

# Code of Business Ethics and Conduct

## INTRODUCTION

Navistar Defense, LLC (hereinafter "Navistar Defense" or the "Company") is committed to conducting its business according to the highest standards of ethics and integrity, and in full compliance with all laws and regulations. Obeying the law, both in letter and spirit, is one of the foundations on which the Company is built. While Navistar Defense's business is to be a leading tactical wheeled vehicle original equipment manufacturer serving military, law enforcement, and government agencies worldwide, it is our commitment and shared common purpose to serve and support our customers that drive our business decisions. "*Freedom Depends on Us*", and we know that our vehicles can make a difference for the troops who risk their lives for all of us. Navistar Defense's values of *Innovation, Grit, Wit, Depth of Knowledge, and Inherent Power in our Team* are all based on integrity and "doing the right thing", not only as individuals but as a company.

Navistar Defense's Code of Business Ethics and Conduct (the "Code") outlines the broad standards of legal and ethical business conduct embraced by the Company. It applies to all officers, directors, employees, contracted employees and independent contractors of Navistar Defense (collectively, "Navistar Defense Personnel") when they are representing or acting on behalf of the Company. The Code reflects the general principles to guide Navistar Defense Personnel in making ethical decisions. The Code is supplemented by the Company's underlying corporate policies which provide more detailed requirements for compliance. Policies referenced within this Code (links provided) include only a portion of the total corporate policies population, but represent those that specifically relate to business ethics and conduct. The Code and supporting policies apply to all U.S. operations and facilities, foreign operations and applicable subsidiaries of the Company. While the Code and supporting policies provide guidelines for expected business behavior, they are not intended to nor do they address every specific legal or ethical situation. Navistar Defense Personnel are expected to read, understand, and adhere to the Code using common sense and good judgment, to ask questions, and seek guidance when needed.

This document builds on the values held by Navistar Defense. We show our integrity in the way we live the Company's values, support our teammates and deliver on our promises. The Company's reputation is earned one person at a time, and each and every one of us helps contribute to that reputation.

**Approved by the Board of Directors of Navistar Defense, LLC effective July 1, 2020**

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**1.0 AUTHORITY**

The Navistar Defense (ND) Holdings, LLC Board of Managers (the “Board”) has ultimate authority to guide and oversee the management of the Company, including oversight of the Code of Business Ethics and Conduct (the “Code”). The Board has delegated its Compliance Committee, or Audit Committee in the case of financial matters, authority to oversee and monitor Navistar Defense, LLC’s (the “Company’s”) compliance with applicable legal and regulatory requirements, including compliance matters related to business ethics and conduct.

Refer to ND Corporate policy [01-01-01 \*Delegation of Authority and Responsibility\*](#) for additional information.

**2.0 ADMINISTRATION**

Officers, directors and managers (“Management”) of the Company are expected to have profound knowledge of the standards of conduct set forth in the Code and any supplemental policies, and with Company resources available to assist in the resolution of any questions or concerns. Management is expected to promote the standards of conduct set forth in the Code and ensure that employees, contracted employees and independent contractors under their direction are aware of and comply with these standards, as well as all other relevant Company policies and legal requirements.

**3.0 ETHICS AND COMPLIANCE TRAINING PROGRAM**

Navistar Defense’s Internal Compliance Committee (“ICC”) will administer ethics and compliance training programs to promote and support commitment to ethics and integrity, and to help ensure compliance with the Code, Company policies, and applicable laws and regulations.

**4.0 CERTIFICATION**

All ND Personnel, must read, comply, and self-certify annually that he/she has read the Code and understands the requirements to comply. Additionally, all new hires to the Company are provided access to the Code (and any supplemental policies referenced herein) upon onboarding and are required to read and certify their receipt, understanding and intent to comply. The Company maintains documentation of employee certification that such training was conducted (either systemic reports by ID or manual signatures, whichever applies).

ND Terms & Conditions (T&Cs) outline the requirement that all Independent contractors representing or acting on behalf of the Company and any subcontractors comply with ND’s Code. Signing of the purchase order or contracts to accept business with ND are acknowledgment of the duty to comply with ND’s Code.

**5.0 ACCESS TO CODE AND SUPPLEMENTAL POLICIES**

This Code and supplemental policies should be referenced for clarity and further insight to guiding/referenced policies. Not all policies are listed in this Code. The Company’s Code and guiding policies are accessible to all Navistar Defense Personnel via the following:

- Internally – the Code and Corporate policies are available via the ND Policy Portal at <https://navistardefense.sharepoint.us/sites/NDPolicies/SitePages/Main.aspx>.

- Externally – For independent contractors representing or acting on behalf of the Company and any subcontractors, a link to this Code is available on the Company's website at <https://www.navistardefense.com/NavistarDefense/ourcompany/corporategovernance>.

## 6.0 GOVERNMENT CONTRACTING REQUIREMENTS

While Navistar Defense is a commercial, global, for-profit company and maintains a Code of Business Ethics and Conduct including supporting corporate policies as a matter of corporate governance and good business practice, the Company is also a Government Defense Contractor performing contracts with both U.S. and Foreign Governments/customers. As such, Navistar Defense must also comply with government contracting laws and regulations including Federal Acquisition Regulation (FAR), Defense Federal Acquisition Regulation Supplement (DFARS), and Cost Accounting Standards (CAS). Such regulations include provisions that address a Contractor's duty to implement an ethical compliance program.

Government contracting policies and controls are in place throughout Navistar Defense as safeguards to ensure compliance with Government contracting statutes and regulations. No matter how well these policies and controls are communicated and enforced by management, there may be instances where controls are circumvented and violations of statutes, regulations and/or corporate policies occur. In such cases, the Company and its personnel have a responsibility to report such violations.

## 7.0 REPORTING AND INVESTIGATING SUSPECTED VIOLATIONS

- A responsibility to "Speak Up"**. All Navistar Defense Personnel are responsible for expressing concerns regarding compliance with the Code and related policies and for reporting any suspected violations of the Code, related policies, or the law. If you are in or aware of a situation that you believe may violate or lead to a violation of the Code, Corporate policy, the law and/or regulations, you have a responsibility to speak up. Corporate policy [09-03-03 Reporting Complaints, Grievances & Suspected Violations and Non-Retaliation](#) outlines this responsibility.
- How to file a report**. If you ever see someone violating this Code and corporate policies, if you suspect unethical, illegal or unsafe activity or misconduct, you should immediately contact one of the following depending on the nature of the complaint or observation:
  - Immediate supervisor or next higher level manager (normal first course of action)
  - ND's Human Resource Director
  - ND's General Counsel at (331) 332-3023 or <mailto:Jeff.Calfa@NavistarDefense.com>
  - Local Security office or FSO
- Anonymous Reporting**. You may also report actual or suspected violations anonymously by contacting the Company's independent *Business Abuse and Compliance Hotline* at 1-855-650-0005 or [www.lighthouse-services.com/navistardefense](http://www.lighthouse-services.com/navistardefense). For contact information other than English speaking USA & Canada, refer to policy [09-03-03](#).
- Rights and Protections**. Navistar Defense seeks to respect and preserve the confidentiality of personnel who report in good faith any issues and incidents. We absolutely prohibit retaliation against anyone who raises a potential concern or issue.
- Investigations of Complaints/Grievances**. Any actual or suspected complaints or violations reported in accordance with corporate policy [09-03-03 Reporting Complaints, Grievances & Suspected Violations and Non-Retaliation](#) are taken seriously. When an allegation of

prohibited conduct is reported, Navistar Defense will promptly undertake a thorough investigation in accordance with corporate policy [01-08-01 Ethics & Business Conduct, Legal and HR Non-Compliance Investigations](#).

- f. **Reporting Requirements.** Corporate policy [01-08-02 External Disclosure & Reporting Requirements of Non-Compliance Matters](#) covers the requirements and scope of instances where, if after internally investigating any instances of non-compliance or wrong-doing in accordance with policy [01-08-01 Ethics & Business Conduct, Legal and HR Non-Compliance Investigations](#), it is required or the Company deems it necessary to report such instances to external parties including agencies of the United States Government (USG), law enforcement, third party investors, lenders, and suppliers, etc.

## 8.0 ACCOUNTABILITY AND RESPONSIBILITY

### 8.1 Financial Responsibility

Navistar Defense has a responsibility to report accurate, complete and timely financial statements and results on a regular basis to its owner(s), Board of Managers (“Board”), and any lenders or other third party investors in accordance with generally accepted accounting principles.

Refer to policies [01-02-01 Corporate Financial Responsibility](#) and [01-02-02 Relationship with Independent Auditors](#) for additional information.

### 8.2 Conflicts of Interest

Navistar Defense has many customers (government or commercial), suppliers, and other business partners, all of whom are important to the success of the Company. Each of these relationships must be based entirely on sound business decisions and fair dealing. All Company personnel (employees, contractors and Third Party Representatives acting on behalf of Navistar Defense) must avoid conflicts of interest or the appearance of such when conducting Company business.

Refer to policies [01-06-01 Conflicts of Interest](#), [01-05-01 Procurement Integrity Act](#), and [09-01-06 Employment of Closely Related Persons](#) for additional information.

### 8.3 Gifts, Business Courtesies and Entertainment

During the course of business, it is occasionally common for Navistar Defense to exchange gifts, business courtesies and entertainment with various business partners, including suppliers, vendors, and customers. Strict policies and regulations exist governing the appropriateness of such exchanges and, if they occur, the proper recording of such transactions as allowable or unallowable costs. We must never offer, make payment or provide anything else of value directly or indirectly to government officials to influence the placement of contracts, obtain a business advantage or secure political or business concessions.

Due to the complexity of rules and potential conflict of interest presented by gifts and business courtesies, and due to their legal interpretations, individuals should contact the Company’s General Counsel or a member of the ICC for guidance regarding the appropriateness of such exchanges.

Refer to policies [01-07-01 Gifts, Business Courtesies and Entertainment](#) and [01-04-01 Anti-Corruption, Anti-Kickback, Anti-Bribery & Foreign Corrupt Practices Act](#) for additional information.

#### **8.4 Time Keeping and Labor Charging**

All employees and contractors are responsible for ensuring their labor hours, travel, and other business expenses are recorded timely, honestly, accurately and in accordance with policies and procedures.

Refer to policy [04-03-07 Time Keeping](#) for additional information.

### **9.0 COMMUNICATION AND SAFEGUARDING ASSETS & INFORMATION**

#### **9.1 Corporate Communications**

Navistar Defense aims to provide clear, accurate and consistent communications to both external and internal stakeholders. Only *authorized spokespersons* as defined by policy are authorized to make statements or disclose non-public information about the Company. Employees and contractors, not specifically authorized to do so, must never publicly speak on the Company's behalf or publicly comment on Navistar Defense related matters. Such external communication applies to Media Relations, Public Speaking, externally distributed White Papers, and Social Media.

While Social Media (including blogs and all forms of social networks) are prevalent in our global society, strict company policy exists as to both its personal and business/professional use by Navistar Defense Personnel, with only occasional or incidental personal non-business use being permitted.

Refer to policies [01-03-01 Corporate Communications](#) and [01-03-03 Social Media](#) for additional information.

#### **9.2 Computer Usage**

The use of technology is essential in helping Navistar Defense achieve its business objectives. Although it can be a powerful tool when used properly, the misuse of technology could also pose serious risks for the Company and our employees/contractors. Sound security practices must be employed at all times to prevent unauthorized access to Company systems and data. When utilizing the Company's technology, all users are expected to act in a manner that is compliant with corporate policies.

Refer to policies [10-01-01 Information Security Policy](#), [10-01-03 User Acceptable Use Information Systems and Technology](#), and [10-01-04 Visitor Acceptable Use](#) for additional information.

#### **9.3 Confidential or Proprietary Information**

Employees, contractors and third-party representatives acting on Navistar Defense's behalf are responsible for protecting the Company's confidential and proprietary information from unauthorized disclosure whether internal or external, deliberate, or accidental.

Refer to policy [01-07-03 Confidential or Proprietary Information](#) for additional information.

#### **9.4 Handling of Classified Material**

Navistar Defense has an obligation to comply with laws and regulations that protect USG classified information, protect our nation's security, and safeguard our nation's secrets. When Company personnel have been granted security clearances and have necessary access to classified information, the Company will ensure the information is handled in strict accordance with applicable USG regulations and procedures for safeguarding classified information, including applicable agency procedures.

Refer to policy [12-01-02 Handling of Classified Information](#) for additional information.

### **9.5 Intellectual Property**

Company personnel must be cautious never to disclose trade secrets, including, but not limited to, operational plans, patterns and devices that give Navistar Defense a competitive advantage. Additionally, Company personnel must be diligent to optimize the use of patents, trademarks and copyrights to protect intellectual property. Conversely, we must respect the intellectual property belonging to other entities and must not use intellectual property obtained through illegal or unethical means.

Refer to policy [01-07-09 Intellectual Property](#) for additional information.

### **9.6 Data Privacy**

Navistar Defense collects personal data from its employees and contractors (current and former) for business purposes, such as administering employment and benefits programs. Additionally, we collect limited personal information for sales and marketing purposes. We take our responsibility to guard and protect the privacy of this personal data very seriously. It is imperative that we collect, handle, store, dispose of and share personal data with extreme care, according to documented policies and procedures and for disclosed business purposes only.

Refer to policy [09-01-08 Personal Data & Personnel Records - Privacy and Access](#) for additional information.

### **9.7 Insider Trading**

In the normal course of business, the Company's employees, contractors and third-party representatives acting on the Company's behalf may become aware of material information about Navistar Defense, parent or affiliated companies of Navistar Defense or companies that do business with Navistar Defense that is not publicly available to all investors. Material, non-public information generally means information that, if disclosed, would influence a reasonable investor's decision to buy, sell or hold a security, including but not limited to an earnings announcement, a prospective acquisition announcement and other important information about company plans or expectations. Company personnel must not share this information with anyone, including other Navistar Defense Personnel. Insider trading laws strictly prohibit those in possession of such information from engaging in securities transactions based on that information.

Refer to policy [01-07-02 Insider Trading](#) for additional information.

### **9.8 Records Management**

The integrity, accuracy and retention of documents and records are necessary to comply with regulatory and legal requirements and to ensure records are available to support Navistar Defense's business practices and actions. Navistar Defense Personnel are responsible for the integrity and accuracy of Navistar Defense's documents and records. No one may alter or falsify information on any record or document. No one may ever destroy a document and/or record in an effort to deny authorities that which may be relevant to an investigation or audit.

## **10.0 RESPECT FOR PEOPLE**

### **10.1 Diversity and Equal Opportunity**

Navistar Defense cultivates an inclusive work environment which is free of any type of unlawful discrimination and where all individuals may grow, succeed, are valued and contribute to the

Company's overall success. By respecting the diversity of our organization and being a good corporate citizen, we become an employer of choice and attract the most talented people in the industry. Refer to policy [09-01-01 Equal Employment Opportunity & Affirmative Action](#) for additional information.

## **10.2 Harassment**

Navistar Defense is committed to maintaining an inclusive work environment in which all persons are treated with respect and are not subjected to any type of harassment, including sexual harassment. The Company strictly prohibits any offensive or inappropriate conduct or language that constitutes unlawful harassment as defined by the courts based on race, color, gender, gender identity, national origin, religion or any other characteristic protected under applicable federal, state or local law. Navistar Defense prohibits offensive or inappropriate verbal, written or physical conduct directed towards our employees, contractors, customers or visitors.

Refer to policy [09-03-06 Harassment](#) for additional information.

## **10.3 Workplace Violence Prevention**

Violent acts, threats, or intimidation committed by or against our employees, contractors, visitors, or other third parties on any of our owned, controlled, or leased properties, or while conducting our business at any location, including representing the Company at conferences or offsite meetings, will not be tolerated. The possession of firearms or weapons is prohibited on Company property, as well as off-site when conducting Company business, except when approved for special job functions, such as certain security positions.

Refer to policies [09-03-04 Workplace Violence Prevention](#) and [09-03-05 Firearms and Weapons](#) for additional information.

## **10.4 Safety and Health**

Navistar Defense is committed to maintaining a safe and healthy workplace to protect its employees, contractors and visitors. The Company complies with applicable safety and health laws and regulations in all countries where we operate. We develop, administer and continuously improve operational practices with the objective of preventing occupational injuries and illnesses. We provide education, training and support for employees and contractors to allow them to perform their work in a safe manner and encourage them to accept responsibility for maintaining a safe work environment. All Personnel are expected to immediately report any work-related accident, illness or unsafe working condition or practice.

A variety of policies and site-specific procedures are maintained including, but not limited to: the handling, storage and disposal of certain items/materials; the use of company equipment and machinery; and requirements for personal protective equipment (PP&E) in order to maintain a safe and healthy workplace as well as comply with regulatory requirements of OSHA and ISO.

## **10.5 Alcohol and Drug Use**

Navistar Defense is committed to providing a safe and productive work environment and manufacturing quality products for our customers. Maintaining a drug-free and alcohol-free environment improves workplace safety, productivity, and quality. Accordingly, all Personnel are prohibited from:

- Being under the influence of alcohol, illegal drugs or abused prescription medicine, including cannabis, while working on a Company facility, performing company business, and attending company-sponsored events or events in support of the company; drinking in excess at company-



sponsored events or events in support of the company where alcohol is served, or drinking any amount of alcohol while using a company vehicle.

- Possession of alcohol, controlled substances, illegal drugs, cannabis, fraudulent prescriptions or prescription medicine in someone else's name while on Company property.
- The presence of any detectable amount of illegal drug, including cannabis, or illegal controlled substance in their bodily system while performing Company business or on a Company facility.
- The manufacture or sale of alcohol, controlled substances, illegal drugs, including cannabis, or prescription medicine on Company property, at Company events or while conducting Company business.

Refer to policy [09-03-02 Use of Drugs & Alcohol](#) for additional information.

### **10.6 Combatting Human Trafficking in Persons**

Navistar Defense is committed to mitigating the risk of human trafficking and forced labor and strive for the protection of human rights in all aspects of our business. The U.S. Government has a zero-tolerance policy regarding any Government employees, contractor personnel and their agents engaging in any severe form of trafficking in persons, defined to mean “the recruitment, harboring, transportation, provision or obtaining of a person for labor or services through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage or slavery and sex trafficking”.

Refer to policy [01-07-06 Combating Human Trafficking in Persons](#) for additional information.

## **11.0 GOVERNMENT LAWS AND REGULATIONS**

In addition to the policies, laws and regulations already set forth above in this Code, Navistar Defense as a global corporation and government contractor must also follow laws and regulations related to fair competition, domestic and foreign law, and international trade in dealings with both our commercial and government customers.

### **11.1 Anti-Corruption and Anti-Bribery**

In business, it is common for Navistar Defense Personnel to interact with local and federal government officials. Personnel must comply with all applicable anti-corruption and anti-bribery laws including, but not limited to, the United States Foreign Corrupt Practices Act, as well as laws in other countries influenced by the Organization for Economic Co-operation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions. Personnel must never offer, promise to make or make payment or provide anything else of value directly or indirectly to government officials to influence the placement of contracts, obtain a business advantage, secure political or business concessions or induce a government employee to perform a routine duty or service.

Refer to policy [01-04-01 Anti-Corruption, Anti-Kickback, Anti-Bribery & Foreign Corrupt Practices Act](#) for additional information. See also **8.3 Gifts, Business Courtesies and Entertainment** section above.

### **11.2 Fair Competition**

The antitrust laws of the United States and the competition laws of other countries are a critical part of the business environment in which Navistar Defense operates. It is crucial for Navistar Defense

Personnel conducting company business to know, understand and comply fully with the Code of Conduct and those laws and regulations that govern interaction with our competitors and dealers.

Refer to policies [01-05-01 Procurement Integrity Act](#), [01-05-03 Antitrust Laws](#), and [01-05-05 Truth in Negotiations Act \(TINA\)](#) for additional information.

### **11.3 Trade Regulations**

The United States uses international trade controls to protect our national security and domestic economy, and to promote foreign policy. These laws apply to tangible products as well as technology, technical data, software programs, trade secrets and other similar types of information. Navistar Defense Personnel must comply with all import and export laws and regulations, including providing accurate and timely data, obtaining appropriate licenses, determining restrictions on exports and screening parties involved in transactions. Violation of import/export laws can damage U.S. national security and foreign policy objectives, and the penalties for violations are severe. Additionally, Company Personnel must not engage in foreign boycotts that the U.S. does not sanction and must promptly report any request to engage in such activity.

Refer to policies [07-01-01 Trade Regulations & International Trade](#), [07-01-02 International Traffic in Arms Regulations \(ITAR\)](#), [07-01-03 Foreign Assets Control](#), and [07-01-05 Export Administration Regulations \(EAR\)](#) for additional information.

### **11.4 Other Government Laws and Regulations**

To avoid potential penalties and preserve Navistar Defense's reputation, it is important that we conduct our business in compliance with applicable laws and regulations in all of the countries in which we operate.

In addition to the government laws and regulations and related policies already referenced above, refer to policies [01-04-05 Government Laws and Regulations - Domestic and Foreign](#), [01-04-09 Department of Defense Priority Rating](#), [01-05-06 False Claims and False Statements Acts](#), and [01-05-07 Debarment and Suspension of Contractors](#) for additional information.

### **11.5 Government Investigations**

Representatives from government agencies sometimes contact Navistar Defense to obtain information related to a government investigation or inquiry, and/or audits in conjunction with our government contracts. In such situations, we seek to cooperate with the government representatives while still preserving the right to privacy for matters considered confidential to the Company that are not material to the investigation or not within the scope of the audit. If you are contacted by a representative from law enforcement, public or court official regarding any aspect of Navistar Defense's business or the status of an individual's employment with the Company, inform your immediate supervisor. For non-routine requests, the Company's General Counsel must be notified.

Refer to policies [01-04-06 Government Investigations](#) and [01-04-10 U.S. Government Audits and Examinations](#) for additional information.

### **11.6 Political Activities**

Navistar Defense encourages all Personnel to participate in the political process (i.e. voting, volunteering for their favorite candidates and parties and potentially serving in a political capacity), but may only participate in such activities on their own time and with their own resources. Employees or contracted representatives acting on the Company's behalf who contact federal, state, or local government legislators, officials, or employees to influence legislation or regulations may be engaged in

regulated lobbying activities. Navistar Defense's General Counsel must provide consultation to determine whether such contact with government personnel constitutes lobbying.

Refer to policy [01-04-04 Political & Lobbying Activities](#) for additional information.

## **12.0 CORPORATE CITIZENSHIP**

### **12.1 Charitable Contributions**

Navistar Defense strongly believes in giving back to the community by providing financial contributions and other corporate resources to support non-profit community organizations. We contribute to charitable, welfare, health, education and other types of non-profit institutions primarily in the communities in which we have major operations and with military organizations that the Company supports. To ensure company contributions are aligned with business and social responsibility objectives, are within budget limitations, and are compliant with all applicable laws and regulatory requirements, all corporate donations must be approved in writing prior to payment in accordance with policy.

Refer to policy [01-03-05 Charitable Contributions](#) for additional information.

### **12.2 Environmental Protection and Energy Conservation**

Navistar Defense adheres to high standards of environmental quality. We promote the efficient use of energy, the reduction of waste and the environmentally safe handling of materials in all our facilities and throughout the entire product life-cycle.

Refer to policy [01-07-05 Environmental Protection and Energy Conservation](#) for additional information.

## **13.0 CUSTOMER AND SUPPLIER RELATIONS**

### **13.1 Quality**

Navistar Defense must deliver high-quality, safe products and services. We are committed to meeting or exceeding all governmental and military safety standards and contractual specifications applicable to our products.

Refer to policy [06-01-01 Corporate Quality](#) for additional information.

### **13.2 Supplier Relations**

Navistar Defense believes that building and maintaining a "best-in-class" supplier base is critical to perpetuating our leadership position in the industry. We are expected to act in a fair, ethical and lawful manner in all dealings with suppliers. We maintain programs that promote increased business with diverse suppliers (including minority, women, and veteran owned, service-disabled and small and disadvantaged businesses), to comply with applicable laws and develop our supplier base.

Policies, manuals and procedures are maintained to cover the entire procurement cycle including, but not limited to, supplier evaluation and selection, item determination, price and cost analysis, terms and conditions, contracts requirement "flow down" to subcontractors, supplier representations and certifications, and documentation requirements and retention.