www.navistarsecuritiessettlement.com](http://www.navistarsecuritiessettlement.com), or by writing to the following address or calling the following telephone number.

**Navistar Securities Settlement**  
**P.O. Box 4540**  
**Portland, OR 97208-4540**  
**(844) 778-5949**

If you are a Class Member, you have the right to object to the Settlement, the Plan of Allocation and/or the request by Lead Counsel for an award of attorneys' fees and Litigation Expenses, or otherwise request to be heard, by submitting a written objection in accordance with the procedures described in the Notice. The objection must be filed and served so that it is received no later than [REDACTED], 2016. You also have the right to exclude yourself from the Class by submitting a written request for exclusion from the Class in accordance with the procedures described in the Notice. The request for exclusion must be received no later than [REDACTED], 2016. If the Settlement is approved by the Court, you will be bound by the Settlement and the Court's Judgment, including the releases provided for in the Settlement and Judgment, unless you submit a request to be excluded.

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE REGARDING THIS NOTICE. Inquiries, other than requests for the detailed Notice referenced above and a Proof of Claim Form, may be made to Lead Counsel for the Lead Plaintiff:

**COHEN MILSTEIN SELLERS & TOLL PLLC**

Carol V. Gilden, Esq.  
190 S. LaSalle St., Suite 1705  
Chicago, IL 60603  
Tel: (312) 357-0370  
Email: [cgilden@cohenmilstein.com](mailto:cgilden@cohenmilstein.com)

Dated: \_\_\_\_\_, 2016

By Order of the Court,  
United States District Court  
for the Northern District of Illinois

# EXHIBIT A-3

**MUST BE  
POSTMARKED  
NO LATER THAN  
xxxxxxx, 2016**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
*Construction Workers Pension Trust Fund -- Lake County and Vicinity v.  
Navistar International Corporation, et al.,*  
No. 1:13-cv-02111 (SLE)

## INSTRUCTIONS FOR COMPLETING PROOF OF CLAIM FORM

### GENERAL RULES FOR RECOVERING

1. To recover as a Class Member based on your claims in the action entitled *Construction Workers Pension Trust Fund -- Lake County and Vicinity v. Navistar International Corporation, et al.*, No. 1:13-cv-02111 (SLE) (the "Action"),<sup>1</sup> you must complete and, on page [7] hereof, sign this Proof of Claim Form. If you fail to file a properly addressed (as set forth in paragraph 3 below) Proof of Claim Form, your Claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed Settlement of the Action.
2. Submission of this Proof of Claim Form, however, does not assure that you will share in the proceeds of the Settlement of the Action. Your recovery, if any, will be calculated as described in the Plan of Allocation in the Notice of Pendency of Class Action and Proposed Settlement ("Notice").
3. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM FORM POSTMARKED ON OR BEFORE \_\_\_\_\_, 2016, ADDRESSED AS FOLLOWS:

*Navistar Securities Settlement*  
P.O. Box 4540  
Portland, OR 97208-4540

4. If you are NOT a Class Member (as defined in the Notice), DO NOT submit a Proof of Claim Form.
5. If you are a Class Member and you did not timely and validly request exclusion from the proposed Settlement, you will still be bound by the terms of the Settlement and any judgment entered in the Action, including the releases provided therein, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM FORM.

### IDENTIFICATION OF CLAIMANT

6. THIS PROOF OF CLAIM FORM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER(S), OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER(S), OF THE NAVISTAR COMMON STOCK (TICKER SYMBOL: NAV) UPON WHICH THESE CLAIMS ARE BASED.
7. Use Part I of this form entitled "Claimant Identification" to identify each beneficial purchaser.
8. All joint purchasers must sign this Proof of Claim Form. Executors, administrators, guardians, conservators, and trustees must complete and sign this Proof of Claim Form on behalf of persons represented by them, and their authority must accompany this Claim and their titles or capacities must be stated. The last four digits of the Social Security (or taxpayer identification) number and telephone number of the beneficial owner(s) may be used in verifying the Claim. Failure to provide the foregoing information could delay verification of your Claim or result in rejection of the Claim.

### IDENTIFICATION OF TRANSACTION(S)

9. Use Part II of this form entitled "Schedule of Holdings and Transactions in Navistar Common Stock" to supply all required details of your transaction(s) in Navistar common stock. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.
10. On the schedules, provide all of the requested information with respect to *all* of your purchases of Navistar common stock which took place during the Class Period, whether such transactions resulted in a profit or a loss. Failure to report all such transactions may result in the rejection of your Claim.
11. List each transaction separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.
12. You should attach documentation verifying your transactions in Navistar common stock, such as copies of broker confirmations. Failure to provide this documentation could delay verification of your Claim or result in rejection of your Claim.

<sup>1</sup> This Proof of Claim Form incorporates by reference the definitions in the Stipulation and Agreement of Settlement dated May 4, 2016 ("Settlement"), and all capitalized terms used, but not defined herein, shall have the same meanings as in the Settlement. A copy of the Settlement can be obtained at [www.navistarsecuritiessettlement.com](http://www.navistarsecuritiessettlement.com).

# PROOF OF CLAIM FORM

**MUST BE  
POSTMARKED  
NO LATER THAN  
xxxxxxx, 2016**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF ILLINOIS  
*Construction Workers Pension Trust Fund -- Lake  
County and Vicinity v. Navistar International  
Corporation, et al.,*  
No. 1:13-cv-02111 (SLE)



## PART I: CLAIMANT IDENTIFICATION

**Claimant/Representative Contact Information:**  
The Claims Administrator will use the contact information for all correspondence relevant to this Claim (including the distribution (check), if the Claim is ultimately determined to be eligible for payment). If the contact information changes, then you must notify the Claims Administrator in writing at the above address.

Claimant's Name (as you would like it to appear on your check if eligible for payment)

Address Line 1 (Number and Street or P.O. Box)

Address Line 2 (if needed)

City  State or Province  Zip Code

Country name  Last 4 Digits of Social Security Number (for individuals)  
Or T.I.N. (for estates, trusts, corporations, etc.)

Representative's Name (if different from the Claimant's Name(s) listed above)

Telephone Number (Work)  Telephone Number (Home)

Email

Account Number





YOU MUST READ THE RELEASE AND YOUR SIGNATURE ON PAGE [7] WILL CONSTITUTE YOUR ACKNOWLEDGMENT OF THE RELEASE.

### **PART III: SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS**

I (WE) SUBMIT THIS PROOF OF CLAIM FORM UNDER THE TERMS OF THE SETTLEMENT DESCRIBED IN THE NOTICE. I (WE) ALSO SUBMIT TO THE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS WITH RESPECT TO MY (OUR) CLAIM AS A CLASS MEMBER AND FOR PURPOSES OF ENFORCING THE RELEASES SET FORTH IN THE SETTLEMENT AND REPEATED HEREIN. I (WE) FURTHER ACKNOWLEDGE THAT I AM (WE ARE) BOUND BY AND SUBJECT TO THE TERMS OF ANY JUDGMENT THAT MAY BE ENTERED IN THE ACTION. I (WE) AGREE TO FURNISH ADDITIONAL INFORMATION TO THE CLAIMS ADMINISTRATOR TO SUPPORT THIS CLAIM IF REQUESTED TO DO SO. I (WE) HAVE NOT SUBMITTED ANY OTHER CLAIM COVERING THE SAME PURCHASES OR SALES OF NAVISTAR COMMON STOCK AND KNOW OF NO OTHER PERSON HAVING DONE SO ON MY (OUR) BEHALF.

### **PART IV: RELEASE**

1. I (WE) HEREBY ACKNOWLEDGE FULL AND COMPLETE SATISFACTION OF, AND DO HEREBY FULLY, FINALLY, AND FOREVER WAIVE, RELEASE, RELINQUISH, DISCHARGE AND DISMISS FROM THE RELEASED CLAIMS EACH AND ALL OF THE "RELEASED PARTIES," DEFINED AS EACH DEFENDANT AND HIS, HER OR ITS RESPECTIVE PAST, PRESENT OR FUTURE DIRECTORS, OFFICERS, EMPLOYEES, PARENTS, PARTNERS, MEMBERS, PRINCIPALS, AGENTS, OWNERS, FIDUCIARIES, SHAREHOLDERS, RELATED OR AFFILIATED ENTITIES, SUBSIDIARIES, DIVISIONS, ACCOUNTANTS, AUDITORS, ATTORNEYS, ASSOCIATES, CONSULTANTS, ADVISORS, INSURERS, CO-INSURERS, REINSURERS, TRUSTEES, ESTATES, BENEFICIARIES, ADMINISTRATORS, FOUNDATIONS, UNDERWRITERS, BANKS OR BANKERS, PERSONAL OR LEGAL REPRESENTATIVES, DIVISIONS, JOINT VENTURES, SPOUSES, DOMESTIC PARTNERS, FAMILY MEMBERS, HEIRS, EXECUTORS, OR ANY OTHER PERSON OR ENTITY ACTING OR PURPORTING TO ACT FOR OR ON BEHALF OF ANY OF THE DEFENDANTS, AND EACH OF THEIR RESPECTIVE PREDECESSORS, SUCCESSORS AND ASSIGNS, AND ANY TRUSTS FOR WHICH ANY OF THEM ARE TRUSTEES, SETTLORS, OR BENEFICIARIES.
2. "RELEASED CLAIMS" MEANS ANY AND ALL ACTIONS, CAUSES OF ACTION, CLAIMS (INCLUDING "UNKNOWN CLAIMS," AS DEFINED BELOW), DUTIES, DEBTS, DEMANDS, RIGHTS, DISPUTES, SUITS, MATTERS, DAMAGES, LOSSES, OBLIGATIONS, PROCEEDINGS, ISSUES, JUDGMENTS, AND LIABILITIES OF EVERY NATURE AND DESCRIPTION WHATSOEVER (AND INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS FOR DAMAGES, WHETHER COMPENSATORY, CONSEQUENTIAL, SPECIAL, PUNITIVE, EXEMPLARY OR OTHERWISE, AND ANY FEES, COSTS, EXPENSES, OR CHARGES), WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, FIXED OR CONTINGENT, FORESEEN OR UNFORESEEN, LIQUIDATED OR UNLIQUIDATED, ACCRUED OR UNACCRUED, MATURED OR UNMATURED, AT LAW OR IN EQUITY, WHETHER CLASS, DERIVATIVE, OR INDIVIDUAL IN NATURE, WHETHER OR NOT CONCEALED OR HIDDEN, WHICH NOW EXIST, OR HERETOFORE HAVE EXISTED, OR CAN, SHALL OR MAY EXIST, WHETHER ARISING UNDER FEDERAL, STATE, COMMON, STATUTORY, ADMINISTRATIVE OR FOREIGN LAW, REGULATION, OR AT EQUITY, THAT LEAD PLAINTIFF, NORFOLK COUNTY OR ANY CLASS MEMBER HAS ASSERTED IN THIS ACTION, OR COULD HAVE ASSERTED NOW OR IN THE FUTURE IN THIS ACTION OR IN ANY OTHER PROCEEDING OR FORUM THAT ARISE OUT OF, RELATE TO OR ARE BASED UPON, (A) THE ALLEGATIONS, CLAIMS, TRANSACTIONS, FACTS, MATTERS, OCCURRENCES, EVENTS, FAILURES, REPRESENTATIONS, STATEMENTS, OR OMISSIONS ALLEGED, INVOLVED, SET FORTH, OR REFERRED TO IN THIS ACTION; AND (B) THE PURCHASE, SALE, ACQUISITION OR HOLDING OF NAVISTAR COMMON STOCK DURING THE CLASS PERIOD. RELEASED CLAIMS DO NOT, HOWEVER, INCLUDE CLAIMS TO ENFORCE THIS SETTLEMENT, OR CLAIMS IN ANY DERIVATIVE ACTIONS CURRENTLY PENDING AGAINST ANY OF THE RELEASED PARTIES.
3. "UNKNOWN CLAIMS" MEANS ANY AND ALL RELEASED CLAIMS, OF EVERY NATURE AND DESCRIPTION, THAT LEAD PLAINTIFF, NORFOLK COUNTY, AND/OR ANY CLASS MEMBER DOES NOT KNOW OR SUSPECT TO EXIST IN HIS, HER OR ITS FAVOR AT THE TIME OF THE RELEASE OF THE RELEASED PARTIES, WHICH IF KNOWN BY HIM, HER OR IT, MIGHT HAVE AFFECTED HIS, HER OR ITS SETTLEMENT WITH AND

RELEASE OF THE RELEASED PARTIES, OR MIGHT HAVE AFFECTED HIS, HER OR ITS DECISION NOT TO OBJECT TO THIS SETTLEMENT OR NOT TO EXCLUDE HIMSELF, HERSELF OR ITSELF FROM THE CLASS OR TO RELEASE THE RELEASED CLAIMS. WITH RESPECT TO ANY SETTLED DEFENDANTS' CLAIMS, "UNKNOWN CLAIMS" MEANS ANY AND ALL SETTLED DEFENDANTS' CLAIMS, OF EVERY NATURE AND DESCRIPTION, WHICH DEFENDANTS AND THE OTHER RELEASED PARTIES DO NOT KNOW OR SUSPECT TO EXIST IN THEIR FAVOR AT THE TIME OF THE RELEASE OF LEAD PLAINTIFF, NORFOLK COUNTY, THE CLASS MEMBERS, AND THEIR ATTORNEYS, WHICH, IF KNOWN BY THEM, MIGHT HAVE AFFECTED THEIR DECISIONS WITH RESPECT TO THE RELEASE OF SETTLED DEFENDANTS' CLAIMS OR THE SETTLEMENT. WITH RESPECT TO ANY AND ALL RELEASED CLAIMS, THE SETTLING PARTIES STIPULATE AND AGREE THAT, UPON THE EFFECTIVE DATE, LEAD PLAINTIFF AND NORFOLK COUNTY EXPRESSLY WAIVE, AND EACH CLASS MEMBER SHALL BE DEEMED TO HAVE WAIVED, AND BY OPERATION OF THE JUDGMENT SHALL HAVE EXPRESSLY WAIVED, TO THE FULLEST EXTENT PERMITTED BY LAW, THE PROVISIONS, RIGHTS AND BENEFITS OF CALIFORNIA CIVIL CODE § 1542, AND OF ANY U.S. FEDERAL OR STATE LAW, OR PRINCIPLE OF COMMON LAW OR THE LAW OF ANY FOREIGN JURISDICTION, THAT IS SIMILAR, COMPARABLE, OR EQUIVALENT TO SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES, IN RELEVANT PART:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

LEAD PLAINTIFF, NORFOLK COUNTY, AND OTHER CLASS MEMBERS, OR CERTAIN OF THEM, MAY HEREAFTER DISCOVER FACTS IN ADDITION TO OR DIFFERENT FROM THOSE WHICH HE, SHE OR IT NOW KNOWS OR BELIEVES TO BE TRUE WITH RESPECT TO THE SUBJECT MATTER OF THE RELEASED CLAIMS, BUT LEAD PLAINTIFF, NORFOLK COUNTY, AND THE CLASS MEMBERS, AND EACH OF THEM, UPON THE EFFECTIVE DATE, BY OPERATION OF THE JUDGMENT SHALL HAVE, FULLY, FINALLY, AND FOREVER SETTLED AND RELEASED ANY AND ALL RELEASED CLAIMS, KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, CONTINGENT OR NON-CONTINGENT, WHETHER OR NOT CONCEALED OR HIDDEN, THAT NOW EXIST OR HERETOFORE HAVE EXISTED, UPON ANY THEORY OF LAW OR EQUITY NOW EXISTING OR COMING INTO EXISTENCE IN THE FUTURE, INCLUDING, BUT NOT LIMITED TO, CLAIMS RELATING TO CONDUCT THAT IS NEGLIGENT, RECKLESS, INTENTIONAL, WITH OR WITHOUT MALICE, OR A BREACH OF ANY DUTY, LAW OR RULE, WITHOUT REGARD TO THE SUBSEQUENT DISCOVERY OR EXISTENCE OF SUCH DIFFERENT OR ADDITIONAL FACTS.

4. THIS RELEASE SHALL BE OF NO FORCE OR EFFECT UNLESS AND UNTIL THE COURT APPROVES THE SETTLEMENT AND THE SETTLEMENT BECOMES EFFECTIVE ON THE EFFECTIVE DATE (AS DEFINED IN THE SETTLEMENT).
5. I (WE) HEREBY WARRANT AND REPRESENT THAT I (WE) HAVE NOT ASSIGNED OR TRANSFERRED OR PURPORTED TO ASSIGN OR TRANSFER, VOLUNTARILY OR INVOLUNTARILY, ANY MATTER RELEASED PURSUANT TO THE SETTLEMENT OR ANY OTHER PART OR PORTION THEREOF.
6. I (WE) HEREBY WARRANT AND REPRESENT THAT I (WE) HAVE INCLUDED INFORMATION ABOUT ALL OF MY (OUR) PURCHASES AND SALES OF NAVISTAR COMMON STOCK DURING THE REQUIRED PERIODS AS SET FORTH ABOVE.
7. I (WE) HEREBY WARRANT AND REPRESENT THAT I AM (WE ARE) NOT EXCLUDED FROM THE CLASS AS DEFINED IN THE NOTICE.
8. I (WE) CERTIFY THAT I AM (WE ARE) NOT SUBJECT TO BACKUP WITHHOLDING UNDER THE PROVISIONS OF SECTION 3406(A)(1)(C) OF THE INTERNAL REVENUE CODE.

NOTE: IF YOU HAVE BEEN NOTIFIED BY THE INTERNAL REVENUE SERVICE THAT YOU ARE SUBJECT TO BACKUP WITHHOLDING, PLEASE STRIKE OUT THE LANGUAGE THAT YOU ARE NOT SUBJECT TO BACKUP WITHHOLDING IN THE CERTIFICATION ABOVE.

I (WE) DECLARE THAT THE FOREGOING INFORMATION SUPPLIED BY THE UNDERSIGNED IS TRUE AND CORRECT.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, in \_\_\_\_\_, \_\_\_\_\_  
(Month/Year) (City) (State/Country)

[Redacted Signature Box]

Signature of Claimant

[Redacted Signature Box]

Signature of Joint Claimant, if any

[Redacted Name Box]

Print Name of Claimant

[Redacted Name Box]

Print Name of Joint Claimant, if any

[Redacted Date Box]

Date

[Redacted Date Box]

Date

If Claimant is other than an individual, or is not the person completing this form, the following also must be provided:

[Redacted Signature Box]

Signature of Person Completing Form

[Redacted Date Box]

Date

[Redacted Name Box]

Print Name of Person Completing Form

[Redacted Capacity Box]

Capacity of Person(s) Signing, (e.g., Beneficial Purchaser, Executor or Administrator)

REMINDER CHECKLIST

- 1. Please be sure to sign this Proof of Claim Form.
- 2. Remember to attach **COPIES OF** documentation verifying your transactions listed above.
- 3. **DO NOT SEND ORIGINALS OF ANY DOCUMENTS VERIFYING YOUR TRANSACTIONS.**
- 4. Keep a copy of your Proof of Claim Form for your records.
- 5. If you move, please send your new address to the Claims Administrator at the address below:

Navistar Securities Settlement  
P.O. Box 4540  
Portland, OR 97208-4540

info@navistarsecuritiessettlement.com  
(844) 778-5949

- 6. **Do not use highlighter on the Proof of Claim Form or supporting documentation.**

# EXHIBIT B



dismissing the Action with prejudice and releasing the Class Members' Released Claims against all Released Parties.

The Court having considered all matters submitted to it at the Final Approval Hearing and otherwise;

**NOW THEREFORE, IT IS HEREBY ORDERED:**

1. This Judgment hereby incorporates by reference the definitions in the Settlement, and all capitalized terms, unless otherwise defined herein, shall have the same meanings as set forth in the Settlement.

2. This Court has jurisdiction to enter this Judgment. The Court has jurisdiction over the subject matter of the Action and over all parties to the Action, including all Class Members.

3. The Court deems Norfolk County added to Lead Plaintiff's Second Amended Complaint as an additional named plaintiff.

4. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court finally certifies this Action as a class action, for purposes of this Settlement only, with a Class defined as all persons and entities who purchased or otherwise acquired the common stock of Navistar International Corporation (ticker symbol: NAV) between March 10, 2010 and August 1, 2012, both dates inclusive. Excluded from the Class are: Defendants; members of the immediate family of any Defendant; any firm, trust, corporation, or other entity in which any Defendant has or had a controlling interest during the Class Period; the officers and directors of Navistar during the Class Period; the Icahn Group; the MHR Group; and legal representatives, agents, executors, heirs, successors, or assigns of any such excluded person or entity. Also excluded from the Class are those persons that have requested exclusion from the Class as listed on Exhibit 1 hereto.

5. With respect to the Class, the Court finds and concludes that the requirements of Federal Rules of Civil Procedure 23(a) and 23(b)(3) are satisfied as: (a) the members of the Class are so numerous that joinder of all Class Members in the Action is impracticable; (b) there are questions of law and fact common to the Class that predominate over any individual questions; (c) the claims of the Lead Plaintiff and Norfolk County are typical of the claims of the Class; (d) the Lead Plaintiff, Norfolk County, and Lead Counsel have fairly and adequately represented and protected the interests of all the Class Members; and (e) a class action is superior to other available methods for the fair and efficient adjudication of the controversy, considering: (i) the interests of the members of the Class in individually controlling the prosecution of separate actions, (ii) the extent and nature of any action concerning the controversy already commenced by members of the Class, (iii) the desirability or undesirability of continuing the litigation of these claims in this particular forum, and (iv) the difficulties likely to be encountered in the management of the litigation.

6. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, and for the purposes of this Settlement only, the Court hereby affirms its determinations in the Preliminary Approval Order and finally appoints Lead Plaintiff and Norfolk County as class representatives for the Class, and finally appoints Cohen Milstein Sellers & Toll PLLC as counsel for the Class.

7. Notice of the pendency of the Action as a class action and of the proposed Settlement was given to all Class Members who could be identified with reasonable effort and was in accordance with the terms of the Settlement and the Court's Preliminary Approval Order. The form and method of notifying the Class of the pendency of the Action as a class action and of the terms and conditions of the proposed Settlement met the requirements of due process; Rule 23 of the Federal Rules of Civil Procedure; Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities Litigation Reform

Act of 1995; the Constitution of the United States (including the Due Process clause); and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

8. Pursuant to and in compliance with Rule 23 of the Federal Rules of Civil Procedure, the Court hereby finds that due and adequate notice of these proceedings was directed to all persons and entities who are Class Members, advising them of the Settlement, and of their right to object thereto, and a full and fair opportunity was accorded to all persons and entities who are Class Members to be heard with respect to the Settlement. Thus, it is hereby determined that all Class Members, other than those persons and entities that are listed on Exhibit 1 hereto, are bound by this Judgment.

9. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, this Court finds that the Settlement is fair, reasonable and adequate, and in the best interests of the Class Members. This Court further finds that the Settlement is the result of arm's-length negotiations between experienced counsel representing the interests of the Settling Parties undertaken with the assistance of an experienced mediator. Accordingly, the Settlement is hereby approved in all respects and shall be consummated in accordance with the terms and provisions of the Stipulation and Agreement of Settlement, dated May 4, 2016 (the "Settlement").

10. The Court finds and concludes that the Settling Parties and their respective counsel have complied in all respects with the requirements of Rule 11 of the Federal Rules of Civil Procedure in connection with the commencement, maintenance, prosecution, defense and settlement of the Action.

11. The Action and all Released Claims are dismissed with prejudice. The Settling Parties are to bear their own costs, except for the payments expressly provided for in the Settlement.

12. Upon the Effective Date, Lead Plaintiff, Norfolk County, and each of the Class Members (on behalf of themselves and each of their respective present and former directors,

officers, employees, parents, subsidiaries, related or affiliated entities, shareholders, members, divisions, partners, joint ventures, family members, spouses, domestic partners, heirs, principals, agents, owners, fiduciaries, personal or legal representatives, attorneys, auditors, accountants, advisors, banks or bankers, insurers, reinsurers, trustees, trusts, estates, executors, administrators, predecessors, successors, assigns, and any other person or entity who has the right, ability, standing, or capacity to assert, prosecute, or maintain on behalf of any Class Member any of the Released Claims (or to obtain the proceeds of any recovery therefrom)), regardless of whether that Class Member actually submits a Proof of Claim Form, seeks or obtains a distribution from the Net Settlement Fund, is entitled to receive a distribution under the Plan of Allocation approved by the Court, or has objected to the Settlement, the Plan of Allocation, or Lead Counsel's application for attorneys' fees and Litigation Expenses, shall be deemed to have and by operation of the Judgment shall have fully, finally and forever waived, released, relinquished, discharged and dismissed each and every Released Claim against each and every Released Party.

13. Upon the Effective Date, Lead Plaintiff, Norfolk County, and each of the Class Members (on behalf of themselves and each of their respective present and former directors, officers, employees, parents, subsidiaries, related or affiliated entities, shareholders, members, divisions, partners, joint ventures, family members, spouses, domestic partners, heirs, principals, agents, owners, fiduciaries, personal or legal representatives, attorneys, auditors, accountants, advisors, banks or bankers, insurers, reinsurers, trustees, trusts, estates, executors, administrators, predecessors, successors, assigns, and any other person or entity who has the right, ability, standing, or capacity to assert, prosecute, or maintain on behalf of any Class Member any of the Released Claims (or to obtain the proceeds of any recovery therefrom)), regardless of whether that Class Member actually submits a Proof of Claim, seeks or obtains a distribution from the Net Settlement Fund, is entitled to receive a distribution under the Plan of Allocation approved by the Court, or has objected to the Settlement, the Plan of Allocation, or

Lead Counsel's application for attorneys' fees and Litigation Expenses, shall have covenanted not to sue the Released Parties with respect to any Released Claims and are forever barred and enjoined from commencing, instituting, participating in, maintaining, or continuing to prosecute any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any Released Claim (including, without limitation, Unknown Claims), as well as any claims arising out of, relating to, or in connection with, the defense, settlement, or resolution of this Action against any Released Party.

14. Upon the Effective Date, each of the Released Parties shall be deemed to have and by operation of the Judgment shall have fully, finally and forever waived, released, relinquished, discharged and dismissed each and every one of the Settled Defendants' Claims, and shall be forever barred and enjoined from commencing, instituting, participating in, maintaining, or continuing to prosecute any action or proceeding in any court of law or equity, arbitration tribunal, administrative forum, or other forum of any kind, asserting any of the Settled Defendants' Claims (including, without limitation, Unknown Claims).

15. Notwithstanding any of the releases above, nothing in this Judgment shall bar any action by any of the Settling Parties to enforce or effectuate the terms of the Settlement, the Preliminary Approval Order, or this Judgment.

16. The fact and terms of the Settlement, including all exhibits thereto, this Judgment, all negotiations, discussions, drafts and proceedings in connection with the Settlement, and any act performed or document signed in connection with the Settlement:

- a. shall not be an express or implicit concession or admission by any of the Released Parties or by Lead Plaintiff, Norfolk County, or the other Class Members with respect to the truth of any fact alleged by Lead Plaintiff or the validity, or lack thereof, of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that

has been or could have been asserted in the Action or in any litigation, or of any liability, negligence, fault or wrongdoing of the Released Parties; and shall not be offered or received against the Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members as evidence of, or be deemed to be evidence of, any presumption, concession or admission by any of the Released Parties or by Lead Plaintiff, Norfolk County, or the other Class Members with respect to the truth of any fact alleged by Lead Plaintiff or the validity, or lack thereof, of any claim that has been or could have been asserted in the Action or in any litigation, or the deficiency of any defense that has been or could have been asserted in the Action or in any litigation, or of any liability, negligence, fault or wrongdoing of the Released Parties;

- b. shall not be an express or implicit concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Released Party; shall not be evidence of any infirmity in the claims of Lead Plaintiff, Norfolk County, and the other Class Members; and shall not be offered or received against the Released Parties as evidence of a presumption, concession or admission of any fault, misrepresentation or omission with respect to any statement or written document approved or made by any Released Party, or against Lead Plaintiff, Norfolk County, or any of the other Class Members as evidence of any infirmity in the claims of Lead Plaintiff, Norfolk County, and the other Class Members;

- c. shall not be an express or implicit concession or admission with respect to any liability, negligence, fault or wrongdoing by Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members; and shall not be offered or received against the Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members as evidence of a presumption, concession or admission with respect to any liability, negligence, fault or wrongdoing, or in any way referred to for any other reason as against any of the Released Parties, Lead Plaintiff, Norfolk County, or the other Class Members, in any arbitration proceeding or other civil, criminal or administrative action or proceeding, other than such proceedings as may be necessary to effectuate the provisions of this Settlement; provided, however, that if this Settlement is approved by the Court, the Released Parties may refer to the Settlement and the Judgment in any action that may be brought against them to effectuate the liability protection granted them hereunder, including, without limitation, to support a defense or claim based on principles of res judicata, collateral estoppel, release, good faith settlement, judgment bar or reduction, or any other theory of claim preclusion or issue preclusion or similar defense or claim under U.S. federal or state law or foreign law;
- d. shall not be construed against the Released Parties, Defendants' Counsel, Lead Counsel, Lead Plaintiff, Norfolk County, or the other Class Members as an express or implicit admission or concession that the consideration to be paid hereunder represents the amount which could be or would have been recovered after trial or that any damages potentially recoverable under the

Complaint would have exceeded or would have been less than the Settlement Amount;

- e. shall not be construed as or received in evidence as an express or implicit admission, concession or presumption against Lead Plaintiff, Norfolk County, or the other Class Members or any of them that any of their claims are without merit; and
- f. shall not be construed as or received in evidence as an express or implicit admission, concession or presumption against the Released Parties that class certification is appropriate in this Action, except for purposes of this Settlement.

17. The Court reserves jurisdiction, without affecting in any way the finality of this Judgment, over: (a) implementation and enforcement of the Settlement; (b) the allowance, disallowance or adjustment of any Class Member's claim on equitable grounds and any award or distribution of the Settlement Fund; (c) disposition of the Settlement Fund; (d) enforcing and administering this Judgment, (e) enforcing and administering the Settlement, including any releases executed in connection therewith; and (f) other matters related or ancillary to the foregoing.

18. A separate order shall be entered regarding Lead Counsel's application for an award of attorneys' fees and reimbursement of Lead Counsel's and Lead Plaintiff's Litigation Expenses as allowed by the Court. Such order shall not disturb or affect any of the terms of this Judgment.

19. The Plan of Allocation submitted by Lead Counsel, as described in the Notice and in accordance with ¶ 1(z) of the Settlement, is hereby approved as fair, reasonable and adequate. Any order or proceeding relating to the Plan of Allocation, or any appeal from any

order relating thereto or reversal or modification thereof, shall not operate to terminate the Settlement or affect or delay the Effective Date or the effectiveness or finality of the Judgment and the release of the Released Claims.

20. In the event that the Settlement does not become effective in accordance with its terms or in the event that the Settlement Fund, or any portion thereof, is returned to the Defendants or any entity who paid such Settlement Amount on behalf of the Defendants, then this Judgment shall be rendered null and void to the extent provided by and in accordance with the Settlement, and shall be vacated to the extent provided by the Settlement and, in such event: (a) all Orders entered and releases delivered in connection herewith shall be null and void to the extent provided by and in accordance with the Settlement; and (b) the fact of the Settlement shall not be admissible in any trial of the Action and Lead Plaintiff and Defendants reserve their rights to proceed in all respects as if this Settlement had not been entered into and without any prejudice in any way from the negotiation, fact or terms of this Settlement.

21. Without further Order of the Court, the Settling Parties may agree to reasonable extensions of time or other reasonable modifications necessary to carry out any of the provisions of the Settlement.

22. There is no just reason for delay in the entry of this Judgment and immediate entry by the Clerk of the Court is expressly directed.

IT IS SO ORDERED.

DATED: \_\_\_\_\_

\_\_\_\_\_  
THE HONORABLE SARA L. ELLIS  
UNITED STATES DISTRICT JUDGE