



DEFENSE

Combating Trafficking in Persons Compliance Plan

Navistar Defense is opposed to human trafficking and forced labor in any form. We are committed to working to mitigate the risk of human trafficking and forced labor in all aspects of our business. The US Government has a zero-tolerance policy regarding any Government employees and 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 subsection to involuntary servitude, peonage, debt bondage or slavery and sex trafficking.

Navistar Defense Personnel are required to comply with the provisions contained in the Federal Acquisition Regulation; Ending Trafficking in Persons (48 CFR Parts 1, 2, 9, 12, 22, 42, and 52) (the "FARs") and Defense Federal Acquisition Regulation Supplement: Further Implementation of Trafficking in Persons Policy (48 CFR Parts 203, 204, 212, 222, and 252) (the "DFARS") Executive Order 13627, "*Strengthening Protections Against Trafficking in Persons in Federal Contracts*," (the "Executive Order") as well as Navistar Defense Policy No. 05-06, *Combating Trafficking in Persons* (the "Navistar Defense Policy"):

<http://www.navistardefense.com/staticfiles/navistardefense/company/Navistar%20Defense%20Policy%2005-06.pdf>

To the extent these provisions differ in their requirements, the stricter requirements must be followed.

The following sets forth Navistar Defense's overall general compliance plan, as required by FAR 52.222-50(h), such plan to be supplemented, amended, or revised, as appropriate for each applicable Government contract (or applicable portions thereof), depending on the size and complexity of the contract and the nature and scope of the activities,

Additional awareness information about trafficking in persons may be found at the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons website at <http://www.state.gov/tip>.

Awareness Program

Pursuant to the FARs, contractors, contractor employees and their agents are prohibited from:

- Engaging in severe forms (i.e., using force, fraud or coercion) of trafficking in persons during the period of performance of a contract;
- Procuring commercial sex acts during the period of performance of a contract ;
- Using forced labor in the performance of a contract;
- Destroying, concealing, confiscating, or otherwise denying access by an employee to the employee's identity or immigration documents, such as passports or drivers' licenses, regardless of issuing authority;
- Using misleading or fraudulent recruiting practices during the recruitment of employees or offering of employment, such as failing to disclose, in a format and language accessible to the worker, basic information or making material misrepresentations during the recruitment of employees regarding the key terms and conditions of employment, including wages and fringe benefits, the location of work, the living conditions, housing and associated costs (if employer or agent provided or arranged), any significant costs to be charged to the employee, and, if applicable, the hazardous nature of the work;
- Using recruiters that do not comply with the local labor laws of the country in which the recruiting takes place;
- Charging employees recruitment fees;
- Failing to provide return transportation or pay for the cost of return transportation upon the end of employment, for an employee who was not a national of the country in which the work is taking place and who was brought into that country for the purposes of working on a U.S. Government contract, subcontract or portion(s) of contracts or subcontracts performed outside the United States;
- Failing to provide return transportation or pay for the costs of return transportation upon the end of employment, for an employee who is not a United States national and who was brought into the United States for the purpose of working on a U.S. Government contract or subcontract, if the payment of such costs is required under existing temporary worker programs or pursuant to a written agreement with the employee for portions of contracts and subcontracts performed inside the United States;
- Providing or arranging housing that fails to meet the host country housing and safety standards; and
- If required by law or contract, failing to provide an employment contract, recruitment agreement or other required work document in writing in a language the employee understands. If the employee must relocate to perform the work, the work document shall be provided to the employee at least five days prior to the employee relocating.

Any violation of the FARs, the DFARS, the Executive Order and/or Navistar's Policy could result in disciplinary action which may include but is not limited to, an employee's removal from a contract, reduction in benefits or termination of employment.

Employees

On an annual basis, Navistar Defense requires all employees to complete online Compliance Training and certify that they have read and understand the Navistar Defense Code of Conduct and agree to comply with the policies, procedures and principles of the Navistar Defense Policy and report any violations of which they are aware. The Navistar Defense Code of Conduct and the Navistar Defense Policy both of which are publicly posted on its website:

<http://www.navistardefense.com/NavistarDefense/ourcompany/corporategovernance>

Navistar Defense conducts in-person, all-hands compliance training approximately annually and as needed throughout the year. Such compliance training is targeted and customized for various business units and appropriate to the nature and scope of the activities to be performed.

A communication was sent to all Navistar Defense employees which included training on combating human trafficking, the Navistar Defense Policy, the Navistar Defense Code of Conduct and this compliance plan.

Subcontractors/Suppliers

Applicable FAR and DFARS clauses are flowed down to our subcontractors. Subcontractors are also provided links to the Navistar Defense Code of Conduct and the Navistar Defense Policy and asked to certify that they have read and understood those documents.

Navistar Defense sent a communication to its suppliers, informing them of the finalization of the rules, Navistar Defense's expectations of their compliance with those rules, as applicable and providing the additional information and resources set forth in the comments to the revised rules. That communication is also posted on the Navistar Defense supplier website.

Contingent Workers

Contingent workers are provided copies of Navistar Defense's Code of Conduct and the Navistar Defense Policy and asked to certify that they have read and understand the policy and code. They are also provided written training on combating human trafficking and asked to certify that they have read and understand the training material.

Questions

Questions regarding Navistar Defense's policy and actions to combat trafficking in persons may be directed to HTlawscompliance@navistar.com.

Reporting Process

Employees should consult their Compliance Officer or the Law Department if they are uncertain whether a specific action would be in violation of the FARs, the DFARS, the Executive Order or the Navistar Defense Policy.

Employees may report, in good faith, and have a responsibility to, without fear of retaliation and subject to protection under 10 U.S.C. 2409, as implemented in DFARS subpart 203.9, for

reprisal for whistleblowing on trafficking in persons violations, any activity that violates the FARs, the DFARS, the Executive Order or the Navistar Defense Policy to their management, the Compliance Department, the Law Department or at Navistar's Business Abuse and Compliance hotline at 1-877-7DIALIT (1-877-734-2548) or at twinc.com/webreport/default.asp. In addition, employees may contact the Global Human Trafficking Hotline at 1-844-888-FREE or via its email address at help@befree.org or the Department of Defense at www.dodig.mil/hotline/ or toll free at 800-424-9098.

Recruitment and Wage Plan

To the extent that Navistar uses recruitment companies, only recruitment companies with trained employees may be used, no recruitment fees may be charged to the employee and all wages must meet applicable host-country legal requirements or explain any variance.

Housing Plan

Typically, Navistar Defense does not provide housing as such housing is on a military base in-country arranged by the US Government. In the event that Navistar Defense is required to provide or arrange housing under a US Government contract, such housing will be provided that meets host-country housing and safety standards.

Procedures to Prevent Agents and Subcontractors from Engaging in Trafficking in Persons and to Monitor, Detect and Terminate

Agents and Subcontractors

All agents and subcontractors, as a part of the set-up process to allow payments, are screened against OCR Services, Inc's Licensed Software called, Export Automation Solutions Essentials "EASE," which runs pertinent information regarding the subcontractor or agent against integrated US Government and international denied and debarred party watchlists.

Not less than annually, Navistar Defense will require all of its subcontractors to certify:

- 1) Its policies and practices prohibit engaging in the trafficking of persons, the use of forced labor, or the procuring of commercial sex acts in the country or countries in which it conducts business; and
- 2) If applicable, it has implemented a compliance plan to prevent any prohibited activities identified at FAR 52.222-50 (b) and to monitor, detect, and terminate any agent, subcontract or subcontractor employee engaging in prohibited activities; and
- 3) After having conducted due diligence, either (a) to the best of its knowledge and belief, neither it nor any of its agents, subcontractors, or their agents is engaged in any such activities; or (b) if abuses relating to any of the prohibited activities identified in FAR

52.222-50(b) have been found, the Supplier or subcontractor has taken the appropriate remedial and referral actions.

- 4) Has reviewed and understands Navistar Defense Policy No. 05-06, Combating Trafficking in Persons Policy
(<http://www.navistardefense.com/staticfiles/navistardefense/company/Navistar%20Defense%20Policy%2005-06.pdf>)

As required by the FARs, Navistar Defense shall flow down all applicable clauses to its subcontractors and agents.

Failure to comply with the requirements of the FARs is grounds for Navistar Defense to take any and all appropriate actions, up to and including immediate termination of that subcontractor's or agent's contract with Navistar Defense.

Suppliers

Navistar Defense has made available to its suppliers through its supplier portal, written training and information on combating human trafficking.

Navistar Defense has undertaken a review of its suppliers that it believes could reasonably fall within the requirements of the FARs, to determine what steps the supply base is taking or has taken to comply with the requirements. All suppliers included in the review were also provided with training and information on combating human trafficking. All due diligence gathered from suppliers relating to their efforts to comply with the FARs is maintained in a central repository.

Additionally, Navistar Defense trains its supply professionals, engineers and quality staff that visit Navistar Defense suppliers' premises on recognizing signs of human trafficking and the appropriate action to take if human trafficking is suspected.

Contingent Workers

As part of the onboarding process, Navistar Defense provides each contingent worker, through their employer, a copy of Navistar Defense's Code of Conduct, Navistar Defense Policy No. 05-06, Combating Trafficking in Persons, Navistar's Corporate Policy No. 05-02, Foreign Corrupt Practices Act and Other Anti-Corruption Laws, Corruption Prevention, and Policy on Use of Foreign Dealers/ Agents, and the Navistar Defense Combating Trafficking in Persons Supplier Training Guide and requires certification:

- 1) that they have received all of those documents, that they have read and understood those documents and that they agree to abide by them; and
- 2) that they acknowledge that the principles of legal and ethical business behavior set forth in those documents apply to their conduct as a contingent worker performing work for Navistar Defense; and
- 3) that they know they are expected to, and have a responsibility to, report any concerns or possible violations, without fear of retaliation and subject to employee

protection, if applicable, under U.S.C. 2409 as implemented in DFARS subpart 203.9, to the Navistar Abuse and Compliance Hotline at 1-877-7DIALIT (1-877-734-2548), or by accessing the Web Reporting System at <https://www.tnwinc.com/webreport/Default.asp>, or the Global Human Trafficking Hotline at 1-844-888-FREE or via its email address help@befree.org; and

- 4) that they acknowledge awareness of the U.S. Department of State's Office to Monitor and Combat Trafficking in Persons website at <http://www.state.gov/tip> which contains further awareness information.

Notification

Navistar Defense shall immediately inform the Contracting Officer and the agency Inspector General upon receipt of credible information alleging a violation of FAR 52.222-50; and any actions taken against a Navistar employee, subcontractor, subcontractor employee, or their agent pursuant to FAR 52.222-50.

As described above, employees may, in good faith, report, without fear of retaliation and with employee protection under 10 U.S.C. 2409, as implemented in DFARS subpart 203.9, any activity that violates the FARs, the DFARS, the Executive Order or Navistar's internal Policy 05-06 to their management, the Compliance Department, the Law Department or at Navistar's Business Abuse and Compliance hotline at 1-877-7DIALIT (1-877-734-2548) or at [tnwinc.com/webreport/default.asp](https://www.tnwinc.com/webreport/default.asp) or to the Global Human Trafficking Hotline or at help@befree.org. Anyone else, including subcontractors, agents, and contingent workers, may also use the hotlines or websites to report any issues relating to human trafficking.

Posting

Navistar Defense shall post its compliance plan no later than the initiation of contract performance, at the workplace (unless the work is to be performed in the field or not in a fixed location and on Navistar Defense's website.

Navistar Defense shall provide its compliance plan to the Contracting Officer upon request.

Certifications

Prior to contract award and annually after receiving an award, Navistar Defense will provide certifications to the contracting officer as required by the FARs.

Prior to award of a subcontract, and annually during performance of the contract, Navistar Defense shall obtain from each subcontractor with subcontracts for supplies, other than COTS items, to be acquired outside the United States, or services to be performed outside the United States, a certification as required by the FARs.

In addition, for individual contracts that are for supplies, other than commercially available off-the-shelf items, acquired outside the United States or services to be performed outside the United States, and has an estimated value exceeding \$500,000, before entering into a

subcontract, Navistar Defense will obtain from each subcontractor whose subcontract meets the above requirements, a certification as required in FAR 1703(c)(3)(i) and (ii).