

Form 5500

Annual Return/Report of Employee Benefit Plan

OMB Nos. 1210-0110
1210-0089

2022

This Form is Open to Public Inspection

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security
Administration

Pension Benefit Guaranty Corporation

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

Part I Annual Report Identification Information

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 08/31/2022

- A** This return/report is for:
 - a multiemployer plan
 - a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.)
 - a single-employer plan
 - a DFE (specify) _____
- B** This return/report is:
 - the first return/report
 - the final return/report
 - an amended return/report
 - a short plan year return/report (less than 12 months)
- C** If the plan is a collectively-bargained plan, check here. ▶
- D** Check box if filing under:
 - Form 5558
 - automatic extension
 - the DFVC program
 - special extension (enter description)
- E** If this is a retroactively adopted plan permitted by SECURE Act section 201, check here. ▶

Part II Basic Plan Information—enter all requested information

1a Name of plan NAVISTAR, INC. SALARIED EMPLOYEES PENSION PLAN NO. 2	1b Three-digit plan number (PN) ▶ <u>039</u>
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) NAVISTAR, INC. 2701 NAVISTAR DRIVE LISLE, IL 60532	1c Effective date of plan <u>01/01/2019</u> 2b Employer Identification Number (EIN) <u>36-1264810</u> 2c Plan Sponsor's telephone number <u>331-332-5000</u> 2d Business code (see instructions) <u>336100</u>

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	06/14/2023	ROSE MURTAUGH
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

Form 5500 (2022)
v. 220413

3a Plan administrator's name and address <input checked="" type="checkbox"/> Same as Plan Sponsor	3b Administrator's EIN 3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name	4b EIN 4d PN
5 Total number of participants at the beginning of the plan year	5 6675
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).	
a(1) Total number of active participants at the beginning of the plan year	6a(1) 118
a(2) Total number of active participants at the end of the plan year	6a(2) 0
b Retired or separated participants receiving benefits	6b 0
c Other retired or separated participants entitled to future benefits.....	6c 0
d Subtotal. Add lines 6a(2) , 6b , and 6c	6d 0
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	6e 0
f Total. Add lines 6d and 6e	6f 0
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 1B 3H b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:	
9a Plan funding arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor	9b Plan benefit arrangement (check all that apply) (1) <input type="checkbox"/> Insurance (2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts (3) <input checked="" type="checkbox"/> Trust (4) <input type="checkbox"/> General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)	
a Pension Schedules (1) <input checked="" type="checkbox"/> R (Retirement Plan Information) (2) <input type="checkbox"/> MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) <input checked="" type="checkbox"/> SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary	b General Schedules (1) <input checked="" type="checkbox"/> H (Financial Information) (2) <input type="checkbox"/> I (Financial Information – Small Plan) (3) <input type="checkbox"/> 0 A (Insurance Information) (4) <input type="checkbox"/> C (Service Provider Information) (5) <input checked="" type="checkbox"/> D (DFE/Participating Plan Information) (6) <input type="checkbox"/> G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) Yes No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) Yes No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE SB (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 08/31/2022

▶ **Round off amounts to nearest dollar.**
 ▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>NAVISTAR, INC. SALARIED EMPLOYEES PENSION PLAN NO. 2</u>	B Three-digit plan number (PN) ▶	<u>039</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>NAVISTAR, INC.</u>	D Employer Identification Number (EIN) <u>36-1264810</u>	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B	F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2022</u>			
2 Assets:			
a Market value.....	2a	<u>150875763</u>	
b Actuarial value.....	2b	<u>146022800</u>	
3 Funding target/participant count breakdown	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment.....	<u>6322</u>	<u>126853537</u>	<u>126853537</u>
b For terminated vested participants.....	<u>278</u>	<u>6669327</u>	<u>6669327</u>
c For active participants.....	<u>118</u>	<u>991483</u>	<u>1201591</u>
d Total.....	<u>6718</u>	<u>134514347</u>	<u>134724455</u>
4 If the plan is in at-risk status, check the box and complete lines (a) and (b)..... <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions.....	4a		
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor.....	4b		
5 Effective interest rate.....	5	<u>5.23 %</u>	
6 Target normal cost.....			
a Present value of current plan year accruals.....	6a	<u>0</u>	
b Expected plan-related expenses.....	6b	<u>20000</u>	
c Total (line 6a + line 6b).....	6c	<u>20000</u>	

Statement by Enrolled Actuary
 To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE		
	Signature of actuary	<u>06/01/2023</u> Date
	<u>BRIANA C GARCIA</u> Type or print name of actuary	<u>23-07806</u> Most recent enrollment number
	<u>WILLIS TOWERS WATSON US LLC</u> Firm name	<u>312-288-7700</u> Telephone number (including area code)
	<u>WILLIS TOWER 233 SOUTH WACKER DRIVE SUITE 1800 CHICAGO, IL 60606</u> Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

Part II		Beginning of Year Carryover and Prefunding Balances	
		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....	0	9821993
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	2135173
9	Amount remaining (line 7 minus line 8)	0	7686820
10	Interest on line 9 using prior year's actual return of <u>8.97</u> %	0	689508
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year).....		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.39</u> %.....		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance.....		0
	d Portion of (c) to be added to prefunding balance.....		0
12	Other reductions in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....	0	8376328

Part III		Funding Percentages	
14	Funding target attainment percentage	14	102.16 %
15	Adjusted funding target attainment percentage	15	108.38 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	94.26 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.	17	%

Part IV		Contributions and Liquidity Shortfalls			
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c) 0

19	Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
	a Contributions allocated toward unpaid minimum required contributions from prior years.....	19a	0
	b Contributions made to avoid restrictions adjusted to valuation date.	19b	0
	c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.	19c	0
20	Quarterly contributions and liquidity shortfalls:		
	a Did the plan have a "funding shortfall" for the prior year?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
	c If line 20a is "Yes," see instructions and complete the following table as applicable:		

Liquidity shortfall as of end of quarter of this plan year			
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th
0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost

21 Discount rate:

a Segment rates:	1st segment: 4.75 %	2nd segment: 5.18 %	3rd segment: 5.92 %	<input type="checkbox"/> N/A, full yield curve used
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b Applicable month (enter code)..... **21b** 4

22 Weighted average retirement age **22** 61

23 Mortality table(s) (see instructions) Prescribed - combined Prescribed - separate Substitute

Part VI Miscellaneous Items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. Yes No

25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. Yes No

26 Demographic and benefit information

a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment. Yes No

b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment ... Yes No

27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment **27**

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years

28 Unpaid minimum required contributions for all prior years.....	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....	29	0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....	30	0

Part VIII Minimum Required Contribution For Current Year

31 Target normal cost and excess assets (see instructions):

a Target normal cost (line 6c).....	31a	20000
b Excess assets, if applicable, but not greater than line 31a	31b	20000

32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	0	0
b Waiver amortization installment.....	0	0

33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount..... **33**

34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).... **34** 0

	Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement.....	0	0	0

36 Additional cash requirement (line 34 minus line 35)..... **36** 0

37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)..... **37** 0

38 Present value of excess contributions for current year (see instructions)

a Total (excess, if any, of line 37 over line 36)	38a	0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances	38b	0

39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)..... **39** 0

40 Unpaid minimum required contributions for all years..... **40** 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)

41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. 2019 2020 2021

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

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c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

a Name of MTIA, CCT, PSA, or 103-12 IE:

b Name of sponsor of entity listed in (a):

c EIN-PN

d Entity code

e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)

SCHEDULE H (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection
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For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>08/31/2022</u>	
A Name of plan NAVISTAR, INC. SALARIED EMPLOYEES PENSION PLAN NO. 2	B Three-digit plan number (PN) ▶ <u>039</u>
C Plan sponsor's name as shown on line 2a of Form 5500 NAVISTAR, INC.	D Employer Identification Number (EIN) 36-1264810

Part I	Asset and Liability Statement
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1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets	(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....	1a	
b Receivables (less allowance for doubtful accounts):		
(1) Employer contributions.....	1b(1)	
(2) Participant contributions.....	1b(2)	
(3) Other.....	1b(3)	
c General investments:		
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....	1c(1)	
(2) U.S. Government securities.....	1c(2)	
(3) Corporate debt instruments (other than employer securities):		
(A) Preferred.....	1c(3)(A)	
(B) All other.....	1c(3)(B)	
(4) Corporate stocks (other than employer securities):		
(A) Preferred.....	1c(4)(A)	
(B) Common.....	1c(4)(B)	
(5) Partnership/joint venture interests.....	1c(5)	
(6) Real estate (other than employer real property).....	1c(6)	
(7) Loans (other than to participants).....	1c(7)	
(8) Participant loans.....	1c(8)	
(9) Value of interest in common/collective trusts.....	1c(9)	
(10) Value of interest in pooled separate accounts.....	1c(10)	
(11) Value of interest in master trust investment accounts.....	1c(11)	<u>0</u>
(12) Value of interest in 103-12 investment entities.....	1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)	
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)	
(15) Other.....	1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities.....	1d(1)		
(2) Employer real property.....	1d(2)		
e Buildings and other property used in plan operation.....	1e		
f Total assets (add all amounts in lines 1a through 1e).....	1f	149583474	0
Liabilities			
g Benefit claims payable.....	1g		
h Operating payables.....	1h	14751	0
i Acquisition indebtedness.....	1i		
j Other liabilities.....	1j	2026	0
k Total liabilities (add all amounts in lines 1g through 1j).....	1k	16777	0
Net Assets			
l Net assets (subtract line 1k from line 1f).....	1l	149566697	0

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers.....	2a(1)(A)		
(B) Participants.....	2a(1)(B)		
(C) Others (including rollovers).....	2a(1)(C)		
(2) Noncash contributions.....	2a(2)		
(3) Total contributions. Add lines 2a(1)(A), (B), (C), and line 2a(2).....	2a(3)		0
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit).....	2b(1)(A)		
(B) U.S. Government securities.....	2b(1)(B)		
(C) Corporate debt instruments.....	2b(1)(C)		
(D) Loans (other than to participants).....	2b(1)(D)		
(E) Participant loans.....	2b(1)(E)		
(F) Other.....	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F).....	2b(1)(G)		0
(2) Dividends:			
(A) Preferred stock.....	2b(2)(A)		
(B) Common stock.....	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds).....	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A), (B), and (C).....	2b(2)(D)		0
(3) Rents.....	2b(3)		
(4) Net gain (loss) on sale of assets:			
(A) Aggregate proceeds.....	2b(4)(A)		
(B) Aggregate carrying amount (see instructions).....	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result.....	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets:			
(A) Real estate.....	2b(5)(A)		
(B) Other.....	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		-16520155
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		
c Other income	2c		3727
d Total income. Add all income amounts in column (b) and enter total	2d		-16516428
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	11106991	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		11106991
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)	4063	
(2) Contract administrator fees.....	2i(2)		
(3) Investment advisory and management fees	2i(3)	30114	
(4) Other	2i(4)	1168345	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		1202522
j Total expenses. Add all expense amounts in column (b) and enter total	2j		12309513
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d.....	2k		-28825941
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan.....	2l(2)		120740756

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

- (1) Unmodified (2) Qualified (3) Disclaimer (4) Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

- (1) DOL Regulation 2520.103-8 (2) DOL Regulation 2520.103-12(d) (3) neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: GRANT THORNTON LLP

(2) EIN: 36-6055558

d The opinion of an independent qualified public accountant is **not attached** because:

- (1) This form is filed for a CCT, PSA, or MTIA. (2) It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

		Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....	4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....	4d		X	
e Was this plan covered by a fidelity bond?.....	4e	X		2000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?.....	4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	4i		X	
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.).....	4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k	X		
l Has the plan failed to provide any benefit when due under the plan?	4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m			
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?..... Yes No
 If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)
NAVISTAR, INC. SALARIED EMPLOYEES PENSION PLAN NO. 1	36-1264810	037

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) Yes No Not determined
 If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year 476947.

SCHEDULE R (Form 5500) <small>Department of the Treasury Internal Revenue Service</small> <small>Department of Labor Employee Benefits Security Administration</small> <small>Pension Benefit Guaranty Corporation</small>	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	<small>OMB No. 1210-0110</small> 2022 This Form is Open to Public Inspection.
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For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 08/31/2022

A Name of plan <u>NAVISTAR, INC. SALARIED EMPLOYEES PENSION PLAN NO. 2</u>	B Three-digit plan number (PN) ▶	<u>039</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>NAVISTAR, INC.</u>	D Employer Identification Number (EIN) <u>36-1264810</u>	

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....

1	0
---	---

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):
EIN(s): 36-1561860

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....

3	0
---	---

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)
----------------	---

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? Yes No N/A
If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____
If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....	6a	
b Enter the amount contributed by the employer to the plan for this plan year.....	6b	
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c	

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? Yes No N/A

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? Yes No N/A

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... Increase Decrease Both No

Part IV	ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... Yes No

11 a Does the ESOP hold any preferred stock?..... Yes No

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... Yes No

12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... Yes No

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

a Name of contributing employer _____

b EIN _____ **c** Dollar amount contributed by employer _____

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: Hourly Weekly Unit of production Other (specify): _____

14 Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:

a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: <input type="checkbox"/> last contributing employer <input type="checkbox"/> alternative <input type="checkbox"/> reasonable approximation (see instructions for required attachment).....	14a	
b The plan year immediately preceding the current plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
c The second preceding plan year. <input type="checkbox"/> Check the box if the number reported is a change from what was previously reported (see instructions for required attachment).....	14c	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
b The corresponding number for the second preceding plan year.....	15b	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: 26.0 % Investment-Grade Debt: 45.0 % High-Yield Debt: 3.0 % Real Estate: 9.0 % Other: 17.0 %

b Provide the average duration of the combined investment-grade and high-yield debt:
 0-3 years 3-6 years 6-9 years 9-12 years 12-15 years 15-18 years 18-21 years 21 years or more

c What duration measure was used to calculate line 19(b)?
 Effective duration Macaulay duration Modified duration Other (specify):

20 PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20.

a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? Yes No

b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box:

Yes.

No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date.

No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date.

No. Other. Provide explanation _____

Financial Statements and Report of Independent
Certified Public Accountants

Navistar, Inc.
Salaried Employees Pension Plan No. 2

August 31, 2022 and December 31, 2021

Contents

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GRANT THORNTON LLP

Grant Thornton Tower
171 N. Clark St., Suite 200
Chicago, IL 60601

D +1 312 856 0200

F +1 312 602 8099

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Plan Administrator and Plan Participants
Navistar, Inc. Salaried Employees Pension Plan No. 2

Scope and nature of the ERISA Section 103(a)(3)(C) audit

We have performed audits of the financial statements of Navistar, Inc. Salaried Employees Pension Plan No. 2 (the "Plan"), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statements of net assets available for benefits as of August 31, 2022 and December 31, 2021, and the related statement of changes in net assets available for benefits for the period January 1, 2022 through August 31, 2022, and the related notes to the financial statements.

Management, having determined it is permissible in the circumstances, has elected to have the audits of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audits need not extend to any statements or information related to assets held for investment of the plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified to by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained certifications from a qualified institution as of August 31, 2022 and December 31, 2021, and for the period January 1, 2022 through August 31, 2022, stating that the certified investment information, as described in Note H to the financial statements, is complete and accurate.

Opinion

In our opinion, based on our audits and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the Financial Statements section

- The amounts and disclosures in the accompanying financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
- The information in the accompanying financial statements related to assets held by and certified to by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Emphasis of matter

The Plan presents its actuarial present value of accumulated plan benefits using a beginning of the year benefit information date. As discussed in Note F to the financial statements, the Plan has changed its basis used to select the discount rate to determine the actuarial present value of accumulated plans benefits as of December 31, 2020. Our opinion is not modified with respect to this matter.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Management is also responsible for maintaining a current plan instrument, including all plan amendments, administering the plan, and determining that the plan's transactions that are presented and disclosed in the financial statements are in conformity with the plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's responsibilities for the audit of the financial statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

Our audits did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of accounting principles generally accepted in the United States of America.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

Chicago, Illinois
June 13, 2023

Navistar, Inc. Salaried Employees Pension Plan No. 2
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
As of August 31, 2022 and December 31, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Plan's interest in Master Trust, at fair value	\$ -	\$ 149,583,474
Liabilities		
Accrued income taxes	-	2,026
Accrued administrative expenses	-	14,751
Total liabilities	-	16,777
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ -</u>	<u>\$ 149,566,697</u>

The accompanying notes are an integral part of these statements.

Navistar, Inc. Salaried Employees Pension Plan No. 2
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
For the period January 1, 2022 through August 31, 2022 and the year ended December 31, 2021

	<u>2022</u>	<u>2021</u>
Investment (loss) income		
Change in Plan's interest in Master Trust	\$ (16,520,155)	\$ 13,954,102
Income tax refunds	3,727	-
Deductions from net assets		
Benefits paid directly to participants or their beneficiaries	11,106,991	17,762,804
Pension insurance premium paid to PBGC	1,135,080	1,118,182
Administrative expenses	63,982	106,787
Income tax expense	3,460	5,410
	<u>12,309,513</u>	<u>18,993,183</u>
Total deductions from net assets		
Net decrease before transfers	(28,825,941)	(5,039,081)
Transfer from Plan (Note A)	<u>(120,740,756)</u>	<u>-</u>
NET DECREASE	(149,566,697)	(5,039,081)
Net assets available for benefits		
Beginning of period	<u>149,566,697</u>	<u>154,605,778</u>
End of period	<u>\$ -</u>	<u>\$ 149,566,697</u>

The accompanying notes are an integral part of these statements.

Navistar, Inc. Salaried Employees Pension Plan No. 2
NOTES TO FINANCIAL STATEMENTS
August 31, 2022 and December 31, 2021

NOTE A - DESCRIPTION OF THE PLAN

The following description of the Navistar, Inc. Salaried Employees Pension Plan No. 2 (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for a complete description of the Plan’s provisions.

General

The Plan is a defined benefit pension plan sponsored by Navistar, Inc. (the “Company”) that is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Plan contains two component plans: the RPSE Component and the IC Bus Plan Component, which provide retirement and other benefits for eligible non-represented and certain other employees and former employees of the Company and its participating subsidiaries and affiliates. Each component plan provides for the terms and conditions under the Plan applicable to its respective group of employees, terminated participants and retirees.

In general, participants covered by the RPSE Component are considered eligible for the Plan at the date of employment if they were hired prior to January 1, 1996, not represented by a union and were considered either full-time or part-time employees. In general, participants covered by the IC Bus Plan Component are eligible for the Plan if they were employees of IC Bus LLC, a wholly owned subsidiary of the Company, hired prior to January 1, 2006 and not represented by a union.

The Plan’s assets are held in the Navistar, Inc. Salaried Employees Pension Trust (the “Master Trust”), along with the assets of the Navistar, Inc. Salaried Employees Pension Plan No. 1 (“SEPP 1”), a separate defined benefit plan sponsored by the Company. The Northern Trust Company (the “Trustee”) serves as the trustee of the Plan and the Master Trust. The Trustee is authorized to hold the assets of the Plan, to invest or reinvest the assets of the Master Trust, and to deposit monies in separate checking accounts for the payment of benefits or expenses of the Plan and the Master Trust in accordance with the instructions of the Company.

Effective August 31, 2022, the Plan merged into SEPP 1. Net assets of approximately \$120,741,000 and accumulated plan benefits of approximately \$129,661,000 were transferred from the Plan into SEPP 1. The combined plan will continue to provide benefits substantially similar in all material respects to the benefits provided by the Plan and SEPP 1 prior to August 31, 2022.

Contributions

The Plan provides that the Company shall make annual contributions required under the minimum funding standards of the Internal Revenue Code (the “IRC”) and ERISA. In no event, however, shall the Company be required to pay in any year an amount greater than the amount that is deductible for tax purposes in that year. The Company was not required to make any contributions to the Plan for the period January 1, 2022 through August 31, 2022. Contributions of \$2,135,173

Navistar, Inc. Salaried Employees Pension Plan No. 2
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and December 31, 2021

to the Plan were required for the year ended December 31, 2021. The Company's contributions exceeded the minimum requirement for 2021. The Company elected to satisfy the 2021 minimum contribution from the Plan's prefunding balance.

Benefits

RPSE Component:

For periods prior to December 31, 2013, the RPSE Component of the Plan provides that eligible employees who retire on or after January 1, 1989, shall receive an annual benefit based on 2.4% of salary per year of service prior to January 1, 1989, and 1.7% of salary per year of service on or after January 1, 1989, to a maximum of 60% of the highest consecutive five-year average salary in the ten years preceding retirement. All participants have their benefits reduced by 1.7% per year of service to a maximum of 60% of Social Security benefits.

Employees who did not participate fully in the contributory portion of the RPSE Component of the Plan that was in effect prior to November 1, 1979, may have their benefits reduced based on the degree of such nonparticipation. For eligible employees who retired prior to January 1, 1989, but on or subsequent to November 1, 1979, the RPSE Component of the Plan provides benefits based on 60% of the highest three-year average salary in the five years preceding retirement and the employee's credited service, reduced by 65% of Social Security benefits.

In the event such benefits are less than the minimum benefit level equal to the sum of contributory benefits accrued prior to November 1, 1979, and noncontributory benefits based on the employee's credited service and monthly benefit rates, then a supplemental benefit shall be provided to attain the minimum benefit level.

The RPSE Component of the Plan also provides reduced early retirement benefits to eligible employees who retire on or after November 1, 1979, and have attained age 55 with ten or more years of credited service. Participants become fully vested in their accrued benefits upon completion of five years of vesting service.

Accrued benefits for RPSE Component participants were frozen effective December 31, 2013 (the freeze date). Thus, benefits of each participant in the RPSE Component of the Plan are limited to the accrued benefit on the freeze date calculated based on the participant's average annual earnings as of the freeze date and credited service as of the freeze date or for certain participants whose credited service was previously frozen, credited service as of December 31, 2004.

IC Bus Plan Component:

The IC Bus Plan Component of the Plan provides that, upon retirement, the amount of benefits under the IC Bus Plan Component of the Plan is the highest amount using two different computations. Under each benefit computation, the annual benefit is a percentage of earnings or

Navistar, Inc. Salaried Employees Pension Plan No. 2
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and December 31, 2021

average annual earnings multiplied or adjusted by years of credited service. If employees terminate before rendering five years of service, they forfeit the right to receive the portion of their accumulated Plan benefits attributable to the Company's contributions.

Accrued benefits under the IC Bus Plan Component were frozen effective December 31, 2013 (the freeze date), which limits the benefits of the participants who go into payment status to the amount of benefit accrued through the freeze date.

Administrative Expenses

All administrative expenses are paid from the Plan unless the Company, at its discretion, pays such expenses.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Plan are presented on the accrual basis of accounting.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated plan benefits at the date of the financial statements and changes therein. Actual results could differ from those estimates.

Risks and Uncertainties

Investment securities, in general, are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

Plan contributions are made and the actuarial present value of accumulated plan benefits is reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Navistar, Inc. Salaried Employees Pension Plan No. 2
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and December 31, 2021

Investment Valuation and Income Recognition

The Plan's interest in the Master Trust as of December 31, 2021 is presented at fair value, which has been determined based on the fair value of the underlying investments of the Master Trust. After the Plan's merger on August 31, 2022 into SEPP 1, the Plan no longer held an interest in the Master Trust.

Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis. Purchases and sales of securities are recorded on the trade-date basis. Net realized and unrealized appreciation (depreciation), along with dividend income and interest income are recorded in the accompanying statements of changes in net assets available for benefits as change in Plan's interest in Master Trust.

The Plan follows guidance on accounting for fair value measurements, which:

- Defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value;
- Establishes a hierarchy of fair value measurement based on the observability of inputs used to value assets and liabilities;
- Requires consideration of nonperformance risk; and
- Requires disclosures about the methods used to measure fair value.

The framework for measuring fair value establishes a three-level hierarchy of measurements based on the reliability of observable and unobservable inputs used to arrive at fair value. Observable inputs are independent market data, while unobservable inputs reflect the Plan management's assumptions about valuation. Depending on the inputs, the Plan classifies each fair value measurement as follows:

- Level 1 - based on unadjusted quoted prices for *identical* instruments in active markets;
- Level 2 - based on quoted prices for *similar* instruments, prices for identical or similar instruments in markets that are not active, or model-derived valuations, all of whose significant inputs are observable; and
- Level 3 - based on one or more significant unobservable inputs.

Navistar, Inc. Salaried Employees Pension Plan No. 2
NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and December 31, 2021

The following describes the methods and significant assumptions used to estimate fair value of the investments held by the Master Trust at December 31, 2021.

Cash and short-term investments - Valued at cost plus earnings from investments for the period, which approximates fair market value due to the short-term duration. Short-term investments are valued at net asset value ("NAV") as provided by the administrator of the fund.

Collective trusts - Valued at the NAV provided by the administrator of each trust. The NAV is based on the value of the underlying assets owned by the trust, minus its liabilities, and then divided by the number of shares outstanding.

Hedge fund, private debt funds, private equity funds, insurance-linked securities fund, and real estate - Valued at the NAV as reported to the Trustee from the respective fund's manager and is used as a practical expedient to estimate fair value. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding.

See Note C - Master Trust - for the Master Trust's investments by level within the fair value hierarchy as of December 31, 2021.

Benefit Payments

Benefits are recorded when paid.

NOTE C - MASTER TRUST

After the Plan merged into SEPP 1, the Plan no longer held an interest in the Master Trust as of August 31, 2022. The Master Trust held the Plan's and SEPP 1's investment assets as of December 31, 2021. Use of the Master Trust permitted the commingling of Plan assets with the assets of SEPP 1 for investment and administrative purposes. Although assets of the plans were commingled in the Master Trust, the Trustee maintained supporting records for the purpose of allocating the investments to the participating plans. Each plan held a divided interest in the Master Trust's net assets as of December 31, 2021. The value of the Plan's interest in the Master Trust is based on the beginning of year value of the Plan's interest in the Master Trust, plus actual contributions and investment income or loss, less actual benefits paid, Plan specific expenses and administrative expenses.

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NOTES TO FINANCIAL STATEMENTS - CONTINUED
August 31, 2022 and December 31, 2021

The following table presents the Master Trust's net assets and the Plan's interest in the Master Trust's net assets as of December 31, 2021:

Assets	Master Trust	Plan's Interest
Investments, at fair value		
Cash and short-term investments	\$ 22,382,593	\$ 4,343,429
Collective trusts	880,851,005	120,697,331
Hedge fund	45,908,714	4,277,493
Private debt funds	55,878,346	8,639,753
Private equity funds	5,887,528	1,133,139
Insurance-linked securities fund	13,601,223	2,246,157
Real estate	23,143,066	3,675,785
Total investments	1,047,652,475	145,013,087
Receivables		
Receivable for investments sold	4,486,815	4,242,491
Accrued investment income	2,359,469	370,387
Total receivables	6,846,284	4,612,878
Total assets	1,054,498,759	149,625,965
Liabilities		
Payable for investments purchased	286,815	42,491
Total net assets of the Master Trust available for benefits	\$ 1,054,211,944	\$ 149,583,474

The net investment (losses) earnings of the Master Trust for the period January 1, 2022 through August 31, 2022 and the year ended December 31, 2021, are summarized below:

	2022	2021
Net (depreciation) appreciation in fair value of investments	\$ (135,335,239)	\$ 130,517,316
Dividend and interest income	2,071,786	2,870,786
	\$ (133,263,453)	\$ 133,388,102

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The following table presents the Master Trust’s investments by level within the fair value hierarchy as of December 31, 2021:

	2021				Total
	Level 1	Level 2	Level 3	NAV	
Cash and short-term investments	\$ 22,382,593	\$ -	\$ -	\$ -	\$ 22,382,593
Collective trusts (a)	-	880,851,005	-	-	880,851,005
Hedge fund (b)	-	-	-	45,908,714	45,908,714
Private debt funds (c)	-	-	-	55,878,346	55,878,346
Private equity funds (d)	-	-	-	5,887,528	5,887,528
Insurance-linked securities fund (e)	-	-	-	13,601,223	13,601,223
Real estate (f)	-	-	-	23,143,066	23,143,066
Total	\$ 22,382,593	\$ 880,851,005	\$ -	\$ 144,418,877	\$ 1,047,652,475

- (a) All of these collective trusts file an annual report on Form 5500 as a direct filing entity. Except in the case of one collective trust, redemption is permitted daily with 15 days’ written notice. The collective trust that is an exception permits redemption quarterly with 105 days’ notice and a 10% holdback is applicable upon full liquidation.
- (b) This fund does not file an annual report on Form 5500 as a direct filing entity. The investment strategy of the fund is to generate attractive returns over a full market cycle by investing in a range of alternative investment opportunities with sources of return that have a low correlation to the broader financial markets, while also seeking to preserve capital. The fund has a one year lock up period and thereafter, redemptions are permitted semi-annually at the end of June and December with 95 days’ notice. Full redemptions are subject to a 10% holdback.
- (c) These funds are closed end funds and redemption is not permitted. One of the funds files an annual report on Form 5500 as a direct filing entity. The Master Trust is committed to invest \$27,000,000 in this fund, of which \$19,322,828 has been funded as of December 31, 2021. The other fund does not file an annual report on Form 5500 as a direct filing entity. The investment strategy of the fund is to primarily focus on private credit and real estate lending, with an additional allocation to opportunistic credit. The fund has a lock up through the life of the fund, however, capital distributions will be made during the term. The Master Trust is committed to invest \$42,000,000 in this fund, of which \$30,138,470 has been funded as of December 31, 2021.
- (d) These funds do not file an annual report on Form 5500 as direct filing entities. The investment strategy of these funds is to invest in other limited partnerships, limited liability companies and other pooled investment vehicles. Redemption is not permitted. With written permission from the respective partnership’s manager, the Plan may sell all or part of its interest to another party as long as the transfer of the interest to the other party follows the appropriate transfer policies of the partnerships. The Plan is committed to invest \$70,000,000 in the partnerships, of which \$60,637,290 has been funded as of December 31, 2021.
- (e) These funds do not file an annual report on Form 5500 as a direct filing entity. These funds achieve their investment strategy by participating in collateralized reinsurance and retrocessional contracts or securities and other transactions which primarily provide exposure to risks traditionally associated with the insurance and reinsurance industry and, in particular catastrophe insurance risk across a number of different geographic regions and perils. Redemption from one of the funds was not permitted until the expiration of the one year lock up period on December 31, 2018, at which time the Plan elected to reinvest its redemptions into another class of shares within the fund. Both share classes have begun a wind down phase to distribute all assets in the portfolio in cash and normal redemptions are no longer

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permitted. Both share classes will be compulsorily redeemed pro rata as cash becomes available for distribution. Certain events may suspend or delay the payment of the redemption proceeds. The other fund has a one year lock up and requires redemption notice as outlined by the fund. The fund will make redemption payouts and distributions on a monthly basis if there is liquidity from underlying investments.

- (f) These funds do not file an annual report on Form 5500 as a direct filing entity. The funds are closed-end funds and redemption is not permitted. One of the funds pursues a high value-add and opportunistic investment strategy with respect to real estate and real estate-related investments primarily in North America and Europe. The Master Trust is committed to invest \$12,617,647 in this fund, of which \$4,844,898 has been funded as of December 31, 2021.

The second fund seeks attractive opportunistic risk-adjusted returns by acquiring positions of control or significant influence in real estate and real estate companies globally capitalizing on market instabilities and volatility and assessing growth opportunities. The Master Trust is committed to invest \$16,500,000 in this fund, of which \$11,539,451 has been funded as of December 31, 2021.

NOTE D - TAX STATUS

The Internal Revenue Service (“IRS”) issued a favorable determination letter, dated January 28, 2020, indicating that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. The Company believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

U.S. GAAP requires Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that, as of August 31, 2022 and December 31, 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by the IRS; however, there are currently no audits for any tax periods in progress.

The Plan holds certain investments that are subject to Unrelated Business Income Tax and therefore, the Plan paid income tax for the period January 1, 2022 through August 31, 2022 and for the 2021 Plan year.

NOTE E - PLAN TERMINATION

If the Plan is terminated, the net assets of the Plan will be distributed to the participants in an order of priority determined in accordance with ERISA and its applicable regulations, and with the Plan document. Certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (the “PBGC”) if the Plan terminates. Generally, the PBGC guarantees most vested

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normal retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under covered plans, and the amount of benefit protection is subject to certain limitations.

The PBGC guarantees vested benefits at the level in effect on the date of Plan termination, subject to a statutory ceiling on the amount of an individual's monthly benefit. Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide for accumulated benefit obligations, and may also depend on the financial condition of the Plan sponsor and the level of benefits guaranteed by the PBGC.

NOTE F - ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service employees have rendered. Accumulated plan benefits include benefits expected to be paid to (1) retired or terminated employees or their beneficiaries, (2) beneficiaries of employees who have died and (3) present employees or their beneficiaries.

The actuarial present value of accumulated plan benefits was determined by actuaries from the Plan's independent actuary, Willis Towers Watson US LLC, and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment.

The basis for selecting the Plan's discount rate assumption used in the calculation of the December 31, 2021 actuarial present value of accumulated plan benefits changed from the long-term rate of return utilized in prior years to the settlement rate. The change was implemented after the Company merged, effective July 1, 2021, with TRATON SE ("TRATON") and the Company changed from U.S. GAAP to International Financial Reporting Standards ("IFRS") to comply with TRATON's corporate accounting standards. Under IFRS the long-term rate of return is not used for calculating the interest income on plan assets included in the corporate income statement.

After adopting IFRS and discontinuing the use of the long-term rate of return for the corporate accounting, the Company assessed and determined that it was no longer necessary to continue using the long-term rate of return as the discount rate in the valuation of the Plan's accumulated plan benefits. The Plan's reporting did not change to IFRS and continues to report under U.S. GAAP. The Company's assessment concluded that the settlement rate is better aligned with pension plan industry practices, is more commonly used and is a more practical selection.

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The change in the discount rate assumption is a change in accounting principle which requires retrospective implementation. The December 31, 2020 actuarial present value of accumulated plans benefits reported in the Plan's December 31, 2021 financial statements was calculated using a long-term rate of return discount rate of 5.75% and was reported at \$140,444,866. The December 31, 2020 valuation has been updated to reflect a settlement rate discount rate of 2.10% and the revised actuarial present value of accumulated plan benefits increased to \$184,552,053.

The significant actuarial assumptions used in the valuation of accumulated plan benefits as of December 31, 2021 were (1) an interest rate of 2.60% (updated from 2.10% for 2020), (2) the life expectancy of healthy and disabled participants using 107% of Pri-2012 (white collar) projected generationally to 2037 using scale MP-2021 adjusted for years 2021-2023 (unchanged from 2020, except for updating the projection scale from MP-2020), and (3) retirement rates varying by age and service with average expected retirement age of 62.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of accumulated plan benefits.

The actuarial present value of accumulated plan benefits at December 31, 2021, is as follows:

Vested benefits	
Participants and beneficiaries currently receiving benefits	\$150,016,241
Other participants	<u>12,889,741</u>
Total vested benefits	162,905,982
Nonvested benefits	<u>369,724</u>
Total actuarial present value of accumulated plan benefits	<u>\$163,275,706</u>

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August 31, 2022 and December 31, 2021

The net change in the actuarial present value of accumulated plan benefits for the year ended December 31, 2021, is as follows:

Balance as of December 31, 2020, reflecting a discount rate of 5.75%	\$140,444,866
Impact of change in discount rate	<u>44,107,187</u>
Balance as of December 31, 2020, reflecting a discount rate of 2.10%	184,552,053
Actuarial gains	(623,729)
Interest due to decrease in discount period	3,690,098
Assumption changes	(6,579,912)
Benefits paid	<u>(17,762,804)</u>
Balance as of December 31, 2021	<u>\$163,275,706</u>

NOTE G- PARTY-IN-INTEREST TRANSACTIONS

The Plan paid fees to the Trustee for trustee and investment services. Aon serves as the Plan's investment advisor and the Plan paid Aon investment advisor fees. In addition, certain Plan and Master Trust investments are managed by the Trustee and Aon. Payments to the Trustee and Aon and investments managed by the Trustee and Aon qualify as party-in-interest transactions.

NOTE H - INFORMATION CERTIFIED BY THE TRUSTEE

The Plan administrator has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, the Trustee has certified that the following data included in the accompanying financial statements is complete and accurate, except for approximately \$1,231,000 that Plan management recorded to adjust certain alternative investments to fair value as of December 31, 2021:

- Plan's interest in Master Trust as shown in the statements of net assets available for benefits as of December 31, 2021.
- Investment income in the statements of changes in net assets available for benefits for the period January 1, 2022 through August 31, 2022 and the year ended December 31, 2021.

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The Plan's independent accountants did not perform auditing procedures with respect to this information, except for comparing such information to the related information included in the financial statements.

NOTE I - SUBSEQUENT EVENTS

Management of the Plan has evaluated its August 31, 2022 financial statements for subsequent events through June 13, 2023 the date the financial statements were available to be issued. There were no subsequent events that require recognition or additional disclosure in these financial statements.

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Schedule SB, Line 26a Schedule of Active Participant Data as of January 1, 2022

Attained Age	Attained Years of Credited Service ¹										Total	
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & Over		
Under 25	0	0	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0	0	0
30-34	0	28	0	0	0	0	0	0	0	0	0	28
35-39	0	35	0	0	0	0	0	0	0	0	0	35
40-44	0	11	0	0	0	0	0	0	0	0	0	11
45-49	0	17	6	0	0	0	0	0	0	0	0	23
50-54	0	5	1	1	0	0	0	0	0	0	0	7
55-59	0	3	2	1	0	1	0	0	0	0	0	7
60-64	0	1	2	0	0	1	0	0	0	0	0	4
65-69	0	0	1	0	0	0	0	0	0	0	0	1
70 & over	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	100	12	2	0	2	0	0	0	0	0	116

¹ Age and service for purposes of determining category are based on exact (not rounded) values.

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Schedule SB, Part V Statement of Actuarial Assumptions/Methods

Economic Assumptions

Interest rate basis:		
Applicable month		September 2021
Yield curve basis		Segment rates
	Reflecting Stabilization	Not Reflecting Stabilization ¹
Interest rates:		
First segment rate	4.75%	1.07%
Second segment rate	5.18%	2.68%
Third segment rate	5.92%	3.36%
Effective interest rate	5.23%	2.64%
Annual rates of increase		
Compensation		N/A
Future Social Security wage bases		N/A
Statutory limits in compensation		N/A
Plan related expenses paid from the plan – full year		\$1,130,000
Plan related expenses paid from the plan – short plan year (January 1, 2022 – August 31, 2022)		\$20,000

¹ Rates not reflecting stabilization are used to determine the PBGC 4010 funding shortfall.
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Inclusion date The valuation date coincident with or next following the date on which the employee is hired.

New or rehired employees It was assumed there will be no new or rehired employees.

Mortality for funding

Healthy and disabled Separate rates for non-annuitants (based on RP-2014 "Employees" table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2020) and annuitants (based on RP-2014 "Healthy Annuitants" table without collar or amount adjustments, adjusted backward to 2006 with MP-2014, and then projected forward with a static projection as specified in the regulations under §1.430(h)(3)-1 using Scale MP-2020).

Termination Rates varying by age, equal to 125% of the SOA Salaried termination rate table

Representative Rates

Percentage leaving during the year	
Attained Age	Rate
25	17.6%
30	13.9%
35	11.0%
40	8.6%
45	6.7%
50	5.1%

Disability None

Retirement Rates varying by age with average expected retirement age of 62.

Active employees

Representative Rates

Percentage retiring during the year	
Age	Rate
55-59	12%
60	15%
61-62	20%
63-69	30%
70	100%

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IC Bus employees

Rates vary by age and service

Representative Rates

Percentage retiring during the year			
Age	Under 90 points	90 points and over	
55-59	5%	25%	
60-61	10%	30%	
62	35%	55%	
63-64	10%	30%	
65	100%	100%	

Deferred inactive

Later of age 60 or current age

Deferred inactive eligible for grow-in

Earliest eligible retirement date

Unpredictable Contingent Event Benefits (UCEB) assumptions

Based on discussions with Navistar, no UCEBs are valued since all participants are assumed to have a de minimis likelihood of receiving UCEBs.

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Benefit commencement date

Retirement	Immediate
Termination	Normal retirement date
Disability	Earliest eligible commencement date (if applicable)
Death	Earliest eligible retirement date

Form of payment If single, life annuity. If married, a 55% Qualified Joint and Survivor Annuity (QJSA)

Percent married 90% of participants

Spouse age Wife three years younger than husband.

At-risk assumptions For at-risk calculations, all participants eligible to elect benefits during the current and subsequent ten plan years are assumed to commence benefits at the earliest possible date under the plan, but not before the end of the current plan year, except in accordance with the regular valuation assumptions. In addition, all participants (not just those eligible to begin benefits within the next 11 years) are assumed to elect the most valuable form of benefit under the plan, which is usually the life form of payment for single participants and the 55% QJSA for married participants.

Timing of benefit payments Benefit payments are assumed to be made uniformly throughout the year.

Methods

Valuation date First day of plan year

Funding target Present value of accrued benefits as required by regulations under IRC §430.

Target normal cost Present value of benefits expected to accrue during plan year plus plan-related expenses expected to be paid from plan assets during plan year as required by regulations under IRC §430.

Actuarial value of assets Average of the fair market value of assets on the valuation date and the two immediately preceding valuation dates, adjusted for contributions, benefits, administrative expenses and expected earnings (with such expected earnings limited as described in IRS Notice 2009-22). The average asset value must be within 10% of fair value, including

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contributions receivable (discounted using the effective interest rate for the prior plan year).

The method of computing the actuarial value of assets as selected by Navistar, Inc. complies with rules governing the calculation of such values under the Pension Protection Act of 2006 (PPA). These rules produce smoothed values that reflect the underlying market value of plan assets but are expected to fluctuate less than the market value. As a result, the actuarial value of assets will be lower than the market value in some years and greater in other years. However, over the long term, considering PPA's smoothing rules, and Navistar's strategic asset investment allocation, a characteristic of this method is that it is more likely to produce an actuarial value of assets that is less than the market value of assets.

The market value used to calculate the actuarial value includes an estimate of the present value of future dividends under John Hancock Group Annuity Contract #17. The same market value is used, where applicable, to determine the minimum required contribution and the maximum tax-deductible contribution.

Benefits not valued

All benefits described in the Plan Provisions section of this report were valued. Willis Towers Watson has reviewed the plan provisions with Navistar, Inc. and, based on that review, is not aware any significant benefits required to be valued that are not.

Sources of Data and Other Information

The plan sponsor furnished participant data as of 1/1/2022. Information on assets, contributions and plan provisions was supplied by the plan sponsor. Data and other information were reviewed for reasonableness and consistency, but no audit was performed. Based on discussions with the plan sponsor, assumptions or estimates were made when data were not available. All such assumptions are documented in the January 1, 2022 Valuation Data Diagnostics report. We are not aware of any errors or omissions in the data that would have a significant effect on the results of our calculations.

Assumptions Rationale - Significant Economic Assumptions

Discount rate for funding

The basis chosen was selected by the plan sponsor from among choices prescribed by law, all of which are based on observed market data over certain periods of time.

Plan-related expenses

As required by regulations, plan-related expenses are calculated by estimating the expenses to be paid from the trust during the coming year (including, for example, expected PBGC premiums and actuarial,

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accounting, legal, administration and trustee fees to be paid from the trust).

Assumed return for asset smoothing

The assumed return used for asset smoothing is the third segment rate. Although we have not explicitly determined an expected return on assets, based on Navistar's investment policy, they have selected an expected return on asset assumption above the third segment rate.

Assumptions Rationale - Significant Demographic Assumptions

Mortality for funding

Assumptions used for funding purposes are as prescribed by IRC §430(h).

Termination

Termination rates are selected by Navistar, based on a published table for pension participants believed to have similar characteristics to the plan population, blended with plan experience. The most recent experience study was conducted in 2020.

Termination rates for at-risk funding calculations are as required by IRC 430.

Retirement

Retirement rates are selected by Navistar, Inc. based on plan experience, with consideration of whether any conditions have changed that would be expected to produce different results in the future. The most recent experience study was conducted in 2020.

Retirement rates for at-risk funding calculations are as required by IRC 430.

Benefit commencement date for deferred benefits

Deferred vested participants' assumed commencement age is a single age intended to capture the average age at commencement. Deferred vested early commencement factors are not subsidized so that the difference between this approach and using assumed commencement rates at multiple ages is not expected to be significant.

Deferred vested participants who are eligible to grow-in to early retirement eligibility are assumed to commence at earliest retirement eligibility to capture the value of the subsidy.

Form of payment

The percentage of retiring participants assumed to take joint and survivor annuities, and the assumed survivor percentages, are intended to capture the value of the plan's subsidized QJSA.

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Percent married The assumed percentage married is based on expected marriage patterns of retirement age individuals in the future.

Spouse age The assumed age difference for spouses is based on a blending of age differences of recent retirees and changes expected to occur in marriage patterns of retirement age individuals in the future.

Source of Prescribed Methods

Funding methods The methods used for funding purposes as described in Appendix A, including the method of determining plan assets, are “prescribed methods set by law”, as defined in the actuarial standards of practice (ASOPs). These methods are required by IRC §430, or were selected by the plan sponsor from a range of methods permitted by IRC §430.

Changes in Assumptions and Methods

Change in assumptions since prior valuation The segment interest rates used to calculate the funding target and target normal cost were updated to the current valuation date as required by IRC 430.

The mortality assumption used to calculate the funding target and target normal cost was updated as required by IRC 430.

The assumed plan-related expenses added to the target normal cost were changed from \$1,120,000 for the prior valuation to \$1,130,000 for the current valuation to account for expected expenses to be paid from the trust. The portion of the 2022 expenses estimated to be attributable to the January 1, 2022 – August 31, 2022 short plan year is \$20,000.

Change in methods since prior valuation None.

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Schedule SB – Statement by Enrolled Actuary

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EIN/PN	36-1264810/039
Plan Name	Navistar, Inc. Salaried Employees Pension Plan No. 2
Valuation Date	January 1, 2022
Enrolled Actuary	Briana C. Garcia
Enrollment Number	23-07806

The actuarial assumptions that are not mandated by IRC § 430 and regulations, represent the enrolled actuary's best estimate of anticipated experience under the plan, subject to the following conditions:

The actuarial valuation, on which the information in this Schedule SB is based, has been prepared in reliance upon the employee and financial data furnished by the plan administrator and the trustee. The enrolled actuary has not made a rigorous check of the accuracy of this information but has accepted it after reviewing it and concluding it is reasonable in relation to similar information furnished in previous years.

Plan merger at August 31, 2022

On August 31, 2022, this plan, Navistar, Inc. Salaried Employees Pension Plan No. 2 (SEPP No. 2), was merged into the Navistar, Inc. Salaried Employees Pension Plan No. 1 (SEPP No. 1), subsequently renamed Navistar, Inc. Salaried Employees Pension Plan (SEPP) EIN: 36-1264810 PN: 037 and this plan ceased to exist. The SEPP No. 1 and SEPP No. 2 had January 1 plan years prior to the merger and SEPP continues to have a January 1 plan year.

The SEPP filing for the 2022 Plan Year will have additional detail to show the combined amounts reflecting the merger for September 1, 2022 – December 31, 2022.

**SCHEDULE SB
(Form 5500)**

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation

**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2022

This Form is Open to Public Inspection

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 08/31/2022

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan NAVISTAR, INC. SALARIED EMPLOYEES PENSION PLAN NO. 2		B Three-digit plan number (PN) ▶	039
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF NAVISTAR, INC.		D Employer Identification Number (EIN) 36-1264810	
E Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B		F Prior year plan size: <input type="checkbox"/> 100 or fewer <input type="checkbox"/> 101-500 <input checked="" type="checkbox"/> More than 500	

Part I Basic Information			
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2022</u>			
2 Assets:			
a Market value		2a	150,875,763
b Actuarial value		2b	146,022,800
3 Funding target/participant count breakdown			
	(1) Number of participants	(2) Vested Funding Target	(3) Total Funding Target
a For retired participants and beneficiaries receiving payment	6,322	126,853,537	126,853,537
b For terminated vested participants	278	6,669,327	6,669,327
c For active participants	118	991,483	1,201,591
d Total	6,718	134,514,347	134,724,455
4 If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>			
a Funding target disregarding prescribed at-risk assumptions		4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor		4b	
5 Effective interest rate		5	5.23%
6 Target normal cost			
a Present value of current plan year accruals		6a	0
b Expected plan-related expenses		6b	20,000
c Total (line 6a + line 6b)		6c	20,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	BRIANA C GARCIA <i>BG</i>	6/1/2023
	Signature of actuary	Date
BRIANA C GARCIA	Type or print name of actuary	2307806
		Most recent enrollment number
WILLIS TOWERS WATSON US LLC	Firm name	312-288-7700
		Telephone number (including area code)
WILLIS TOWER 233 SOUTH WACKER DRIVE SUITE 1800 CHICAGO IL 60606	Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions

For Paperwork Reduction Act Notice, see the Instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2022
v. 220413

Part II Beginning of Year Carryover and Prefunding Balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (line 13 from prior year)	0	9,821,993
8	Portion elected for use to offset prior year's funding requirement (line 35 from prior year)	0	2,135,173
9	Amount remaining (line 7 minus line 8)	0	7,686,820
10	Interest on line 9 using prior year's actual return of <u>8.97%</u>	0	689,508
11	Prior year's excess contributions to be added to prefunding balance:		
	a Present value of excess contributions (line 38a from prior year)		0
	b(1) Interest on the excess, if any, of line 38a over line 38b from prior year Schedule SB, using prior year's effective interest rate of <u>5.39%</u>		0
	b(2) Interest on line 38b from prior year Schedule SB, using prior year's actual return		0
	c Total available at beginning of current plan year to add to prefunding balance		0
	d Portion of (c) to be added to prefunding balance		0
12	Other reductions in balances due to elections or deemed elections	0	0
13	Balance at beginning of current year (line 9 + line 10 + line 11d - line 12)	0	8,376,328

Part III Funding Percentages			
14	Funding target attainment percentage	14	102.16%
15	Adjusted funding target attainment percentage	15	108.38%
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement	16	94.26%
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage	17	%

Part IV Contributions and Liquidity Shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
Totals ▶			18(b)	0	18(c)
					0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

a Contributions allocated toward unpaid minimum required contributions from prior years	19a	0
b Contributions made to avoid restrictions adjusted to valuation date	19b	0
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date	19c	0

20 Quarterly contributions and liquidity shortfalls:

a Did the plan have a "funding shortfall" for the prior year? Yes No

b If line 20a is "Yes," were required quarterly installments for the current year made in a timely manner? Yes No

c If line 20a is "Yes," see instructions and complete the following table as applicable:

Liquidity shortfall as of end of quarter of this plan year				
(1) 1st	(2) 2nd	(3) 3rd	(4) 4th	
0	0	0	0	0

Part V Assumptions Used to Determine Funding Target and Target Normal Cost				
21 Discount rate:				
a Segment rates:	1st segment: 4.75 %	2nd segment: 5.18 %	3rd segment: 5.92 %	<input type="checkbox"/> N/A, full yield curve used
b Applicable month (enter code)				21b 4
22 Weighted average retirement age				22 61
23 Mortality table(s) (see instructions)	<input type="checkbox"/> Prescribed - combined		<input checked="" type="checkbox"/> Prescribed - separate	<input type="checkbox"/> Substitute

Part VI Miscellaneous Items				
24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment..... <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
26 Demographic and benefit information				
a Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
b Is the plan required to provide a projection of expected benefit payments? If "Yes," see instructions regarding required attachment				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
27 If the plan is subject to alternative funding rules, enter applicable code and see instructions regarding attachment.....				27

Part VII Reconciliation of Unpaid Minimum Required Contributions For Prior Years				
28 Unpaid minimum required contributions for all prior years				28 0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a).....				29 0
30 Remaining amount of unpaid minimum required contributions (line 28 minus line 29)				30 0

Part VIII Minimum Required Contribution For Current Year				
31 Target normal cost and excess assets (see instructions):				
a Target normal cost (line 6c)				31a 20,000
b Excess assets, if applicable, but not greater than line 31a				31b 20,000
32 Amortization installments:		Outstanding Balance	Installment	
a Net shortfall amortization installment	0		0	
b Waiver amortization installment	0		0	
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount				33
34 Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33).....				34 0
		Carryover balance	Prefunding balance	Total balance
35 Balances elected for use to offset funding requirement	0		0	
36 Additional cash requirement (line 34 minus line 35)				36 0
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c)				37 0
38 Present value of excess contributions for current year (see instructions)				
a Total (excess, if any, of line 37 over line 36)				38a 0
b Portion included in line 38a attributable to use of prefunding and funding standard carryover balances				38b 0
39 Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37)				39 0
40 Unpaid minimum required contributions for all years				40 0

Part IX Pension Funding Relief Under the American Rescue Plan Act of 2021 (See Instructions)				
41 If an election was made to use the extended amortization rule for a plan year beginning on or before December 31, 2021, check the box to indicate the first plan year for which the rule applies. <input checked="" type="checkbox"/> 2019 <input type="checkbox"/> 2020 <input type="checkbox"/> 2021				

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 22 Description of Weighted Average Retirement Age as of January 1, 2022

For each active participant, an expected retirement age was calculated weighted in proportion to the probability (as shown in the retirement rates table below) that the individual would remain an active participant to each age and then retire at that age. The plan's weighted average retirement age of 61 is the arithmetic average of the expected retirement ages of all participants on January 1, 2022.

Former RPSE participants:

Percentage retiring during the year	
Age	Rate
55-59	12%
60	15%
61-62	20%
63-69	30%
70	100%

Former IC Bus participants:

Percentage retiring during the year		
Age	If < 90 points Rate	If >= 90 points Rate
55	5%	25%
60	10%	30%
62	35%	55%
65	100%	100%

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
EIN / PN: 36-1264810/039
Plan Sponsor: Navistar, Inc.
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 26b Schedule of Projection of Expected Benefit Payments

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2022	5,815	163,993	16,511,164	16,680,972
2023	14,304	330,942	15,418,254	15,763,500
2024	21,629	344,273	14,367,259	14,733,161
2025	27,732	357,272	13,364,176	13,749,180
2026	31,443	367,187	12,404,807	12,803,437
2027	35,229	384,164	11,492,277	11,911,670
2028	39,158	404,015	10,627,922	11,071,095
2029	43,422	415,297	9,805,739	10,264,458
2030	48,675	434,041	9,021,911	9,504,627
2031	53,431	453,247	8,275,184	8,781,862
2032	57,559	467,029	7,564,079	8,088,667
2033	61,284	479,536	6,885,634	7,426,454
2034	64,742	490,510	6,238,885	6,794,137
2035	67,755	510,722	5,624,008	6,202,485
2036	71,188	525,199	5,041,235	5,637,622
2037	75,065	527,938	4,491,256	5,094,259
2038	79,647	534,591	3,975,570	4,589,808
2039	84,421	538,807	3,495,416	4,118,644
2040	88,770	532,513	3,051,896	3,673,179
2041	94,961	521,626	2,645,882	3,262,469
2042	100,079	509,363	2,277,563	2,887,005
2043	103,377	495,347	1,946,542	2,545,266
2044	107,667	477,631	1,651,988	2,237,286
2045	110,364	460,271	1,392,300	1,962,935
2046	115,291	442,215	1,165,578	1,723,084

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
 EIN / PN: 36-1264810/039
 Plan Sponsor: Navistar, Inc.
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Plan Year	Active Participants	Terminated Vested Participants	Retired Participants and Beneficiaries Receiving Payments	Total
2047	121,583	420,016	969,554	1,511,153
2048	128,030	399,013	801,476	1,328,519
2049	132,490	378,916	658,536	1,169,942
2050	136,585	356,671	537,911	1,031,167
2051	145,344	333,576	436,858	915,778
2052	155,883	310,839	352,788	819,510
2053	164,768	288,600	283,321	736,689
2054	170,487	266,981	226,312	663,780
2055	169,829	246,083	179,841	595,753
2056	166,082	225,991	142,214	534,287
2057	162,227	206,771	111,955	480,953
2058	158,144	188,477	87,787	434,408
2059	153,757	171,146	68,614	393,517
2060	149,172	154,804	53,509	357,485
2061	144,420	139,464	41,686	325,570
2062	139,506	125,139	32,488	297,133
2063	134,420	111,834	25,366	271,620
2064	129,156	99,549	19,874	248,579
2065	123,712	88,277	15,646	227,635
2066	118,092	77,998	12,394	208,484
2067	112,306	68,678	9,892	190,876
2068	106,369	60,274	7,960	174,603
2069	100,299	52,733	6,465	159,497
2070	94,114	45,989	5,300	145,403
2071	87,836	39,975	4,390	132,201

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
 EIN / PN: 36-1264810/039
 Plan Sponsor: Navistar, Inc.
 Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Schedule SB, Part V Summary of Plan Provisions

The Navistar, Inc. Salaried Employees Pension Plan (SEPP) was amended to spinoff certain participants as of January 1, 2019 to form the Navistar, Inc. Salaried Employees Pension Plan No. 2 (SEPP No. 2). The SEPP Plan was renamed the Navistar, Inc. Salaried Employees Pension Plan No. 1 (SEPP No. 1) effective January 1, 2019. All former IC Bus participants are in SEPP No. 2. The plan provisions remain unchanged following the spinoff.

Former Navistar, Inc. Retirement Plan for Salaried Employees (RPSE)

General

Covered Employees

Salaried employees other than:

- Temporary employees
- Employees excluded due to coverage under another plan
- Represented employees not covered by union agreement

Salaried employees first hired after January 1, 1996 are not covered under the plan except for:

- Employees added by the October 2010 plan amendment who were non-highly compensated for the plan year beginning January 1, 2009 as defined in Section 414(q) of the Internal Revenue Code and employed as of October 1, 2010 at the Fort Wayne Truck Design and Technology Center or the Fort Wayne Warranty Processing Center.
- Employees added by the 2013 plan amendment who were non-highly compensated for the plan year beginning January 1, 2012 as defined in Section 414(q) of the Internal Revenue Code with Federal Gross Earnings less than \$100,000, and who were hired prior to January 1, 2012 and remained employed as of December 31, 2012 as part of the Integrated Product Development group.

Participation Date

At employment, transfer to covered group, January 1, 2009 for the Fort Wayne employees who were added to the plan by the October 2010 amendment, or January 1, 2012 for the Integrated Production Development group employees who were added to the plan by the 2013 amendment.

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
EIN / PN: 36-1264810/039
Plan Sponsor: Navistar, Inc.
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Definitions

Pensionable pay	Base Pay
Benefit Service	One year for each calendar year in which the employee completes at least 1,700 hours of service. A partial year of benefit service is earned for years in which an employee completes less than 1,700 hours of service.
Average earnings	Average of five highest successive years in last ten years.
Social Security benefit	The projected amount of the participant's primary Social Security benefit according to the law in effect at the date of termination of employment assuming continuation of then current earnings to age 65.
Normal retirement date (NRD)	First of month coinciding with or next following the attainment of age 65 or five years of pension service.
Monthly pension benefit (MPB)	<p>Formula 1: Non-sales employees: 2.4% of Average Pay per year of service prior to 1/1/89 plus 1.7% of Average Pay per year of service on or after 1/1/89 up to a maximum 60% of Average Pay less 1.7% of Social Security per year of service up to 35 years.</p> <p> Retail sales: 12/31/88 monthly accrued benefit plus 1% of average monthly earnings for each year after 1/1/89.</p> <p>Formula 2: Flat dollar level for each year of service. For most non-sales employees effective 1/1/99, the dollar per month level is \$33.40 per month.</p> <p> For retail sales employees, the dollar per month level is generally \$8.75 per month.</p> <p> The dollar per month level for layoffs is the level in the plan effective at the time of layoff.</p>

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
EIN / PN: 36-1264810/039
Plan Sponsor: Navistar, Inc.
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

As of January 1, 2005, benefit service accruals are frozen for participants under age 45 as of January 1, 2005, except for the Fort Wayne employees who were added to the plan by the October 2010 plan amendment and the Integrated Product Development group employees who were added to the plan by the 2013 plan amendment.

Only service earned after January 1, 2009 is considered for the Fort Wayne employees who were added to the plan by the October 2010 plan amendment and only service after January 1, 2012 is considered for the Integrated Production Development group employees who were added to the plan by the 2013 plan amendment.

Effective December 31, 2013, the accrued benefits are frozen for all participants.

Minimum accrued benefit

\$1,425 per month for participants who meet all of the following requirements:

- At least age 45 on January 1, 2005
- Not a retail sales employee
- Not a highly compensated employee for the plan year beginning January 1, 2008 as defined in Section 414(q) of the Internal Revenue Code
- Retire or terminate on or after January 1, 2009
- Not part of the group of Fort Wayne employees added to the plan by the October 2010 plan amendment and not part of the group of Integrated Production Development group employees who were added to the plan by the 2013 plan amendment.

Effective December 31, 2013, the accrued benefits under the minimum accrued benefit formula are frozen.

Monthly preretirement death benefit

If eligible for early or normal retirement, spouse receives 55% of retirement benefit payable under normal form. If not eligible for early or normal retirement, spouse receives 50% of terminated vested benefit commencing no earlier than the benefit could have otherwise commenced.

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
EIN / PN: 36-1264810/039
Plan Sponsor: Navistar, Inc.
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Eligibility for Benefits

Normal retirement	Later of age 65 or 5th anniversary of participation
Early retirement	MPB Formula 1: Age 55 and 10 years of service MPB Formula 2: The earliest date at which the employee achieves: <ul style="list-style-type: none">■ Age 55 and age plus service greater than or equal to 85 (85 points),■ Age 60 and 10 years of service, or■ 30 years of service (this provision does not apply to sales employees)
Vested termination	5 years of service and not eligible for early retirement
Preretirement death benefit	5 years of service
Supplemental allowance	Eligible for early retirement benefit

Benefits Paid Upon the Following Events

Normal retirement	MPB determined at Normal Retirement
Early retirement	MPB Formula 1: Reduced 3% per year before age 62. MPB Formula 2: Actuarial equivalent reduction for retirement prior to age 62. If retiring with "85 points" or 30 years of service (non-sales employees only), reduction is eliminated at age 62.
Vested termination	Accrued benefit reduced for benefit commencement prior to age 65
Preretirement death	Monthly preretirement spouse benefit is payable
Benefits for participants on permanent layoff	Most participants on a layoff status can accrue up to 0.9 years of additional service. Also, with at least 10 years of seniority, they may be able to grow-in to early retirement eligibility.
Supplemental allowance	MPB Formula 1: Social Security offset payable until age 62.

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
EIN / PN: 36-1264810/039
Plan Sponsor: Navistar, Inc.
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

MPB Formula 2: For non-sales participants, fixed dollar amount (prorated for less than 30 years of service and reduced 1% per month for commencement prior to age 60 if service less than 30 years) less the MPB Formula 2 early retirement benefit, payable to age 62. For most non-sales participants, the fixed dollar amount, effective 1/1/99, is \$2,050 per month.

For retail sales employees, the fixed dollar amount is \$400 per month (prorated for less than 30 years of service and age less than 60) less the MPB Formula 2 early retirement benefit, payable to age 62.

Additional retirement benefits Additional benefits may be payable on account of participant contributions.

Other Plan Provisions

Forms of payment Life annuity, 55% Qualified Joint & Survivor Annuity, 75% Qualified Optional Survivor Annuity.

Pension Increases None

Plan participant's' contributions None

Maximum on benefits and pay Benefit limitation under IRC Section 415 in effect during year beginning on the valuation date recognizing limitations for retirement prior to Social Security retirement age.

Pay limitation under IRC Section 401(a)(17) in effect during year beginning on the valuation date.

Future Plan Changes

No future plan changes were recognized in the determination of the plan's Funding Target, Target Normal Cost or Plan Reporting.

Changes in Benefits Valued Since Prior Year

Plan provisions have not changed since the prior year, except to reflect current year changes in the Internal Revenue Code maximums on benefits.

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
EIN / PN: 36-1264810/039
Plan Sponsor: Navistar, Inc.
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Former IC Bus, LLC. Retirement Plan for Employees of IC Bus, LLC

General

The IC Bus plan was amended to spinoff certain non-represented participants as of December 30, 2016 to form the SEPP. The plan provisions of both component plans remain unchanged following the spinoff.

Covered Employees

Employees other than:

- Temporary employees
- Employees excluded due to coverage under another plan
- Non-represented employees hired or rehired on or after January 1, 2006.

Participation Date

Completion of one year of service and attainment of age 21.

Definitions

Vesting service

Total period of an employee's service, calculated in years and days

Pension service

Total period of an employee's service, in completed months

Effective as of December 31, 2005, the plan freezes service accruals for the non-represented employees under both the final average pay formulas and the \$21 per month formula

Pensionable pay

W-2 pay, including elective deferrals under Section 125 and/or Section 402(a)(8), limited by IRC Section 401(a)(17)

Average earnings

Average of five highest successive calendar years in last ten years

Normal retirement date (NRD)

The first day of the month coincident with or next following the attainment of age 65

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
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Plan Sponsor: Navistar, Inc.
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Monthly pension benefit

Greater of:

- ½% of Final Average Monthly Compensation times Credited Service, plus ½% of Final Average Monthly Compensation in excess of the participant's Covered Compensation, times credited service up to 35 years.
- \$15.00 times Credited Service if the date of termination is on or after July 17, 1996, and prior to July 17, 1997.
- \$16.00 times Credited Service if the date of termination is on or after July 17, 1997, and prior to July 17, 1998.
- \$17.00 times Credited Service if the date of termination is on or after July 17, 1998, and prior to July 17, 1999.
- \$18.50 times Credited Service if the date of termination is on or after July 17, 1999, and prior to July 17, 2000.
- \$20.00 times Credited Service if the date of termination is on or after July 17, 2000.
- \$21.00 times Credited Service if the date of termination is on or after July 17, 2001.

Non-UAW employees receive the dollar accrual rate in effect at the time of their retirement. This rate is frozen at \$21.00 as of December 31, 2005 for non-UAW employees only.

Effective December 31, 2013, the accrued benefits are frozen for all non-represented employees.

Eligibility for Benefits

Normal retirement	Retirement on NRD
Early retirement	The first day of the month coincident with or next following the attainment of age 55 and the completion of at least ten years of Vesting Service
Vested termination	5 years of service and not eligible for early retirement
Disability	Inability to engage in any occupation for wage or profit, due to sickness or injury, which is likely to be continuous and permanent.
Preretirement death benefit	5 years of service

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
EIN / PN: 36-1264810/039
Plan Sponsor: Navistar, Inc.
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Benefits Paid Upon the Following Events

Normal retirement MPB determined at Normal Retirement

Early retirement Age and service is less than 90

The MPB is reduced 1/15 for each of the first 5 years and 1/30 for each of the next five years that the benefit commences prior to the Normal Retirement Date.

Age and service is equal to or greater than 90:

Years until normal retirement date	Early retirement adjustment factor
1	1.000
2	1.000
3	1.000
4	.950
5	.900
6	.850
7	.800
8	.750
9	.688
10	.632

Vested termination Accrued benefit reduced based on actuarial equivalence for benefit commencement prior to age 65

Disablement The monthly income supplied by the greater of the present value of the accrued benefit or 12 times final monthly rate of pay, payable for ten years certain and life

Preretirement death The participant's beneficiary will receive an income payable for ten years certain and life in the amount of the greater of the actuarial equivalent of:

- The present value of the accrued benefit.
- The smaller of:
 - 12 times final average monthly compensation.
 - 100 times the monthly income the participant would have received had he remained in Service until his

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
EIN / PN: 36-1264810/039
Plan Sponsor: Navistar, Inc.
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

normal retirement date, at his latest constant rate of compensation.

Other Plan Provisions

Optional forms of payments

- Joint & Survivor Annuity with a percentage range of 50% to 100%
- 50% Qualified Joint & Survivor Annuity
- Certain and Life Annuity, with a certain period no more than the life expectancy of the participant
- Lump sum payment, if the single-sum value is less than \$6,000

Pension increases

None

Maximum on benefits and pay

Benefit limitation under IRC Section 415 in effect during year beginning on the valuation date recognizing limitations for retirement prior to Social Security retirement age.

Pay limitation under IRC Section 401(a)(17) in effect during year beginning on the valuation date.

Future Plan Changes

No future plan changes were recognized in the determination of the plans Funding Target, Target Normal Cost or Plan Reporting.

Changes in Benefits Valued Since Prior Year

Plan provisions have not changed since the prior year, except to reflect current year changes in the Internal Revenue Code maximums on benefits.

Plan Name: Navistar, Inc. Salaried Employees Pension Plan No. 2
EIN / PN: 36-1264810/039
Plan Sponsor: Navistar, Inc.
Valuation Date: January 1, 2022

SCHEDULE SB ATTACHMENTS

Schedule SB, Line 24 Change in Actuarial Assumptions

The assumed plan-related expenses added to the target normal cost were changed from \$1,120,000 for the prior valuation to \$1,130,000 for the current valuation to account for expected expenses to be paid from the trust. The portion of the 2022 expenses estimated to be attributable to the January 1, 2022 – August 31, 2022 short plan year is \$20,000.

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