

**Navistar/UAW 2021 Negotiations**  
**EXTENSION AGREEMENT**

THIS AGREEMENT is entered into on the date entered below by and between NAVISTAR, INC., (hereinafter referred to as the "Company"), and INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, and its affiliated Locals 402, 658, 6, 2293, 119, 472, 1872 (hereinafter collectively referred to as the "Union"). Current or former Melrose Park employees represented by either Local 6 or Local 2293, including employees covered by the UAW/Navistar Plant Closing Agreement, Melrose Park Campus (ratified in March of 2021), or the Melrose Park Discontinuance of Engine Operations Agreement (ratified in December of 2017), are not covered by these terms except as specifically provided below.

WHEREAS, the Company and the Union are currently parties to Main Labor Contracts (P&M, C&T, PDC-W, and PDC-O), the Health Security Program Agreement ("HSPA"), the Non-Contributory Retirement Plan ("NCRP"), the Navistar, Inc. 401(k) Plan for Represented Employees ("401(k) Plan"), the Supplemental Unemployment Benefit ("SUB") Plan, the Apprenticeship and Skilled Trades Supplement, and Supplemental Documents (all such contracts collectively referred to herein as the "Agreements"), all of which expire by their terms as of 12:01 a.m. on October 1, 2024; and

WHEREAS, the Parties desire to extend the Agreements;

Now, therefore, the Company and the Union agree as follows:

1. **Extension**: The Agreements will be extended for two years, and will remain in full force and effect until 12:01 a.m. on October 1, 2026 without modification except as otherwise specified below.

2. **Duration**: The 2024 dates stated in the duration provisions of the Agreements (e.g. Art. XXVI, ¶674 of the P&M Main Labor Contract) are hereby changed to 2026.

3. **Job Security (Springfield)**: Paragraph 2 of the Springfield Modern Operating Agreement (Supplemental Letter 32) is hereby modified as follows: "In order to address concerns expressed by the Union regarding the potential impact of Flexible Product Alignment practices on overall Springfield job security and considering the extremely volatile market conditions in the truck industry, the Company has agreed to maintain a minimum active headcount at the Springfield Assembly Plant (combined between the bargaining units represented by UAW Locals 402 and 658) of 1130, and a line rate of totaling (on all lines combined) at least 90 units per regularly scheduled production day at Springfield for the term of the extended 2018 Contracts. Of the 1130 employees, a minimum of 50 will be represented by Local 658. The parties recognize and agree that the minimum line rate and headcount provisions of this paragraph will not apply in situations involving down days or down weeks, an act of nature or other emergency circumstances, or where necessary to protect customer delivery commitments or employee safety, and will automatically expire ~~as of the expiration date of the 2018 Contracts~~ at 12:01 am on of October 1, 2026 unless the parties mutually agree otherwise in writing. The parties further agree that as long as the Company mans the facility at the minimum line rate and headcount

identified above, there can be no violation of this paragraph. The parties further agree that if General Motors substantially reduces its truck orders more than 50% from current levels or terminates those orders, the minimum headcount commitment set forth above will expire once the 90 unit per day commitment specified in the current job security letter is implemented. The minimum headcount will be measured as of the first Monday of each month (or the next workday if Monday is a non-workday), and will include any employees on PTO or STD on that day. Employees who would have been laid off but for the minimum headcount or line rate commitments set forth above will continue to be paid the same wage rate and provided the same benefits, but can be assigned to any work in the plant that they are qualified to perform (per local seniority rules or practices), assigned to training, or sent home.”

4. **Signing Bonus/Wages/Lump Sums/Wage Progression Tables:**

- **Signing bonus:** all employees who are on active or laid off status on the date this Agreement is ratified will receive a lump sum payment, minus applicable taxes and withholdings, of \$5,000 per employee. This lump sum payment will also be made to all Melrose Park employees (Locals 6 and 2293) who received the lump sum payment provided in Par. 7 of the 2021 Plant Closing Agreement for the Melrose Park Campus, in addition to all Melrose Park employees who were 62 or older and retired in the 2021 calendar year. Current or former Melrose Park employees are not eligible for any other lump sum payments, wage increases, or other benefits provided under this Extension Agreement. This payment will be made within three weeks of the date on which the Union notifies management that this Agreement has been ratified.
- **2022 and 2023 Wage Adjustments/Lump Sum Payments:**
  - Per current Agreements except that wage rates for skilled trades employees will be increased by \$3/hour effective January 3, 2022.
- **2024 Wage Adjustments/Lump Sum Payments:**
  - Effective October 7, 2024, wage and salary maximums for all grades on all wage tables will be increased by 4%, along with employees in Step 6 of the C&T wage table. All employees who have reached the maximum wage or salary rate by that date will receive this new wage.
  - Effective October 7, 2024, new hire wage rates for hourly-paid employees (P&M and PDC-W) in the wage progression tables will be increased by \$2/hour for all labor grades on all wage tables. All subsequent steps will also increase by \$2/hour, so that each step increases \$1/hour from the prior step, except for the maximum for the labor grade. Effective the same date, weekly salary rates for salaried employees (C&T and PCD-O) who are still in progression will increase by \$80/week, except for the last step for C&T employees and the maximum salary. Employees currently in progression will have their wages adjusted to the new rate for their grade and step.
- **2025 Wage Adjustments/Lump Sum Payments:**
  - All employees who have reached the maximum wage or salary rate as of October 1, 2025 and are on active or laid off status as of that date will receive a lump sum payment, minus applicable taxes and withholdings, equal to 4% of “qualified earnings” as defined in the

current Main Labor Contracts. This payment will be made on or before October 10, 2025

5. **Retirement Lump Sum:** See separate Supplemental Letter.
6. **Health & Welfare Benefits:** All weekly employee premium contributions and other plan design terms, including but not limited to co-pays, deductibles and out-of-pocket maximums, as set forth in Supplemental Letter #130, will remain unchanged for the duration of this Extension Agreement.
7. **Pending Grievances:** The parties will attempt to resolve all open monetary grievances filed on or before October 29, 2021. Any such grievances not settled by January 22, 2022 will be advanced to the next step of the grievance procedure.
8. **Lump Sum Payments In Lieu of Profit Sharing:** in view of the fact that Navistar is no longer publicly traded, and that starting in 2022 its fiscal year will change to align with the calendar year, the provisions of the Main Labor Contracts regarding Lump Sum Payments In Lieu of Profit Sharing (e.g., Art. XIII, Sec. 4(b)(1) and (2), ¶212 - 213 of the P&M MLC) will be modified as follows:

(b) Lump Sum Payments In Lieu of Profit Sharing

(1) All bargaining unit employees with a bargaining unit seniority date of September 30, 2010 or earlier and who remain continuously employed by the Company as of ~~February~~ April 1 of each contract year ~~or who retire after October 31 of the preceding year~~ will receive an additional lump sum payment in the amount of \$1,000, less applicable withholdings, if and only if Navistar International Corporation (NIC) ~~reports~~ earns a positive after-tax net income for the prior fiscal year. The first such potential payment will be made in ~~February~~ April of ~~2019~~ 2023 if NIC reports a positive after-tax income for FY~~2018~~2022. These payments will be made no later than ~~February 28~~ April 30 of each contract year to each eligible employee. An employee who retires during the fiscal year for which a lump sum is paid under this paragraph will receive a pro rata portion of the lump sum payment. This pro rata payment will be calculated based on the number of calendar months in the fiscal year during which the employee either actively worked for a minimum of 10 days or was paid vacation for a minimum of 10 days.

(2) All bargaining unit employees with a bargaining unit seniority date of 10/1/10 or later and who remain continuously employed by the Company as of ~~February~~ April 1 of each contract year and have completed their probationary period as of the preceding ~~October~~ December 31 will receive an additional lump sum payment in the amount of \$1,000, less applicable withholdings, if and only if Navistar International Corporation (NIC) ~~reports~~ earns a positive after-tax net income for the prior fiscal year in an amount equal to or greater than the number of employees eligible for payment under this paragraph multiplied by \$1,000. The first such potential payment will be made in February of ~~2019~~ 2023. These payments will be made no later than ~~February 28~~ April 30 of each year.

(3) In addition to the above, and in full satisfaction of any payment that may be due based on partial or complete 2021 NIC financial results, each bargaining unit employee who meets the eligibility criteria stated above shall receive a lump sum payment in the amount of \$1,000, less applicable withholdings. This payment will be made no later than February 28, 2022.

9. **COLA:** in the provisions of the Main Labor Contracts regarding COLA Adjustment Dates (e.g., Art. XIII, Sec. 4(c)(6)(a), ¶222 of the P&M MLC), change all 2024 dates to 2026.

10. **Holidays:** in the Holiday provisions of the Main Labor Contracts (e.g., Art. XIII, Sec. 1, ¶267 of the P&M Main Labor Contract), add designated holidays for the extended years that are consistent with the Holidays identified for 2024 in the Main Labor Contracts.

11. **Vacation Period:** in the Vacation Period exhibits of the Main Labor Contracts (e.g., Exhibit L of the P&M Main Labor Contract), add vacation periods for the extended years of the Main Labor Contracts.

12. **Benefit Continuation for Laid Off Employee Who are Not Eligible for SUB:** modify HSPA ¶636 as follows:

**(3) Coverage for Employees Not Entitled to SUB**

In the case of an employee who is laid-off for reasons not entitling the employee to coverage based on SUB or Lack of Work Benefit eligibility, the employee on such layoff will be eligible to continue coverage under Part III according to COBRA continuation rules (Appendix A). In addition, the employee on such layoff will be eligible to continue coverage under Part IV by applying for a conversion policy with the Life Insurance vendor. *Accidental Death and Dismemberment coverage is not eligible to be converted.*

In the case of an employee who is laid off and is eligible for the Lack of Work Benefit, all of the employee's insurance coverages will be continued at active employee rates for one month after the month in which the employee ceased active employment. Allocation of vacation money to, or scheduling of vacation for, a week or weeks immediately following layoff will not change the date of layoff for this purpose. Notwithstanding the above, in the event that there is a layoff that does not qualify for a Lack of Work benefit, but is of a known short duration (for example a one week shut down for maintenance), Navistar will continue coverage under Parts III and IV and will 'front' premiums. Upon the employee's return to work, Navistar will deduct no more than two deductions per paycheck until the fronted premiums are recovered.

13. **Laid Off Employees Who Are Not Eligible for Disability Benefits:** An employee represented by Local 402 who is on layoff and is not eligible for disability benefits while on layoff, and who cannot immediately report back to work when recalled due to a non-work related injury or illness experienced while on layoff, will be placed on unpaid leave status until the employee is medically cleared to return to work without restrictions into an open job the employee is qualified to perform, up to a maximum period equal to the employee's period of recall rights.

14. **Authority:** The individuals signing below hereby warrant and affirm that each is authorized to enter into this Extension Agreement on behalf of the parties specified above.

**FOR THE COMPANY**

**FOR THE UNION**

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Date: \_\_\_\_\_



Navistar, Inc.  
2701 Navistar Drive  
Lisle, IL 60532 USA

Leon Cornelius  
Director, Labor Relations

P : 331-332-5000  
W : navistar.com

November 17, 2021

Mr. John Eblin  
UAW Heavy Truck Department  
Solidarity House  
8000 East Jefferson Avenue  
Detroit, MI 48214

Voluntary Retirement Incentive

Dear John,

During the 2021 negotiations, in which the parties agreed to extend the current agreements between the parties by two years to October 1, 2026, the parties discussed the unique circumstances and challenges presented in all aspects of the Company's business. In view of these circumstances and challenges, the parties agreed to a Voluntary Retirement Incentive with the following terms:

A Voluntary Retirement Incentive will be provided to all employees (active or on layoff or leave status) within the P&M or C&T bargaining units at Springfield, and within any PDC Office or Warehouse bargaining units. In order to be eligible for this Voluntary Retirement Incentive, the employee must first satisfy each of the following conditions: (a) the employee must meet all the eligibility requirements established by the Navistar, Inc. Non-Contributory Retirement Plan ("NCRP") for either "Normal Retirement (as set forth in Article II, Section 1 of the NCRP), or for "Regular Early Retirement" (as set forth in Article II, Section 2 of the NCRP) as of the date of the employee's retirement; (b) the employee must voluntarily elect to accept this Voluntary Retirement Incentive (in writing in a form acceptable to the Company) during the time period beginning on December 1, 2021 (or the date of ratification of this Agreement if later) and ending on December 17, 2021 (the "Application Period"); (c) the employee must retire on a date designated by the Company, but no sooner than January 7, 2022 and no later than April 1, 2022, and must remain continuously employed by the Company until the designated retirement date, and not be earlier terminated by the Company for good cause; and (d) at the time of the employee's retirement, the employee must agree to and execute a written waiver and release of any and all claims against the Company and any and all future employment opportunities with the Company in any capacity at any Company location. This Voluntary Retirement Incentive will consist of payment in the amount of \$17,500 in one lump sum, less applicable withholdings. Payment will be made within 21 days after the employee signs the waiver and release of claims. An eligible employee who accepts this Voluntary Retirement Incentive shall cease to be an employee of the Company for all purposes and shall have his or her seniority broken as of the effective date of the employee's retirement. The Voluntary Retirement Incentive of \$17,500 will also be offered, under the same terms and conditions indicated in this paragraph, in November 2024 and November 2025. Application periods and retirement windows will mirror those indicated in this paragraph.

The parties agree that any job openings that occur as a result of an employee electing this Voluntary Retirement Incentive will be filled in accordance with existing local contractual language.

Very truly yours,

Leon Cornelius  
Director, Labor Relations

Accepted For The Union:

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