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ss model that provides profitability at the bottom of the business cycle; and his leadership in making strategic acquisitions to position the Company for future successes.

- (7) Includes the grant date fair value of 24,578 restoration stock option awards granted on April 12, 2010 and 55,469 restoration stock option awards granted on April 14, 2010.
- (8) Includes the grant date fair value of 750 PSUs that were granted on April 4, 2011. The average of our high/low stock price on the date of grant was \$69.425 per share. Also includes the grant date fair value of 2,228 PSUs that were granted on September 18, 2011, the average of our high/low stock price on the date of grant was \$38.98 per share.
- (9) Includes the grant date fair value of 9,730 restoration stock option awards granted on March 28, 2011.
- (10) Includes the grant date fair value of 1,200 PSUs that were issued on January 13, 2011. The average of the high/low of our stock price on the date of grant was \$63.20 per share.
- (11) Includes the grant date fair value of 2,417 restoration stock option awards granted on June 18, 2010.
- (12) Includes the grant date fair value of 531 PSUs that were granted on January 13, 2011. The average of our high/low of our stock price on the date of grant was \$63.20 per share. Also includes the grant date fair value of 1,559 PSUs that were granted on September 18, 2011. The average of our high/low of our stock price on the date of grant was \$38.98 per share

Table of Contents**Grants of Plan-Based Awards Table Fiscal Year 2011**

The following table provides information for each of our NEOs with respect to annual and long-term incentive award opportunities, including the range of potential payouts under non-equity incentive plans for the fiscal year ending October 31, 2011. Specifically the table presents the fiscal year 2011 grants of AI Awards, performance shares, stock options, restoration stock options, and PSUs. All stock awards and option awards were granted under the 2004 PIP.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of Stock or Units ⁽³⁾	All Other Option Awards: Number of Securities Underlying Options # ⁽⁴⁾	Exercise or Base Price Of Option Awards ⁽⁵⁾	Market Price on Grant Date ⁽⁵⁾	Grant Date Fair Value of Stock and Option Awards ⁽⁶⁾
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (\$)	Target (\$)	Maximum (\$)					
Daniel C. Ustian												
AI Award		\$ 343,750	\$ 1,375,000	\$ 2,750,000						\$	\$	\$
Performance	12/14/10				27,560	55,120	110,240					4,671,420
Stock Option	12/14/10								137,800	58.915	58.91	3,637,920
Restoration	2/1/11								5,637	64.69	63.57	55,299
Restoration	2/1/11								58,820	64.69	63.57	728,192
Restoration	2/1/11								9,133	64.69	63.57	113,067
Restoration	2/1/11								1,878	64.69	63.57	23,250
Restoration	4/5/11								35,746	64.905	69.39	438,603
Andrew J. Cederoth												
AI Award		96,281	385,125	770,250								
Performance	12/14/10				5,550	11,100	22,200					940,725
Stock Option	12/14/10								27,800	58.915	58.91	733,920
Restoration	3/28/11								1,700	68.015	67.64	39,695
Restoration	3/28/11								3,099	68.015	67.64	72,362
Restoration	3/28/11								2,397	68.015	67.64	39,287
Restoration	3/28/11								2,534	68.015	67.64	41,532
PSU	4/4/11							750				52,069
PSU	9/18/11							2,228				86,847
Deepak T. Kapur												
AI Award		126,000	504,000	1,008,000								
Performance	12/14/10				6,650	13,300	26,600					1,127,175
Stock Option	12/14/10								33,300	58.915	58.91	879,120
Steven K. Covey												
AI Award		89,148	356,590	713,180								
Performance	12/14/10				4,000	8,000	16,000					678,000
Stock Option	12/14/10								20,000	58.915	58.91	528,000
PSU	1/13/11							1,200				75,840
Gregory W. Elliott												
AI Award		71,663	286,650	573,300								
Performance	12/14/10				2,800	5,600	11,200					474,600
Stock Option	12/14/10								13,400	58.915	58.91	353,760
PSU	1/13/11							531				33,559
PSU	9/18/11							1,559				60,770

(1) These amounts represent compensation opportunity for fiscal year 2011 under the AI Plan. For additional information regarding such awards, see *Annual Incentives* on page 37 of this proxy statement. Under the AI Plan, Threshold is 25% of Target, Target is 100% and for purposes of this table Maximum equals

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Super Distinguished which is 200% of Target.

- (2) *TSR Performance Share Units*. The amounts shown represent the threshold, target and maximum number of TSR performance share awards that we awarded in fiscal year 2011 to the NEOs under our 2004 PIP as we describe more fully under *Long-Term Incentives* on page 42 of this proxy statement. The threshold amount is total shareholder return at or above the 40th percentile as compared to total shareholder return of an industry peer group of 23 companies over a three year performance period. Payments are prorated for performance between the 40th and 90th percentiles. We pay the awards in cash settled restricted stock units, with each unit equal to the fair market value of one share of our Common Stock at the time the units are earned. If after the three-year performance period, the performance is at or above Target, the cycle ends and payments are settled in cash. If after the three-year performance period, the performance is less than Target, the cycle is extended for two additional years and measured for the entire five year period. Under this extension, participants can earn up to Target less any earnings for the first three year measurement period.

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- (3) *Premium Share Units.* The amounts shown represent the number of PSUs awarded to the NEOs in the fiscal year. PSUs represent shares of Common Stock granted pursuant to our Executive Stock Ownership Program and is based on the attainment of certain stock ownership thresholds. PSUs generally vest over a three year period with 1/3 of the award vesting on each of the first three anniversaries of the date on which they are awarded. PSUs do not have an exercise price and are settled only for shares of our Common Stock on a one-for-one basis. Settlement of PSUs will occur within 10 days after an NEO's separation of employment or at such later date as required by Internal Revenue Code Section 409A.
- (4) *Stock Options and Restoration Stock Options.* The amounts shown represent the number of stock options or restoration stock options granted to each NEO in the fiscal year. The stock options generally vest over a three year period with 1/3 vesting on each of the first three anniversaries of the date on which they are awarded. The stock options expire 7 years after the date of grant.
- Restoration stock options are awarded in connection with an exercise of a non-qualified stock option whereby shares are used to pay the exercise price of the options (grant price times the number of options exercised) and the tax liability on the transaction. Restoration options are then granted with an exercise price equal to the then current fair market price in an amount equal to the number of shares used to pay the cost of the original option, plus the number of shares needed to cover the tax liability on the transaction. Restoration stock options vest as to 100% of the shares six months after the date of grant (or if sooner, one month before the end of the term of the underlying stock option from which it was exercised) and will expire under the terms of the underlying stock option from which it was exercised, otherwise the restoration stock options have the same general terms and conditions of non-qualified stock options the Company grants. The net shares or profit shares (the difference between the exercise price of the options and the value of the shares on the date of exercise, less withholding tax) on the restoration stock option exercise, generally cannot be transferred for a period of three years. The Restoration Stock Option Program was eliminated for all stock options granted on or after December 16, 2008.
- (5) The exercise price per share is the Fair Market Value (average of high and low price) of Common Stock on the date of grant. The market price is the closing price of our Common Stock on the date of grant.
- (6) The amounts shown do not reflect realized compensation by the NEOs. The amounts shown represent the value of the stock option, restoration stock option, TSR performance shares and PSU awards granted to the NEOs based on the grant date fair value of the awards as determined in accordance with FASB ASC Topic 718. The TSR Performance shares awards are reflected at the target payout level. If the TSR performance share awards were reflected at maximum payout levels, the totals in this column would be \$6,494,790 for Mr. Ustian, \$1,307,913 for Mr. Cederroth, \$1,567,139 for Mr. Kapur, \$942,640 for Mr. Covey, \$659,848 for Mr. Elliott.

Table of Contents**Outstanding Equity Awards at 2011 Fiscal Year-End**

The following table provides information on the holdings of stock options and stock awards by our NEOs as of the fiscal year ending October 31, 2011. The table includes unexercised and unvested stock option awards; unvested PSUs, unvested RSUs and unvested performance shares. The vesting information for each grant is provided in the footnotes to this table, based on the stock option or stock award grant date. The market value of the stock awards is based on the closing price of our Common Stock as of October 31, 2011, the last trading day of the fiscal year, which was \$42.07. For additional information about the stock option awards and stock awards, see the description of long-term incentive compensation in the Compensation Discussion and Analysis on page 31 of this proxy statement.

Name	Option Awards				Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options (#) ⁽¹⁾		Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock Held that Have Not Vested	Market Value of Shares or Units of Stock Held that Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested	
	Exercisable	Unexercisable			(#) ⁽²⁾⁽³⁾			(\$)
Daniel C. Ustian	2,895		42.88500	12/09/2013	6,019	253,219	55,120	2,628,121
	133,905		42.88500	12/10/2013	12,038	506,439		
	136,800		40.91500	12/14/2014				
	136,800		26.15000	10/18/2015				
	61,104	30,552	22.65500	12/16/2018				
	30,552	61,104	35.80500	12/15/2016				
		137,800	58.91500	12/14/2017				
	5,637		64.69000	4/17/2012				
	67,953		64.69000	12/11/2011				
	1,878		64.69000	12/10/2012				
	35,746		69.90500	2/20/2013				
Total:	613,270	229,456			18,057	759,658	55,120	2,628,121
Andrew J. Cederroth		1,474	22.65500	12/16/2018	290	12,200	11,100	529,248
	10,653	21,306	35.80500	12/15/2016	6,666	280,439		
		27,800	58.91500	12/14/2017	750	31,553		
	2,534		68.015	12/10/2013	2,228	93,732		
	2,397		68.015	12/9/2013				
	4,799		68.015	12/14/2014				
Total:	20,383	50,580			9,934	417,924	11,100	529,248
Deepak T. Kapur	12,233		44.66	9/3/2013	2,099	88,305	13,300	634,144
	6,993		42.885	12/9/2013	4,198	176,610		
	40,707		42.885	12/10/2013				
	47,700		40.915	12/14/2014				
	21,306	10,653	22.655	12/16/2018				
	10,653	21,306	35.805	12/15/2016				
		33,300	58.915	12/14/2017				
Total:	139,592	65,259			6,297	264,915	13,300	634,144
Steven K. Covey	2,218		42.885	12/9/2013	1,359	57,173	8,000	381,440
	282		42.885	12/10/2013	2,719	114,388		
	30,900		40.915	12/14/2014	1,200	50,484		
	30,900		26.15	10/18/2015				
	13,802	6,901	22.655	12/16/2018				
	6,901	13,802	35.805	12/15/2016				
	1,847		57.38	12/10/2012				
	570		57.38	12/11/2012				

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	20,000	58.915	12/14/2017				
Total:	87,420	40,703		5,278	222,045	8,000	381,440

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Name	Option Awards				Number of Shares or Units of Stock Held that Have Not Vested	Stock Awards		Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options (#) ⁽¹⁾		Option Exercise Price (\$)	Option Expiration Date		Market Value of Shares or Units of Stock Held that Have Not Vested	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	
Gregory W. Elliott	2,465		26.385	12/10/2012	1,359	57,173	5,600	267,008
	6,735		26.385	12/11/2012	2,719	114,388		
	3,209		42.885	12/9/2013	531	22,339		
	3,391		42.885	12/10/2013	1,559	65,587		
	6,600		40.915	12/14/2014				
	10,400		26.15	10/18/2015				
	6,901	13,802	22.655	12/16/2018				
	6,901	13,802	35.805	12/15/2016				
		13,400	58.915	12/14/2017				
Total:	46,602	41,004			6,158	259,487	5,600	267,008

- (1) All options, other than restoration options, became or will become exercisable under the following schedule: one-third on each of the first three anniversaries of the date of grant. In the event an optionee exercises a non-qualified option with already-owned shares, he or she may be eligible to receive restoration options, if at the time of exercise an election was made to restore the exercised options. Restoration options contain the same expiration dates and other terms as the options they replace except that they have an exercise price per share equal to the fair market value of the common stock on the date the restoration option is granted and become exercisable in full six months after they are granted or one month before the end of the remaining term of the options they replace.
- (2) The RSUs and PSUs become vested under the following schedule: 1/3rd on each of the first three anniversaries of the date of grant. The TSR performance shares are fully vested on October 31, 2013 and eligible for payment if performance conditions are met. The value reported for the TSR performance shares was based on achieving performance goals at target level.

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(3) The vesting dates of outstanding unexercisable stock options and unvested RSUs, PSUs and TSR performance shares at October 31, 2011 are listed below:

Name	Type of Award	Grant Date	Number of Unexercised or Unvested Shares Remaining from Original Grant	Number of Shares Vesting and Vesting Date in 2011	Number of Shares Vesting and Vesting Date in 2012	Number of Shares Vesting and Vesting Date in 2013	Number of Shares Vesting and Vesting Date in 2014
Daniel C. Ustian	RSUs	12/16/2008	6,019	6,019 on 12/16/2011			
	RSUs	12/15/2009	12,038	6,019 on 12/15/2011	6,019 on 12/15/2012		
	Options	12/16/2008	30,522	30,552 on 12/16/2011			
	Options	12/15/2009	61,104	30,552 on 12/15/2011	30,552 on 12/15/2012		
	Options	12/14/2010	137,800	45,934 on 12/14/2011	45,933 on 12/14/2012	45,933 on 12/14/2013	
	Perform	12/14/2010	55,120			55,120 on 10/31/2013	
Andrew J. Cederoth	RSUs	12/16/2008	290	290 on 12/16/2011			
	RSUs	12/15/2009	6,666	3,333 on 12/15/2011	3,333 on 12/15/2012		
	Options	12/16/2008	1,474	1,474 on 12/16/2011			
	Options	12/15/2009	21,306	10,653 on 12/15/2011	10,653 on 12/15/2012		
	Options	12/14/2010	27,800	9,267 on 12/14/2011	9,266 on 12/14/2012	9,267 on 12/14/2013	
	Perform	12/14/2010	11,100			11,100 on 10/31/2013	
	PSUs	4/4/2011	750		249 on 4/4/2012	250 on 4/4/2013	251 on 4/4/2014
	PSUs	9/18/2011	2,228		744 on 9/18/2012	742 on 9/18/2013	742 on 9/18/2014
Deepak T. Kapur	RSUs	12/16/2008	2,099	2,099 on 12/16/2011			
	RSUs	12/15/2009	4,198	2,099 on 12/15/2011	2,099 on 12/15/2012		
	Options	12/16/2008	10,653	10,653 on 12/16/2011			
	Options	12/15/2009	21,306	10,653 on 12/15/2011	10,653 on 12/15/2012		
	Options	12/14/2010	33,300	11,100 on 12/14/2011	11,100 on 12/14/2012	11,100 on 12/14/2013	
	Perform	12/14/2010	13,300			13,300 on 10/31/2013	

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Name	Type of Award	Grant Date	Number of Unexercised or Unvested Shares Remaining from Original Grant	Number of Shares Vesting and Vesting Date in 2011	Number of Shares Vesting and Vesting Date in 2012	Number of Shares Vesting and Vesting Date in 2013	Number of Shares Vesting and Vesting Date in 2014
Steven K. Covey	RSUs	12/16/2008	1,359	1,359 on 12/16/2011			
	RSUs	12/15/2009	2,719	1,359 on 12/15/2011	1,360 on 12/15/2012		
	Options	12/16/2008	6,901	6,901 on 12/16/2011			
	Options	12/15/2009	13,802	6,901 on 12/15/2011	6,901 on 12/15/2012		
	Options	12/14/2010	20,000	6,667 on 12/14/2011	6,666 on 12/14/2012	6,667 on 12/14/2013	
	Perform	12/14/2010	8,000			8,000 on 10/31/2013	
	PSUs	1/13/2011	1,200		400 on 1/13/2012	400 on 1/13/2013	400 on 1/13/2014
Gregory W. Elliott	RSUs	12/16/2008	1,359	1,359 on 12/16/2011			
	RSUs	12/15/2009	2,719	1,359 on 12/15/2011	1,360 on 12/15/2012		
	Options	12/16/2008	6,901	6,901 on 12/16/2011			
	Options	12/15/2009	13,802	6,901 on 12/15/2011	6,901 on 12/15/2012		
	Options	12/14/2010	13,400	4,467 on 12/14/2011	4,466 on 12/14/2012	4,467 on 12/14/2013	
	Perform	12/14/2010	5,600			5,600 on 10/31/2013	
	PSUs	1/13/2011	531		177 on 1/13/2012	177 on 1/13/2013	177 on 1/13/2014
	PSUs	9/18/2011	1,559		521 on 9/18/2012	518 on 9/18/2013	520 on 9/18/2014

Option Exercises and Stock Vested Table

The following table provides information for our NEOs on stock option exercises during the fiscal year ending October 31, 2011, including the number of shares acquired upon exercise and the value realized and the number of shares acquired upon the vesting of RSUs and PSUs and the value realized by the executive before payment of any applicable withholding tax and broker commissions based on the fair market value (or market price) of our stock on the date of exercise or vesting, as applicable.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#) ⁽¹⁾	Value Realized Upon Exercise (\$)	Number of Shares Acquired on Vesting (#) ⁽²⁾	Value Realized Upon Vesting (\$)
Daniel C. Ustian	254,251	\$ 8,151,975	34,406	\$ 1,577,287
Andrew J. Cederth	31,948	1,073,477	5,174	275,506
Deepak T. Kapur			12,147	558,889
Steven K. Covey			8,985	432,913
Gregory W. Elliott	7,200	151,171	7,869	362,059

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(1) Amounts in this column include restoration stock option exercises by Mr. Ustian and Mr. Cederoth. See the table below for additional information on the restoration exercises. For additional information on the Restoration Stock Option Program see footnote 4 under the Grant of Plan-Based Awards table on page 51 of this proxy statement.

Restoration Stock Option Exercises

Name	Grant Date	Options Exercised	Exercise Price	Value Realized	Restoration Options Granted	Grant Date	Exercise Price	Vest Date	Expiration Date	Profit Shares
Daniel C. Ustian	4/16/2002	7,204	\$ 44.15	\$ 147,970	5,637	2/1/2011	\$ 64.69	8/1/2011	4/17/2012	1,567
	12/10/2002	92,049	26.385	3,525,937	58,820	2/1/2011	64.69	8/1/2011	12/11/2012	33,229
	12/10/2002	13,978	26.385	535,427	9,133	2/1/2011	64.69	8/1/2011	12/11/2012	4,845
	12/10/2002	2,873	26.385	110,050	1,878	2/1/2011	64.69	8/1/2011	12/10/2012	995
	2/19/2003	58,100	23.968	2,669,114	35,746	4/5/2011	69.905	10/5/2011	2/20/2013	22,354
Andrew J. Cederoth	12/9/2003	3,391	42.885	85,216	2,534	3/28/2011	68.015	9/28/2011	12/10/2013	857
	12/9/2003	3,209	42.885	80,642	2,397	3/28/2011	68.015	9/28/2011	12/9/2013	812
	12/14/2004	4,262	40.915	115,500	3,099	3/28/2011	68.015	9/28/2011	12/14/2014	1,163
	12/14/2004	2,338	40.915	63,360	1,700	3/28/2011	68.015	9/28/2011	12/14/2014	638

(2) Amounts in this column include RSUs that vested and/or were surrendered to the Company in satisfaction of tax withholdings due upon receipt of RSUs that vested on December 15, 2010, December 16, 2010 and September 18, 2011. The market price of our stock was \$59.355 on December 15, 2010, \$59.30 on December 16, 2010 and \$38.98 on September 18, 2011 (the 18th was a Sunday so we used the average of the high/low on the previous business day to calculate the market price).

Below is information on the number of RSUs that vested on September 18, 2009 and September 18, 2010. Under the terms of the award agreement from which they were granted, actual delivery of the RSUs was deferred until September 18, 2011. The dollar value realized upon vesting of the RSUs was reported in prior proxy statements. The information below is provided to show the actual value received for the RSUs at the end of the deferral period on September 18, 2011, which was the settlement date. The amounts listed below are not included in the table above.

Name	RSUs	Value of	RSUs	Value of
	Vesting	RSUs	Vesting	RSUs
	9/18/2009	9/18/2009	9/18/2010	9/18/2010
Daniel C. Ustian	10,738	\$ 439,399	11,400	\$ 477,375
Andrew J. Cederoth	759	\$ 31,058	775	\$ 32,453
Deepak T. Kapur	3,975	\$ 162,657	3,975	\$ 166,453
Steven K. Covey	2,425	\$ 99,231	2,575	\$ 107,828
Greg Elliott	2,521	\$ 103,159	2,575	\$ 107,828

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The amounts reported in the table below equal the present value of the accumulated benefit at October 31, 2011, for the NEOs under each plan based on the assumptions described below the table:

Pension Benefits Table

Named Executive Officers	Plan Name	Number of Years of Credited Service (#)	Present Value of Accumulated Benefit (\$) ⁽¹⁾	Payments During Last Fiscal Year
Daniel C. Ustian	RPSE	38.7	1,514,514	
	MRO	38.7	11,593,655	
	SERP	38.7		
Andrew J. Cederoth	RPSE	14.6 ⁽²⁾	334,999	
	SERP	21.6	173,600	
Deepak T. Kapur	SERP	8.4	3,065,001	
Steven K. Covey	RPSE	30.5	1,452,242	
	MRO	30.5	3,341,970	
	SERP	30.5		
Gregory W. Elliott	SERP	12.4	884,968	

(1) Unless otherwise noted, all present values reflect benefits payable at the earliest retirement date when the pension benefits are unreduced. Also unless otherwise noted, form of payment, discount rate (4.3%) and mortality (RP-2000 Combined Mortality Table projected at 50% of scale AA) is based on assumptions from the guidance on accounting for pensions. Additionally, SERP benefits have only been offset by benefits under Navistar sponsored retirement programs. At actual retirement these benefits will also be offset by benefits accumulated under programs for employment prior to Navistar, Inc.

(2) Service for Mr. Cederoth is limited under the RPSE to the service accrued as of December 31, 2004.

Historically, we have provided our employees with retirement income programs since 1908. Over the years the programs have changed for various reasons. Effective January 1, 1996, we began transitioning from defined benefit retirement income programs to defined contribution retirement income programs as the primary vehicle to deliver those benefits.

Employees hired before that date participate in defined benefit pension plans and those hired on or after that date participate in defined contribution plans. We also provide non-tax-qualified benefit restoration programs that provide benefits or contributions that are in addition to those provided under our tax-qualified programs. The following briefly describes the various programs.

Navistar, Inc. Retirement Plan for Salaried Employees (RPSE). The RPSE is a funded and tax-qualified defined benefit retirement program. The plan provides benefits primarily based on a formula that takes into account the employee's years of service, final average earnings and a percentage of final average earnings per year of service (accrual rates). The table below summarizes the benefit accrual rates under the RPSE.

RPSE Benefit as Percent of Final Average Pay

	Prior to 1989	After 1988	Maximum
Rate of Benefit Accrual per Year of Service	2.4%	1.7%	60%

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The eligible earnings are averaged over the highest 60 consecutive months within the final 120 consecutive months prior to retirement. Eligible earnings include base compensation and specifically exclude AI Plan compensation. Thus any increase in payments under the AI Plan will not increase benefits under the RPSE. Such compensation may not exceed an IRS-prescribed statutory limit applicable to tax-qualified plans (\$245,000 for fiscal year 2011).

The resulting benefit which may commence at age 62 is offset by a percentage of estimated or actual Social Security benefits. The percentage offset is equal to 1.7% for each year of service with a maximum offset equal to 60% of Social Security benefits.

The RPSE is available only to employees who were hired prior to January 1, 1996 and is closed to new participants. Additionally, effective January 1, 2005, service has been limited to the service accrued as of December 31, 2004, for the employees who were hired prior to January 1, 2005 and were under age 45 as of January 1, 2005.

Benefits under the RPSE are subject to the limitations imposed under Section 415 of the Internal Revenue Code. The Section 415 limit for fiscal year 2011 is \$195,000 per year for a single life annuity payable at an Internal Revenue Service prescribed retirement age. This ceiling may be actuarially adjusted in accordance with IRS rules for items such as employee contributions, other forms of distributions and different starting dates.

Of the NEOs, Messrs. Ustian and Covey participate in the RPSE. Mr. Cederoth also participates in the RPSE but his service is limited to the service accrued as of December 31, 2004.

Navistar, Inc. Managerial Retirement Objective Plan (MRO). We offer the MRO to approximately 300 eligible managers and executive officers. The MRO provides for retirement benefits that are either not covered by or that are above those provided under our RPSE. The MRO is unfunded and is not qualified for tax purposes.

Benefits payable under the MRO are equal to the excess of (i) the amount that would be payable in accordance with the terms of the RPSE, disregarding the limitations imposed under the Internal Revenue Code over (ii) the retirement benefit actually payable under the RPSE, taking such Internal Revenue Code limitations into account. Benefits under the MRO are generally payable at the same time and in the same manner as the RPSE, other than if a delay is required under Internal Revenue Code Section 409A.

A pro-rated portion of AI Plan payments is included in the definition of eligible compensation and the amount included is also subject to a cap determined as a percentage of the executive officer's annualized base salary. The pro-rated portion and the cap depend on the executive officer's organizational level in the Company.

An executive must have been hired by us prior to January 1, 1996 to be eligible to participate in the MRO. Executive officers who were under age 45 as of December 31, 2004 no longer participate in the MRO. Instead, they now participate in the SRAP, which is described below. Normal retirement under the MRO is age 65 with at least 5 years of service while an executive may retire early with reduced benefits after having worked 10 years and is at least age 55 at retirement.

Of the NEOs, Messrs. Ustian and Covey participate in the MRO.

Navistar, Inc. Supplemental Executive Retirement Plan (SERP). The SERP is designed as a pension supplement to attract and retain executive officers. Executive officers are eligible to participate in the SERP upon attainment of age 55 or upon their date of hire if later.

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The SERP is unfunded and is not qualified for tax purposes. An eligible executive's benefit under the SERP is equal to a percentage of his or her final average compensation. The final average compensation is computed similarly to that in the MRO plan. The following table summarizes the determination of the total percentage of final average compensation, which is the sum of the accrual rates described below.

	Up to Age 55	On or After Age 55
Each Year of Age	1/2%	1%
Each Year of Service	1/2%	1%

In no event shall the total percentage be greater than 50%.

That resulting benefit is offset by 50% of the executive's Social Security benefit, and any defined benefit pension plan (qualified or non-qualified) of the Company or any prior employer. The benefit is also offset by the actuarial equivalent of any of our defined contribution pension plans (qualified or non-qualified) or that of any prior employer that is funded by the employer's contributions and is an integral part of the employer's retirement program. Normal retirement age is 65 and the program allows for an earlier commencement of payments.

All of the NEOs are eligible to participate in the SERP. However, because the 50% of final average earnings limit is lower than the target benefit provided under the MRO, generally no MRO participant will receive a benefit from the SERP.

Other Retirement Income Programs. We also sponsor the Navistar, Inc. 401(k) Plan for Represented Employees and the Navistar, Inc. Retirement Accumulation Plan. Represented Employees are allowed to defer a portion of their compensation to the 401(k) Plan up to the Internal Revenue Code limitations. All employees are allowed to defer a portion of their compensation to the RAP up to the Internal Revenue Code limitations. Employees that do not receive any additional service accruals under RPSE receive non-elective employer retirement contributions. Additionally, employees that do not participate in our retiree medical plan receive matching contributions. For those executives whose employer contributions would be limited by the Internal Revenue Code, the SRAP provides for contributions in excess of the Internal Revenue Code limitations. This plan is described in more detail within *Non-Qualified Deferred Compensation* section on page 61 of this proxy statement.

Of the NEOs, Messrs. Cederoth and Kapur received non-elective age-weighted contributions in the RAP and also participate in the SRAP.

We do not have a policy for granting extra pension service.

The tax-qualified plans were amended during fiscal year 2011 for IRS requirements to maintain their tax-qualified status.

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The table below provides information on the non-qualified deferred compensation that our NEOs participated in during the fiscal year ending October 31, 2011.

Non-Qualified Deferred Compensation Table

Named Executive Officers ⁽¹⁾	Executive Contributions in Last Fiscal Year (\$)	Company Contributions in Last Fiscal Year ⁽¹⁾ (\$)	Aggregate Earnings in Last Fiscal Year ⁽²⁾ (\$)	Aggregate Balance As of Last Fiscal Year End ⁽³⁾ (\$)
Daniel C. Ustian	N/A			1,262,563
Andrew J. Cederoth	N/A	296,504		656,692
Deepak T. Kapur	N/A	97,522		730,676
Steven K. Covey	N/A	50,484		151,494
Gregory W. Elliott	N/A	129,851	9,843	227,967

- (1) Our contributions represent the sum of any notional contribution credits to the SRAP during the year and the value, based on our Common Stock share price at year end, of the PSUs granted during that fiscal year.
- (2) Aggregate Earnings represent the notional interest credited during the year for participants in the SRAP, if applicable, plus the change in value from the beginning of the year to the end of the year in the PSUs and/or DSUs held by each NEO. For the SRAP, Aggregate Earnings in Last Fiscal Year is the interest credited to each NEO from the beginning of the fiscal year until the end of the fiscal year at a 7.5% interest crediting rate. Aggregate Earnings in Last Fiscal Year for purposes of the PSU is the aggregate change in value of the PSUs held during the year.
- (3) The Aggregate Balance as of Last Fiscal Year End consists of the sum of each NEO's notional account balance in the SRAP at the end of the year and the value at year end of the outstanding PSUs and/or DSUs.

We sponsor the following non-qualified deferred compensation programs.

Navistar, Inc. Supplemental Retirement Accumulation Plan (SRAP). The SRAP provides executive officers with contributions equal to the amount by which their annualized non-elective age-weighted contributions to the RAP are limited by the Internal Revenue Code. The SRAP is unfunded and is not qualified for tax purposes.

A bookkeeping account balance is established for each participant. The account balance is credited with notional contributions and notional interest. The SRAP does not permit any executives to electively defer any of their base compensation or bonuses. Any increase in payments under the AI Plan will increase contributions to the SRAP.

The interest crediting rate is 7.5% per annum compounded on a daily basis. This is the rate used to design the SRAP as a comparable replacement for the MRO. The interest crediting rate constitutes an above-market interest rate under the Internal Revenue Code.

An executive officer is eligible for the SRAP if the executive officer was hired prior to January 1, 1996 and is eligible for the MRO plan.

Executive officers who were hired prior to January 1, 1996 and who subsequently ceased participation in the MRO now participate in the SRAP. These individuals received an adjustment to their notional contributions. The adjustment is a Points Multiplier designed to provide them with value from the SRAP comparable to what they would have received had they continued to participate in the MRO until they reached age 62.

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At retirement, each participant may elect to receive the bookkeeping account balance by either or some combination of (1) a lump-sum payment or (2) annual installments over a period of 2 to 20 years. The NEOs cannot withdraw any amounts from their bookkeeping account balances until they either retire or otherwise terminate employment with us. Of the NEOs, no withdrawals or distributions were made in fiscal year 2010.

Of the NEOs, Messrs. Cederoth and Kapur participate in the SRAP.

Premium Share Units (PSU). In general, our Executive Stock Ownership Program requires all of our executives officers to acquire, by direct purchase or through salary or annual bonus reduction, an ownership interest in Navistar by acquiring a designated amount of our Common Stock at specified times. Participants are required to hold such stock for the entire period in which they are employed by us. PSUs may be awarded under the 2004 PIP to participants who complete their ownership requirement on an accelerated basis. PSUs vest in equal installments on each of the first three anniversaries of the date on which they are awarded. Each vested PSU will be settled by delivery of one share of Common Stock. Such settlement will occur within 10 days after a participant's termination of employment or at such later date as required by Internal Revenue Code Section Rule 409A.

All of the NEOs participate in the Executive Stock Ownership Program and are eligible to acquire PSUs.

Deferred Share Units (DSU). Under the Restoration Stock Option Program, participants generally may exercise vested options by presenting shares that have a total market value equal to the applicable option exercise price times the number of options. Restoration options are then granted with an exercise price equal to the then current fair market price in an amount equal to the number of shares held by the option holder for at least six months that were presented to exercise the original option, plus the number of shares that are withheld for the required tax liability. Participants who hold non-qualified stock options that were vested prior to December 31, 2004 may also defer the receipt of shares of our Common Stock that would have been acquired upon exercise of a restoration stock option exercise of these options. Participants who elect to defer receipt of these shares receive DSUs. DSUs are awarded under the 2004 PIP. DSUs are credited into the participant's account at the then current market price. The DSUs are generally distributed to the participant in the form of our Common Stock at the date specified by the participant at the time of his or her election to defer. During the deferral period, the participants will have no right to vote the stock, to receive any dividend declared on the stock, and no other right as a stockholder. In December 2008, we eliminated the Restoration Stock Option Program for future stock options under the 2004 PIP.

Potential Payments Upon Termination or Change-in-Control

The amount of compensation payable to each of the NEOs upon voluntary termination, involuntary termination for or not for cause, involuntary termination in the event of a change in control, death, disability or retirement are shown in the tables beginning on page 68 of this proxy statement. The amounts shown assume that such termination was effective October 31, 2011, are based on the terms of the applicable plans and agreements that were in effect on October 31, 2011, and are estimates of the amounts which would be paid out to the executives upon their termination. The actual amounts of payments and benefits can only be determined at the time the relevant termination event occurs.

To assure stability and continuity of management, we entered into ESAs with each of our executive officers.

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Executive Severance Agreements

As previously disclosed, the amended ESAs were effective January 1, 2010. The following summarizes some of the key changes:

In the event of a Change in Control (CIC), Internal Revenue Code 280G excise tax gross-ups were eliminated.

The executive officers are required to sign a waiver and release agreement upon execution of the amended ESA and an additional waiver and release at the time of termination.

The imposition of a cap on legal fees and costs reimbursed for certain executives enforcement of the ESA.

Severance reduced for certain executive officers, excluding the NEOs, for a termination related to a CIC.

Reduction to the supplemental pension benefit in the event of termination related to a CIC.

General severance for the CEO increased from 200% to 300% of base salary plus target bonus.

Upon a general separation, not related to a CIC, the pro-rata annual target bonus portion of the severance formula is no longer based upon target and paid at the time of separation payments, but is now based upon actual results and will only be paid if and at the same time that the Company pays AI Awards to active employees.

Healthcare coverage has been extended so that the executives have the opportunity to purchase an additional 12 months of coverage at the cost of coverage rate, for a total of 24 months of available coverage.

In consideration of the payments that the executive may be entitled to receive under the ESA, certain executive officers agree to comply with restrictive covenants, such as confidentiality, non-disparagement, non-compete, and non-solicit during employment and for 24 months following any termination.

Summary of the Circumstances, Rights and Obligations Attendant to Each Type of Termination

Voluntary and Involuntary (For Cause) Termination: An executive officer may terminate his or her employment at any time and we may terminate an executive officer at any time pursuant to our at will employment arrangements with our executive officers. We are not obligated to provide the executive with any additional or special compensation or benefits upon a voluntary termination by the executive or involuntary (for cause) termination by us. All compensation, bonuses, benefits, and perquisites cease upon a voluntary termination by the executive or involuntary (for cause) termination by us. In general, in the event of either such termination, an executive officer would:

Be paid the value of unused vacation;

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Not be eligible for an annual incentive payment if the termination occurred prior to fiscal year end or if the termination occurred after fiscal year end and prior to the payment date;

Be able to exercise vested stock options for three months or twelve months depending on the date of grant, following a voluntary termination;

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Forfeit any unvested stock options;

Forfeit any unvested restricted stock and RSUs; and

Forfeit any unvested cash-settled performance shares.

As defined in the ESA, *Cause* generally means the reason for the executive's involuntary termination of employment was (i) willful misconduct involving an offense of a serious nature that is demonstrably and materially injurious to the Company, monetarily or otherwise, (ii) conviction of, or entry of a plea of guilty or nolo contendere to, a felony as defined by the laws of the United States of America or by the laws of the State or other jurisdiction in which the executive is so convicted, or (iii) continued failure to substantially perform required duties for the Company (other than a failure due to physical or mental disability).

The executive officer would not receive any cash severance in the event of either a voluntary or involuntary (for cause) termination of employment.

Retirement and Early Retirement: If an executive officer terminates employment due to retirement, then the officer would generally be eligible to receive:

The value of unused vacation;

Monthly income from any defined benefit pension plans, both tax-qualified and non-tax-qualified, that the executive participated in solely to the extent provided under the terms of such plans;

Lump sum distributions from any defined contribution plans, both tax-qualified and non-tax-qualified, that the executive participated in solely to the extent provided under the terms of such plans; and

Pro-rata portion of cash-settled performance shares.

Retirement and early retirement are defined in the respective plans in which the executive officer participates. In addition, if an executive meets the qualified retirement definition under the 2004 PIP and holds outstanding stock options, he or she may exercise those stock options to the extent that those stock options are exercisable or become exercisable in accordance with their terms, at any time during the term of the option grant. If he or she holds restricted stock or RSUs, they will continue to vest according to the terms of the restricted stock grant. If he or she holds PSUs, vesting accelerates and the shares are issued after retirement.

Involuntary Not-For-Cause Termination or Good Reason Termination: If the employment of an executive officer is terminated due to either an involuntary termination by us without Cause or a Good Reason (as defined below) termination by the executive, in each case either before the date of a Change in Control (as defined in the ESA) or more than 36 months after the date of the most recent Change in Control, then the executive would generally be eligible to receive the following:

An amount equal to one-hundred to three-hundred percent (100-300%) of the sum of (i) the executive's annual base salary in effect at the time of termination and (ii) the executive's AI Award at Target level (the Severance Pay);

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Continued health insurance for the 24-month period following termination or, in the case of the CEO, the 36-month period following termination; provided that for the first 12 month period, the executive shall pay for such coverage at no greater after tax costs to the executive than

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the after-tax cost to the executive officer immediately prior to the date of termination and for the remaining 12-month period, or, in the case of the CEO, the remaining 24-month period, the executive officer shall pay for such coverage on a monthly cost of coverage basis;

Pro-rata annual incentive for the number of months of fiscal year eligible participation which is based upon actual results and will only be paid if and at the same time that the Company pays AI Awards to active employees.

Continued life insurance coverage for the 24-month period following termination, or, in the case of the CEO, the 36-month period following termination;

Outplacement services;

Retention of any flexible perquisite allowance actually paid to the executive officer on or before the time of termination;

A lump sum cash payment equal to the value of unused vacation;

Such pension and post-retirement health and life insurance benefits due to the executive officer upon his termination pursuant to and in accordance with the respective Company-sponsored benefit plans, programs, or policies under which they are accrued and/or provided (including grow-in rights as provided under the terms of the applicable plan, program or policy);

The right to exercise vested stock options for three months or twelve months, depending upon date of grant; and

Forfeit any unvested cash-settled performance shares, any unvested stock options and any unvested restricted stock, RSUs or PSUs. As defined in the ESA, "Good Reason" generally means the executive officer's termination of his or her employment as a result of any of the following events: (i) we reduce the executive officer's base salary by ten percent (10%) or more (either upon one reduction or during a series of reductions over a period of time); *provided*, that such reduction neither comprises a part of a general reduction for the executive officer's then-current peers as a group (determined as of the date immediately before the date on which the executive officer becomes subject to such material reduction) nor results from a deferral of the executive officer's base salary, or (ii) a demotion in position (including a decrease in organization level) resulting in the material diminution of the executive officer's authority (including, but not limited to, the budget over which the executive officer retains authority), duties, or responsibilities within the Company or (iii) in the case of the CEO, if the executive officer ceases to serve as CEO and Chairman of the Board other than (a) to the extent required by applicable laws, rules of the stock exchange or other relevant listing authority or (b) in connection with the executive officer's retirement with his consent; except, in case of each of (i), (ii) or (iii), in connection with the involuntary termination of the executive officer's employment for Cause.

Termination Related to a Change in Control: If the employment of an executive officer is involuntarily terminated for any reason other than for Cause or if a Constructive Termination (as described below) occurs within 36 months after a Change in Control, the executive officer would generally be eligible to receive the following:

An amount equal to (i) pro rata portion of the executive officer's AI Award at Target level, which payment shall be in lieu of any payment to which the executive officer may otherwise have been entitled to receive under a Change in Control-sponsored incentive or bonus plan (the "CIC

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Prorated Bonus), plus (ii) a multiplier ranging from 150% to 300% of the sum of the executive officer's annual base salary in effect at the time of termination and the executive officer's AI Award at Target level (the CIC Severance Pay). The CIC Severance Pay and the CIC Prorated Bonus shall be paid in a lump sum on the payment date;

Continued health insurance for the 24-month period following termination or, in the case of the CEO, the 36-month period following termination; provided that for the first 12 month period, the executive officer shall pay for such coverage at no greater after tax costs to the executive officer than the after tax cost to the executive officer immediately prior to the date of termination and for the remaining 12-month period, or, in the case of the CEO, the remaining 24-month period, the executive officer shall pay for such coverage on a monthly cost of coverage basis;

Outplacement services;

Tax counseling and tax preparation services;

Retention of any flexible perquisite allowance actually paid to the executive officer on or before the time of termination;

A lump sum cash payment equal to the value of unused vacation;

Acceleration of the exercisability of options that would otherwise have vested over a period of three years from the date of the Change in Control had the executive officer continued employment for that period;

Acceleration of the vesting of cash-settled performance shares at the Target performance level; and

A lump sum cash payment equal to the difference in (i) the actuarial present value of the executive officer's non-tax-qualified pension benefits assuming the executive was three years older and had three more years of service, over (ii) the actuarial present value of the executive officer's non-tax-qualified pension benefits at the date of termination.

As defined in the ESA, Constructive Termination generally means the occurrence of any of the following events or conditions: (i) a material diminution in the executive officer's authority, duties or responsibilities, (ii) the executive officer's base salary or total incentive compensation opportunity is reduced by 10% or more, (iii) a material breach of the executive officer's ESA, (iv) the executive officer is required to be based anywhere more than 45 miles from the location of either the executive officer's office or Company's headquartered offices and (v) in the case of the CEO, the executive officer ceases to serve as the CEO and Chairman of the Board other than in connection with the executive officer's retirement with his consent.

The table below states the multiplier of the sum of annual base salary plus AI Award at Target level (bonus) used in the NEO's severance formula under Involuntary Not for Cause or Good Reason Termination and Change in Control provisions.

NEO	Multiplier - Involuntary Not for Cause or Good Reason Termination	Multiplier - Change in Control
Daniel C. Ustian	300%	300%
Andrew J. Cederoth	200%	300%
Deepak T. Kapur	200%	300%
Steven K. Covey	150%	300%
Gregory W. Elliott	150%	300%

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Disability and Death: If an executive officer is disabled and is prevented from working for pay or profit in any job or occupation, he or she may be eligible for our Non-Represented Employee Disability Benefit Program which provides for short-term and long-term disability (LTD) benefits. Our executive officers are not covered under a separate program. While covered under LTD, an executive officer is eligible for 60 percent of his or her base salary reduced (or offset) by other sources of income, such as social security disability. In the event of a total and permanent disability as defined by this program, an executive officer may exercise outstanding stock options any time within three years after such termination. In the event an executive officer has restricted stock, or RSUs, the restricted stock or RSUs will continue to vest according to the terms of the grant. In the event an executive officer has PSUs, vesting accelerates and the shares are issued immediately. In addition, while classified as disabled, the executive officer continues to accrue benefits under the defined benefit plans.

In the event of an executive officer's death, a beneficiary of the executive officer may exercise an outstanding stock option at any time within a period of two years after death. Restricted stock, RSUs or PSUs will vest as of the date of death and all restrictions lapse and the restricted stock, RSUs or PSUs will be immediately transferable to the executive officer's beneficiary or estate. The executive officer's beneficiary will also be eligible for a pro-rata payment under the AI Plan based upon the number of months the executive officer was an active employee during the year. The executive's beneficiary will also receive surviving spouse benefits under the defined benefit and defined contribution plans solely to the extent provided in those plans.

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The table below shows the estimated cash payments that our NEOs would receive if their employment were terminated under various circumstances based on the terms of the plans and agreements that were in effect as of October 31, 2011.

Estimated Cash Payments Upon Termination

NEO	Severance Amount/ Cash Payment (\$)	Vested Options (\$) ⁽⁴⁾	Unvested Options (\$) ⁽⁴⁾	Restricted Stock/ Units (\$) ⁽⁵⁾	Performance Shares (\$) ⁽⁶⁾	Benefit Continuation (\$) ⁽⁷⁾	Outplacement Counseling (\$) ⁽⁸⁾	Total (\$)
Daniel C. Ustian								
Involuntary Not for Cause or Good Reason								
Termination ⁽¹⁾	7,875,000	3,713,602	975,984	2,022,221		36,375	25,000	14,648,182
Change in Control ⁽²⁾	9,250,000 ⁽¹⁰⁾	3,713,602	975,984	2,022,221	2,318,898	36,375	25,000	18,342,080
Disability ⁽³⁾	750,000			2,022,221				2,772,221
Death ⁽⁹⁾				2,022,221				2,022,221
Voluntary and Involuntary for Cause Termination								
Andrew J. Cederoth								
Involuntary Not for Cause or Good Reason								
Termination ⁽¹⁾	1,797,250	66,741	162,100	631,344		14,703	25,000	2,697,138
Change in Control ⁽²⁾	3,267,811 ⁽¹⁰⁾	66,741	162,100	631,344	466,977	14,703	25,000	4,634,676
Disability ⁽³⁾	308,100			631,344				939,444
Death ⁽⁹⁾				631,344				631,344
Voluntary and Involuntary for Cause Termination								
Deepak T. Kapur								
Involuntary Not for Cause or Good Reason								
Termination ⁽¹⁾	2,352,000	535,491	340,310	512,244		30,681	25,000	3,795,726
Change in Control ⁽²⁾	4,670,258 ⁽¹⁰⁾	535,491	340,310	512,244	559,531	30,681	25,000	6,673,515
Disability ⁽³⁾	403,200			512,244				915,444
Death ⁽⁹⁾				512,244				512,244
Voluntary and Involuntary for Cause Termination								
Steven K. Covey								
Involuntary Not for Cause or Good Reason								
Termination ⁽¹⁾	1,357,785	838,818	220,452	323,056		22,824	25,000	2,787,935
Change in Control ⁽²⁾	3,243,091 ⁽¹⁰⁾	838,818	220,452	323,056	336,560	22,824	25,000	5,009,801
Disability ⁽³⁾	329,160			323,056				652,216
Death ⁽⁹⁾				323,056				323,056
Voluntary and Involuntary for Cause Termination								
Gregory W. Elliott								
Involuntary Not for Cause or Good Reason								
Termination ⁽¹⁾	1,091,475	494,711	220,452	259,488		15,505	25,000	2,106,631
Change in Control ⁽²⁾	2,824,438 ⁽¹⁰⁾	494,711	220,452	259,488	235,592	15,505	25,000	4,075,186
Disability ⁽³⁾	264,600			259,488				524,088
Death ⁽⁹⁾				259,488				259,488
Voluntary and Involuntary for Cause Termination								

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- (1) This calculation, as described in the ESA, is 150% to 300% of the sum of the executive's annual base salary plus annual target bonus.
- (2) The Change in Control calculation, as defined in the ESA, is 300% of the sum of the executive's annual base salary plus annual target bonus. The Internal Revenue Code 280G excise tax gross-up upon a Change in Control was eliminated.
- (3) This amount is 60% of annualized base salary as of October 31, 2011 and is not offset by other sources of income, such as social security. It represents the amount that would be paid annually over the term of the disability.
- (4) The per share value for options is equal to the difference between the option exercise price and the closing price as of the last day of the fiscal year (October 31, 2011), which was \$42.07 per share. Please refer to the Outstanding Equity Awards Table on page 53 of this proxy statement for more information on this subject as the amounts in these columns represent awards that have already been granted to the NEOs in previous years.
- (5) The value of restricted stock, RSU or PSU is based on the October 31, 2011 closing price of \$42.07 per share. Please refer to the Outstanding Equity Awards Table on page 53 of this proxy statement for more information on this subject as the amounts in this column represent awards that have already been granted to the NEOs in previous years.
- (6) This amount represents the value of all unvested cash-settled performance shares based on a change in control effective October 31, 2011 with a closing price of \$42.07.
- (7) These amounts represent the Company's cost and do not include the portion that the NEO would pay for this extension of coverage. Company provided life insurance equal to five times base salary. Coverage may continue at the cost of coverage rate for 24 months for our CEO and 12 months for all other NEOs for a termination following an involuntary not-for-cause termination, good reason termination or a termination following a Change in Control.
- (8) This represents our cost for NEO outplacement counseling and services.
- (9) Surviving spouse benefits are payable under the applicable pension plan. Messrs. Ustian, and Covey are participants in the defined benefit pension plan that provide surviving spouse benefits. Messrs. Kapur and Cederoth participate in our defined contribution plans and a defined benefit plan that provides a surviving spouse benefit.
- (10) Included in the Severance Amount /Cash Payment figure above for Change in Control is the lump sum cash payment equal to the difference in (i) the actuarial present value of the NEOs non-tax qualified pension benefits assuming the executive was three years older and had three more years of service, over (ii) the actuarial present value of the NEOs non-tax qualified pension benefits at the date of termination. The figures are as follows: For Mr. Ustian \$0; Mr. Cederoth \$186,811; Mr. Kapur \$638,258; Mr. Covey \$170,931; and Mr. Elliott \$354,838.

COMPENSATION RISK

The Company performed a risk assessment to determine whether our compensation policies, practices, plans and programs are reasonably likely to have a materially adverse impact on the Company. Approximately thirty compensation-related topics were reviewed during fiscal year 2011, including but not limited to, programs governed by our 2004 PIP. A matrix was created for management's use that summarized the programs reviewed as well as any associated mitigating factors. Management discussed the analysis internally (including with our compensation consultancy firm) and discussed final results of this review with the Compensation Committee.

Our Board and Compensation Committee believe that the following are factors that tend to mitigate the likelihood of excessive risk taking:

Compensation Committee approval of overall compensation philosophy and plan design.

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Compensation mix of base salary, short-term and long-term incentives.

Executive stock ownership guidelines which align executives' interests with stockholders.

AI Plan design focuses primarily on consolidated financial results which fosters team work and integration among the business units. AI Plan parameters set the maximum payout at 200% of Target and the Compensation Committee may use negative discretion on all AI Awards.

Long-term incentives (equity-based awards) are made at the discretion of the Compensation Committee and are intended to focus participants on the long-term growth of the company.

Sarbanes Oxley / Internal Controls procedures and processes adopted by the Company.

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Also, although we do not currently have a claw-back provision, we plan to implement a claw-back provision once the final SEC guidance is published. A claw-back provision would be an additional mitigating factor to excessive risk taking.

COMPENSATION OF DIRECTORS

The following table provides information concerning the compensation of our non-employee directors for fiscal year 2011. Directors who are employees of the Company receive no compensation for their services as directors or as members of the Board or a committee thereof. For a complete understanding of the table, please review the footnotes and the narrative disclosures that follow the table.

Fiscal Year 2011 Director Compensation Table

Name	Fees Earned or			All Other Compensation (\$)	Total (\$)
	Paid in Cash (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾⁽³⁾⁽⁴⁾	Option Awards (\$) ⁽⁵⁾⁽⁶⁾		
Eugenio Clariond		117,500	105,600		223,100
John D. Correnti	121,875	19,125	105,600		246,600
Diane H. Gulyas	93,553	14,947	105,600		214,100
Michael N. Hammes	154,553	14,947	105,600		275,100
David D. Harrison	107,000	15,000	105,600		227,600
James H. Keyes	131,053	14,947	105,600		251,600
Steven J. Klinger	107,053	14,947	105,600		227,600
Stanley A. McChrystal	63,526	7,474			71,000
William H. Osborne⁽⁷⁾	43,828	14,947	105,600		164,375
Dennis D. Williams⁽⁸⁾	98,000				98,000

(1) Under our Non-Employee Directors Deferred Fee Plan (the "Deferred Fee Plan"), our directors who are not employees receive an annual retainer, payable quarterly, and meeting fees payable at their election either in shares of our Common Stock or in cash. A director may also elect to defer any portion of such compensation until a later date in DSUs or in cash. Each such election is made prior to December 31st for the next succeeding calendar year. Eugenio Clariond, John D. Correnti and David D. Harrison elected to defer the receipt of some or all of their cash compensation received for their retainer fees and/or meeting fees in calendar year 2011. Mr. Clariond deferred receipt of 100% of his retainer fees and meeting fees in DSUs and received 2,402.015 shares. Mr. Correnti deferred receipt of 59.375% of his first quarter retainer in DSUs and received 276.373 shares. Mr. Harrison deferred receipt of 18.75% of his first quarter retainer fee in DSUs and received 216.763 shares. The amount of DSUs for Mr. Clariond, Mr. Correnti and Mr. Harrison has been credited as stock units in an account under each of their names at the then current market price of our common stock. The units issued to Mr. Clariond and Mr. Correnti during calendar 2011 will be issued within 60 days after their separation from service with us. The units issued to Mr. Harrison during calendar 2011 will be issued in annual installments over a 5 year period.

(2) Effective April 1, 2011, each non-employee director received 216 shares of restricted stock in lieu of their first quarterly retainer, except for Stanley McChrystal who received 108 shares, which reflects a pro-rata portion based on the day he joined the Board, which was February 15, 2011. In addition, Eugenio Clariond, John Correnti and David Harrison, who as noted under footnote 1, elected to defer receipt of their shares in deferred stock units. The grant date fair value of the restricted stock and deferred stock units were determined in accordance with FASB ASC Topic 718. Mr. Williams, who as noted under footnote 8, does not personally receive compensation for his service on the Board. For additional information regarding assumptions underlying valuation of equity awards see the accompanying consolidated financial statements in our Form 10-K for fiscal year 2011.

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- (3) The aggregate number of stock awards outstanding for each non-employee director as of October 31, 2011, including deferred stock units owned by Mr. Clariond, Mr. Correnti, Ms. Gulyas, Mr. Harrison and Mr. Keyes, is indicated in the table below. All of these stock awards and deferred units are 100% vested:

Name	Total Number of Stock Awards Outstanding (#)
Eugenio Clariond	13,497
John D. Correnti	16,868
Diane Gulyas	554
Michael N. Hammes	5,320
David D. Harrison	2,343
James H. Keyes	18,765
Steven J. Klinger	2,341
Stanley A. McChrystal	108
William H. Osborne	554

- (4) The values in this column reflect the grant date fair value as determined in accordance with FASB ASC Topic 718. For additional information see the accompanying consolidated financial statements in our Form 10-K for fiscal year 2011 regarding assumptions underlying valuation of equity awards.
- (5) Upon his resignation from the Board on April 24, 2011, Mr. Osborne forfeited all of his unvested stock option awards. At the request of the UAW, the UAW representative director, Mr. Dennis D. Williams, does not receive stock option grant awards.
- (6) The number of options granted in fiscal year 2011 and the aggregate number of stock options outstanding for each non-employee director as of October 31, 2011 is indicated in the table below.

Name	Total Stock Option Awards Outstanding at 2011 Year End (#)	Option Awards Granted During 2011 (#)	Grant Price ^(a)	FMV ^(a)	Grant Date Fair Value of Option Awards Granted During Year ^(b) (\$)
Eugenio Clariond	27,600	4,000	58.915	58.910	105,600
John D. Correnti	30,100	4,000	58.915	58.910	105,600
Diane H. Gulyas	8,000	4,000	58.915	58.910	105,600
Michael N. Hammes	10,400	4,000	58.915	58.910	105,600
David D. Harrison	11,600	4,000	58.915	58.910	105,600
James H. Keyes	27,600	4,000	58.915	58.910	105,600
Steven J. Klinger	11,600	4,000	58.915	58.910	105,600
William H. Osborne		4,000	58.915	58.910	105,600

- (a) The stock options were granted on December 14, 2010 and the closing price of our stock on the date of grant was \$58.910, which is the price the SEC determines to be the fair market value. We grant stock options with an exercise price equal to the average of the high/low price of our Common Stock on the grant date, which was \$58.915.
- (b) These amounts do not reflect compensation realized by our directors. The amounts shown represent the value of the stock options based on the grant date fair value of the award as determined in accordance with FASB ASC Topic 718. The stock options generally vest over a three year period with 1/3 vesting on each of the first three anniversaries of the date on which they are awarded, so that in three years the stock options are 100% vested. The stock options granted on December 14, 2010 expire 7 years after the date of grant. For additional information regarding assumptions underlying valuation of equity awards see the accompanying consolidated financial statements in our Form 10-K for fiscal year 2011.

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- (7) As noted above Mr. Osborne resigned as a director on April 24, 2011, and became an employee of Navistar Inc., serving as Vice President, Custom Products. Please see the Related Party Transactions and Approval Policy Section on page 17 of this proxy statement for additional information regarding Mr. Osborne's employment with Navistar, Inc.

- (8) At the request of the UAW, the organization which elected Mr. Williams to the Board, the entire cash portion of Mr. Williams' annual retainer and attendance fees, are contributed to a trust which was created in 1993 pursuant to a restructuring of our retiree health care benefits. The dollar amount of the cash compensation contributed to the trust during 2011 was \$98,000.

Table of Contents**Director Fees and Equity Compensation for Fiscal Year 2011**

In recent years, our non-employee director pay has been low in comparison to our peer group of companies. In fiscal year 2011, during our annual review of director compensation, our analysis of competitive survey data and peer group proxy information, confirmed that our non-employee director pay was still below median in total compensation, including cash and equity compensation. We also noted that the majority of our peer group of companies follows a retainer-only philosophy versus a retainer plus meeting fee pay structure. Based upon these findings, on June 21, 2011, the Board approved several changes to non-employee director compensation.

The following table describes components of non-employee director compensation in effect during fiscal and calendar 2011 and the new compensation program that became effective January 1, 2012 (unless otherwise noted):

Compensation Element	2011 Compensation Program	New 2012 Compensation Program
Annual Retainer:	\$80,000 retainer; \$65,000 paid in cash, \$15,000 paid in restricted stock	\$120,000 retainer only; \$100,000 paid in cash, \$20,000 paid in restricted stock
Lead Director Additional Annual Retainer:	\$20,000	\$25,000
Committee Chairman Additional Annual Retainer:	\$10,000 for Compensation Committee	\$10,000 for Compensation Committee
	\$10,000 for Nominating and Governance Committee	\$10,000 for Nominating and Governance Committee
	\$10,000 for Finance Committees, and \$15,000 for Audit Committee	\$10,000 for Finance Committees, and \$20,000 for Audit Committee
Committee Member Additional Annual Retainer:	\$3,000 for Audit Committee	None
Attendance Fees:	\$1,500 for each Board or Committee meeting	None
Stock Options:	4,000 shares annually. (The exercise price is equal to the fair market value of our Common Stock on the date of grant.)	5,000 shares annually. (The exercise price is equal to the fair market value of our Common Stock on the date of grant.) (Effective for December 2011 grant for fiscal year 2012)
Other Benefits:	We also pay the premiums on directors and officers liability insurance policies covering the directors and reimburse directors for expenses related to attending Board and committee meetings and director continuing education seminars.	We also pay the premiums on directors and officers liability insurance policies covering the directors and reimburse directors for expenses related to attending Board and committee meetings and director continuing education seminars.

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Share Ownership Requirements for Non-Employee Directors

To encourage directors to own our shares, \$15,000 of each director's annual retainer was paid in the form of restricted stock each year. This amount will be increased to \$20,000 each year effective January 1, 2012. The stock is priced as of the date the first quarterly disbursement of the annual retainer is due. The restricted stock portion of the annual retainer is provided pursuant to the 2004 PIP. For additional information regarding the 2004 PIP, see Note 19, *Stock-based compensation plans*, to our consolidated financial statements included in our Form 10-K for the fiscal year ended October 31, 2011. Directors are expected to own shares equivalent to three times their annual cash retainer by June 2015 or within five years of being designated as a Board member. The proposed increase in retainer-only director fees discussed above, approved by the Board in June 2011, to be effective January 1, 2012, will have the effect of increasing a director's stock ownership requirement.

Deferred Fee Plan For Non-Employee Directors

Under our Non-Employee Directors Deferred Fee Plan, directors may defer fees otherwise payable in the form of cash or restricted stock. The amount otherwise payable in cash may be deferred in cash or in deferred stock units. Any amount deferred in cash is generally paid to the director, with interest at the prime rate, at the date specified by the director at the time of his or her election to defer. The amount otherwise payable in restricted stock may be deferred in deferred stock units. Any amount deferred in deferred stock units is credited into the director's account at the then current market price. Such units are generally distributed to the director in the form of our Common Stock at the date specified by the director at the time of his or her election to defer. Elections to defer are made in the calendar year prior to the year in which the fees are earned.

Compensation Committee Interlocks and Insider Participation

None

Table of Contents**EQUITY COMPENSATION PLAN INFORMATION**

This table provides information regarding the equity securities authorized for issuance under our equity compensation plans as of October 31, 2011.

Plan Category ⁽¹⁾	(a)	(b)	(c)
	Number of Securities to be Issued Upon	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column(a))
Equity compensation plans approved by stockholders	3,983,402 ⁽²⁾	35.29594 ⁽³⁾	2,710,359 ⁽⁴⁾
Equity compensation plans not approved by stockholders ⁽⁵⁾	795,928 ⁽⁶⁾	33.71204 ⁽⁷⁾	⁽⁸⁾
Total	4,779,330	N/A	2,710,359

(1) This table does not include information regarding our 401(k) plans. Our 401(k) plans consist of the following: Navistar, Inc. 401(k) Plan for Represented Employees, and Navistar, Inc. RAP. As of October 31, 2011, there were 529,058 shares of Common Stock outstanding and held in these plans.

(2) This number includes stock options granted under our 1994 Performance Incentive Plan (1994 PIP) and restoration stock options, DSUs and PSUs (as described in the Executive Stock Ownership Program discussed below) granted under our 2004 PIP. Prior to February 17, 2004, restoration stock options were granted under our 1998 Supplemental Stock Plan (a non-shareowner approved plan), as supplemented by the Restoration Stock Option Program. Under the Restoration Stock Option Program, generally one may exercise vested options by presenting shares that have a total market value equal to the option price times the number of options. Restoration options are then granted at the market price in an amount equal to the number of shares that were used to exercise the original option, plus the number of shares that are withheld for the required tax liability. Participants who own non-qualified stock options that were vested prior to December 31, 2004, may also defer the receipt of shares of Common Stock due in connection with a restoration stock option exercise of these options. Participants who elect to defer receipt of these shares will receive deferred stock units. The deferral feature is not available for non-qualified stock options that vest on or after January 1, 2005. The Restoration Stock Option Program was eliminated for all stock options granted on or after December 16, 2008. Stock options awarded to employees for the purchase of Common Stock from the 1994 PIP and the 2004 PIP were granted at the fair market value of the stock on the date of grant, generally have a 10-year contractual life, except for options granted under the 2004 PIP after December 15, 2009 which have a contractual life of 7-years, and generally become exercisable as to one-third of the shares on each of the first three anniversaries of the date of grant, so that in three years the shares are 100% vested. Awards of restricted stock granted under the 1994 PIP and awards of restricted stock and RSUs granted under the 2004 PIP were established by the Board or committee thereof at the time of issuance. The 1994 PIP expired on December 16, 2003, and as such no further awards may be granted under the 1994 PIP. As of October 31, 2011, 589,009 stock option awards remain outstanding for shares of Common Stock reserved for issuance under the 1994 PIP, and 3,221,516 stock option awards, 3,835 DSUs, 49,119 PSUs and 119,923 RSUs remain outstanding for shares of Common Stock reserved for issuance under the 2004 PIP. For more information on the 2004 PIP see footnote 4 below.

(3) Restricted stock, RSUs, DSUs and PSUs granted under such plans do not have an exercise price and are settled only for shares of our Common Stock on a one-for-one basis. These awards have been disregarded for purposes of computing the weighted-average exercise price. For more information on DSUs and PSUs see the discussion under the paragraph below entitled The Ownership Program.

(4) Our 2004 PIP was approved by the Board and the independent Compensation and Governance Committee on October 15, 2003, and, subsequently by our stockholders on February 17, 2004. Our 2004 PIP was subsequently amended on April 21, 2004, March 23, 2005, December 12, 2005, April 16, 2007, June 18, 2007, May 27, 2008, December 16, 2008, January 9, 2009, February 16, 2010, and April 19, 2010. The 2004 PIP replaced, on a prospective basis, our 1994 PIP, the 1998 Supplemental Stock Plan, both of which expired on December 16, 2003, and our 1998 Non-Employee Director Stock Option Plan

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(collectively, the Prior Plans). A total of 3,250,000 shares of Common Stock were reserved for awards under the 2004 PIP. On February 16, 2010, our stockholders approved an amendment to increase the number of shares available for issuance under the 2004 PIP from 3,250,000 to 5,750,000. Shares subject to awards under the 2004 PIP, or the Prior Plans after February 17, 2004, that are cancelled, expired, forfeited, settled in cash, tendered to satisfy the purchase price of an award, withheld to satisfy tax obligations or otherwise terminated without a delivery of shares to the participant again become available for awards. This number represents the remaining number of unused shares from the year ended October 31, 2011, which are available for issuance for the following year.

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(5) The following plans were not approved by our stockholders: The 1998 Supplemental Stock Plan (as supplemented by the Restoration Stock Option Program (the Supplemental Plan)), The Executive Stock Ownership Program (the Ownership Program), The 1998 Non-Employee Director Stock Option Plan (the Director Stock Option Plan), and The Non-Employee Directors Deferred Fee Plan (the Deferred Fee Plan). Below is a brief description of the material features of each plan, but in each case the information is qualified in its entirety by the text of such plans.

The Supplemental Plan. The Supplemental Plan was approved by the Board on December 15, 1998. A total of 4,500,000 shares of Common Stock are reserved for awards under the Supplemental Plan. Stock options awarded under the Supplemental Plan were granted at the fair market value of the stock on the date of grant, generally have a 10-year contractual life and generally become exercisable as to one-third of the shares on each of the first three anniversaries of the date of grant, so that in three years the shares are 100% vested. Awards of restricted stock granted under the Supplemental Plan are established by the Board or committee thereof at the time of issuance. As of October 31, 2011, 652,832 stock option awards remain outstanding for shares of Common Stock reserved for issuance under the Supplemental Plan. Prior to February 17, 2004 the Restoration Stock Option Program was administered under and supplemented by the Supplemental Plan. As of October 31, 2011 there were 18,101 deferred stock units outstanding under the Supplemental Plan which relate to restoration stock options. For more information on the Restoration Stock Option Program, please see the description contained in footnote 2 above. The Supplemental Plan expired December 16, 2003, and as such no further awards may be granted under the Supplemental Plan.

The Ownership Program. On June 16, 1997, the Board approved the terms of the Ownership Program, and on April 17, 2001, October 15, 2002, August 30, 2004, December 16, 2008 and January 9, 2009, the Board approved certain amendments thereto. In general, the Ownership Program requires all of our officers and senior managers to acquire, by direct purchase or through salary or annual bonus reduction, an ownership interest in Navistar by acquiring a designated amount of our Common Stock at specified timelines. Participants are required to hold such stock for the entire period in which they are employed by the Company. Participants may defer their cash bonus or defer salary into DSUs. These DSUs vest immediately. There were 9,570 DSUs (which includes 3,835 DSUs granted under the 2004 PIP after February 17, 2004) outstanding as of October 31, 2011. PSUs may also be awarded to participants who complete their ownership requirement on an accelerated basis. PSUs vest as to one-third of the shares on each of the first three anniversaries of the date of grant, so that in three years the shares are 100% vested. There were 89,112 PSUs (which includes 49,119 PSUs granted under the 2004 PIP after February 17, 2004) outstanding as of October 31, 2011. Each vested DSU and PSU will be settled by delivery of one share of Common Stock. Such settlement will occur within 10 days after a participant's termination of employment. DSUs and PSUs are no longer granted under the Ownership Program but instead are granted under the 2004 PIP.

The Director Stock Option Plan. The Director Stock Option Plan was approved by the Board on December 16, 1997 and amended on December 11, 2001. A total of 250,000 shares of Common Stock are reserved for awards under the Director Stock Option Plan. The Director Stock Option Plan provides for an annual grant to each of our non-employee directors an option to purchase 4,000 shares of Common Stock. The option price in each case will be 100% of the fair market value of the Common Stock on the business day following the day of grant. As of October 31, 2011, 37,000 stock option awards remain outstanding for shares of Common Stock reserved for issuance under the Director Stock Option Plan. Stock options awarded under the Director Stock Option Plan generally become exercisable in whole or in part after the commencement of the second year of the term of the option, which term is 10 years. The optionee is also required to remain in the service of the Company for at least one year from the date of grant. The Director Stock Option Plan was terminated on February 17, 2004. All future grants to non-employee directors will be issued under the 2004 PIP.

The Deferred Fee Plan. Under the Deferred Fee Plan, directors may elect to receive all or a portion of their annual retainer fees (in excess of their mandatory one-fourth restricted stock grant (as discussed above)) and meeting fees in cash or restricted stock, or they may defer payment of those fees in cash (with interest) or in DSUs. Deferrals in the deferred stock account are valued as if each deferral was vested in Common Stock as of the deferral date. As of October 31, 2011, there were 42,267 outstanding deferred stock units under the Deferred Fee Plan.

(6) Includes 18,101 deferred stock units granted under the Supplemental Plan, 5,735 DSUs and 39,993 PSUs granted under the Ownership Program and 42,267 deferred stock units granted under the Deferred Fee Plan; all of which were outstanding as of October 31, 2011 under such plans.

(7) Since the deferred stock units and DSUs and PSUs granted under such plans do not have an exercise price and are settled only for shares of our Common Stock on a one-for-one basis, these awards have been disregarded for purposes of computing the weighted-average exercise price.

(8) Upon approval of the 2004 PIP by our stockholders on February 17, 2004, the Supplemental Plan and the Director Stock Option Plan were terminated, and awards may no longer be granted under these plans. There is no limit on the number of securities representing DSUs remaining available for issuance under the Ownership Program or the Deferred Fee Plan.

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PROPOSAL 3 RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board is asking our stockholders to ratify the Audit Committee's appointment of KPMG as the Company's independent registered public accounting firm for the fiscal year ending October 31, 2012. KPMG has been the Company's auditors since 2006. For additional information regarding the Company's relationship with KPMG, please refer to the Audit Committee Report on page 25 of this proxy statement and the Independent Registered Public Accounting Firm Fee Information presented below.

If the appointment of KPMG as our independent registered public accounting firm for fiscal 2012 is not ratified by our stockholders, the adverse vote will be considered a direction to the Audit Committee to consider other auditors for next year. However, because of the difficulty in making any substitution of auditors after the beginning of the current year, the appointment for fiscal 2012 will stand, unless the Audit Committee finds other good reason for making a change.

Representatives of KPMG will be present at the Annual Meeting and will have the opportunity to make a statement if they desire to do so. The representatives will also be available to respond to questions at the Annual Meeting.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSAL 3.

Table of Contents**INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEE INFORMATION**

The following table presents aggregate fees billed or expected to be billed by KPMG, our independent registered public accounting firm, for audit services and fees for audit-related services (including associated out-of-pocket costs) incurred for the fiscal years ended October 31, 2011 and 2010, on our behalf:

(in millions)	2011	2010
Audit fees	\$14.0	\$15.5
Audit-related fees	0.4	0.6
Tax fees	0.4	0.2
All other fees	0.1	
Total fees	\$14.9	\$16.3

A description of the types of services provided in each category is as follows:

Audit Fees These are fees for professional services for the audit of our annual consolidated financial statements, limited review of our quarterly consolidated financial statements, and services that are normally provided in connection with statutory and regulatory filings. This includes fees for the audit of Navistar Financial Corporation (NFC).

Audit-Related Fees These are fees for the assurance and related services that are reasonably related to the performance of the audit or review of our financial statements, including procedures related to our and NFC s financing transactions.

Tax Fees These are fees for professional services rendered for tax compliance, tax advice and tax planning.

All Other Fees These are fees for permissible services provided by KPMG that do not meet the above categories. For fiscal year 2011, these fees were related to a process assessment of certain construction activities. For fiscal year 2010, the Company did not incur any of these other fees.

The Audit Committee pre-approved all audit and non-audit services provided to us in accordance with the Audit Committee s pre-approval policy. In accordance with the Audit Committee s pre-approval policy, the Audit Committee annually considers for pre-approval all proposed audit and non-audit services which are known early in the year to be performed in the coming year by our independent registered public accounting firm and the estimated fees for such services. Additional fees related to certain audit-related or non-audit services proposed to be provided by our independent registered public accounting firm may be pre-approved by management, so long as the fees for such additional services individually or in the aggregate do not exceed \$400,000 in any 12-month period, and are reported to the Audit Committee at the next regularly scheduled committee meeting. Other proposed audit-related or non-audit services (not within the scope of the approved engagement) may be considered and, if appropriate, pre-approved by the chair of the Audit Committee if the related additional fees are estimated to be less than \$250,000, otherwise the Audit Committee must pre-approve all additional audit-related and non-audit services to be performed by our independent registered public accounting firm. In making its decision to utilize our independent registered public accounting firm, the Audit Committee considers whether the provision of such services is compatible with maintaining that firm s independence and to that end receives certain representations from the firm regarding their independence and permissibility under applicable laws and regulations related to non-audit services provided by the firm to us.

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PROPOSAL 4 ADVISORY VOTE ON EXECUTIVE COMPENSATION

At our 2011 annual meeting of stockholders, a majority of our stockholders voted in favor of holding a non-binding advisory vote on executive compensation on an annual basis. In light of last year's results, our Board determined that the Company will hold a non-binding advisory vote on executive compensation on an annual basis, and we are asking for your support again for the resolution below. The next required non-binding advisory vote regarding the frequency interval will be in 2017, although an earlier vote regarding such frequency interval may be held at the Board's discretion.

At our 2011 annual meeting of stockholders, our stockholders also expressed their support of our executive compensation programs by approving our non-binding advisory vote on our executive compensation. More than 98% of votes cast supported our executive compensation policies and practices. As described in our CD&A starting on page 31 of this proxy statement, in fiscal year 2011, we reviewed our executive compensation programs in light of our business results and our stockholder support of our executive compensation programs. Following such review and consideration, we continue to believe that our executive compensation programs are designed to support our company and business strategies in concert with our culture, compensation philosophies and guiding principles.

As described more fully in our CD&A, our executive compensation programs for our NEOs, as well as other executives, are designed to closely align executive rewards with the total return to stockholders and corporate, group and individual performance. Our Compensation Committee has developed an overall compensation philosophy that is built on a foundation of the following principles:

Competitive Positioning: Total remuneration is designed to attract and retain the executive talent necessary to achieve our goals through a market competitive total remuneration package.

Pay-for-Performance: Executive compensation is designed to align the interests of our executives and stockholders. It is also performance-based with a direct link to Company, business unit, and individual performance.

Fairness: Our compensation programs are designed to be fair and equitable across all employee groups and should not unfairly discriminate in favor of any one individual or group on the basis of age, service, or other non-performance related criteria.

Ownership and Responsibility: Our compensation programs are designed to recognize individual contributions as well as link executive and stockholder interests through compensation plans and programs that reward our executives, including our NEOs based on increases to stockholder value and the financial success of the Company.

The Board urges our stockholders to read the CD&A which describes how the executive compensation programs are designed to support our Company and our business strategies in concert with our culture, compensation philosophies and guiding principles. We believe that the Company's executive compensation programs have been effective at incenting the achievement of positive results, appropriately aligning pay and performance and in enabling the Company to attract and retain very talented executives within our industry.

We are asking our stockholders to indicate their support for our executive compensation as described in this proxy statement. This proposal, commonly known as a say-on-pay proposal, gives you as a stockholder the opportunity to express your views on our fiscal year 2011 executive compensation policies and procedures. This vote is not intended to address any specific item of compensation, but

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rather the overall compensation of our NEOs and the policies and procedures described in this proxy statement. Accordingly, we ask our stockholders to vote FOR the following resolution at the Annual Meeting:

RESOLVED, that the stockholders of Navistar International Corporation (the Company) approve, on an advisory basis, the compensation of the named executive officers, as disclosed pursuant to Item 402 of Regulation S-K in the Company's proxy statement for the 2012 Annual Meeting of Stockholders.

Although this is an advisory vote which will not be binding on the Compensation Committee or the Board, we will carefully review the results of the vote, as we did last year. The Compensation Committee will consider our stockholders' concerns and take into account the outcome of say on pay votes when designing future executive compensation programs. The Board therefore recommends that you indicate your support for the Company's executive compensation in fiscal year 2011, as outlined in the above resolution.

YOUR BOARD OF DIRECTORS RECOMMENDS A VOTE FOR PROPOSAL 4.

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OTHER MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers and persons who own beneficially more than ten percent of a registered class of our equity securities to file reports of holdings and transfers of Company stock with the SEC and to provide copies of those reports to Navistar. Based solely on our review of copies of those reports received by us or written representations that all such reports were timely filed, we believe that our directors, executive officers and greater than ten beneficial percent stockholders made all required filings on time, with the exception of a Form 4 filed one day late on September 6, 2011, by Eugenio Clariond to report the acquisition of 35.655 DSUs.

Availability of Form 10-K and Annual Report to Stockholders

The Company is providing an Annual Report to stockholders who receive this proxy statement. The Company will also provide copies of the Annual Report to brokers, dealers, banks, voting trustees, and their nominees for the benefit of their beneficial owners of record. Additional copies of the Annual Report, which also contains the Company's Annual Report on Form 10-K for the fiscal year ended October 31, 2011 (not including documents incorporated by reference or certain exhibits thereto) are available without charge to stockholders upon written request to Navistar c/o the Corporate Secretary at 2701 Navistar Drive, Lisle, Illinois 60532. You may review Company filings with the SEC by visiting the Company's website at <http://ir.navistar.com/sec.cfm>.

Matters Raised at the Meeting not Included in this Proxy Statement

We do not know of any matters to be acted upon at the Annual Meeting other than those discussed in this proxy statement. If any other matter is presented, proxy holders will vote on the matter in their discretion.

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ADMISSION AND TICKET REQUEST PROCEDURE

Admission

Admission is limited to stockholders of record on January 13, 2012 or a stockholder's authorized proxy holder or a representative. **In each case, the individual must have an admission ticket and valid photo identification to be admitted to the meeting. In addition, stock ownership will be verified.**

Admission Ticket for Registered Holders

If your Navistar shares are registered in your name and you received your proxy material by mail, an admission ticket is attached to your proxy card.

If your Navistar shares are registered in your name and (i) you received or accessed your proxy materials electronically over the Internet, and you plan on attending the meeting, click the appropriate box on the electronic proxy card or (ii) follow the telephone instructions and when prompted, if you plan to attend the meeting in person, press 1, and an admission ticket will be held for you at the registration desk at the Annual Meeting. You will need a valid photo identification to pick up your ticket.

Admission Ticket for Beneficial Holders

If your Navistar shares are held in a bank or brokerage account you may obtain an admission ticket in advance by submitting a request by mail to our Corporate Secretary, 2701 Navistar Drive, Lisle, Illinois 60532 or by facsimile to (331) 332-3186.

Ticket Request Deadline

Ticket requests for all Beneficial Holders and for Beneficial Holders and Registered Holders appointing a representative to attend and/or vote on his/her behalf, must include all information specified in the applicable table below and be submitted in writing and received by the Company on or before February 16, 2012. No requests will be processed after that date.

To Submit Request

Submit requests by mail to our Corporate Secretary, 2701 Navistar Drive, Lisle, Illinois 60532 or by facsimile to (331) 332-3186. Ticket requests by telephone will not be accepted.

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Authorized Proxy Representative

A stockholder may appoint a representative to attend the Annual Meeting and/or vote on his/her behalf. The admission ticket must be requested by the stockholder but will be issued in the name of the authorized representative. Individuals holding admission tickets that are not issued in their name will not be admitted to the Annual Meeting. Stockholder information specified below and a written proxy authorization must accompany the ticket request.

Registered Stockholders

Beneficial Holders

(if appointing a representative to attend and/or vote on his/her behalf)

For ownership verification provide:

- name(s) of stockholder
- address
- phone number
- social security number and/or stockholder account number; or
- a copy of your proxy card showing stockholder name and address

Also include:

- name of authorized proxy representative, if one appointed
- address where tickets should be mailed and phone number

For ownership verification provide:

- a copy of your January brokerage account statement showing Navistar stock ownership as of the record date (1/13/12);
- a letter from your broker, bank or other nominee verifying your record date (1/13/12) ownership; or
- a copy of your brokerage account voting instruction card showing stockholder name and address

Also include:

- name of authorized proxy representative, if one appointed
- address where tickets should be mailed and phone Number

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APPENDIX A

PROPOSED FORM OF
CERTIFICATE OF AMENDMENT
TO THE
RESTATED CERTIFICATE OF INCORPORATION, AS AMENDED
OF
NAVISTAR INTERNATIONAL CORPORATION

Navistar International Corporation, a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the Corporation), does hereby certify:

FIRST: That the Board of Directors of Navistar International Corporation (the Board), at a meeting held on December 13, 2011, duly adopted resolutions setting forth a proposed amendment of the Restated Certificate of Incorporation of the Corporation, as amended, declaring said amendment to be advisable and directing that the amendment be submitted to the stockholders of the Corporation for consideration at the 2012 annual meeting of stockholders. The resolution setting forth the proposed amendment is as follows:

RESOLVED, that the Corporation's Restated Certificate of Incorporation, as amended, be amended by replacing the first four paragraphs of Article Seventh with the following four paragraphs:

Seventh: The number of directors which shall constitute the whole Board of Directors of the Company shall be as specified in the By-Laws of the Corporation, subject to the provisions of this Article Seventh.

The Board of Directors shall be and is divided into three classes: Class I, Class II and Class III, which shall be as nearly equal in number as possible. Each director shall serve for a term ending on the date of the third annual meeting of stockholders following the annual meeting at which the director was elected. Notwithstanding the foregoing, (1) at the 2012 annual meeting of stockholders, the directors whose terms expire at that meeting shall be elected to hold office for a one-year term expiring at the 2013 annual meeting of stockholders; (2) at the 2013 annual meeting of stockholders, the directors whose terms expire at that meeting shall be elected to hold office for a one-year term expiring at the 2014 annual meeting of stockholders; and (3) at the 2014 annual meeting of stockholders and each annual meeting of stockholders thereafter, all directors shall be elected for a one-year term expiring at the next annual meeting of stockholders. Pursuant to such procedures, effective as of the 2014 annual meeting of stockholders, the Board of Directors will no longer be classified under Section 141(d) of the General Corporation Law of the State of Delaware and directors shall no longer be divided into three classes.

Each director shall serve until his or her successor is duly elected and qualified or until his or her death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director. Subject to the rights of the holders of any class or series of capital stock then outstanding, (x) until the 2014 annual meeting of stockholders and in accordance with Section 141(k)(1) of the General Corporation Law of the State of Delaware, any director, or the entire Board of Directors, may be removed from office at any time, but only for cause and (y) from and after the 2014 annual meeting of stockholders, any director, or the entire Board of Directors, may be removed from office at any time, with or without cause.

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Newly created directorships resulting from any increase in the number of directors to be elected by the holders of the Common Stock and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of the majority of the remaining directors elected by the holders of the Common Stock then in office (and not by stockholders), even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence in order to fill a vacancy resulting from an increase in the number of directors shall hold office for the remainder of the full term of the class of directors in which the new directorship was created and until such director's successor shall have been elected and qualified. Effective from and after the 2014 annual meeting of stockholders, any director elected in order to fill a vacancy shall hold office until the next annual meeting of stockholders.

SECOND: That thereafter, pursuant to resolution of its Board, an annual meeting of the stockholders of the Corporation was duly called and held, on February 21, 2012, upon notice in accordance with Section 222 of the General Corporation Law of the State of Delaware at which meeting the necessary number of shares as required by statute were voted in favor of the amendment.

THIRD: That said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Amendment to be signed this 21st day of February, 2012.

NAVISTAR INTERNATIONAL CORPORATION

By:

Curt Kramer

Corporate Secretary

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	2009	2010	2011
Net income attributable to Navistar International Corporation	\$ 320	\$ 223	\$ 1,723
<i>Plus:</i>			
Restructuring of North American manufacturing operations ⁽¹⁾			127
Engineering integration costs ⁽²⁾			64
Medicare Part D ruling related to prior period ⁽³⁾			15
Ford settlement, restructuring and related benefits ⁽⁴⁾	(160)		
Impairment of property, plant, and equipment ⁽⁵⁾	31		
Write-off debt issuance cost ⁽⁶⁾	11		
<i>Less:</i> Income tax valuation allowance release ⁽⁷⁾			1,527
Adjusted Net income attributable to Navistar International Corporation	\$ 202	\$ 223	\$ 402
Diluted earnings per share attributable to Navistar International Corporation	\$ 4.46	\$ 3.05	\$ 22.64
<i>Less:</i> Effect of adjustments on diluted earnings per share attributable to Navistar International Corporation	1.60		17.36
Adjusted diluted earnings per share attributable to Navistar International Corporation	\$ 2.86	\$ 3.05	\$ 5.28
Weighted average number of diluted shares outstanding	71.8	73.2	76.1
Net income attributable to Navistar International Corporation	\$ 320	\$ 223	\$ 1,723
<i>Less:</i>			
Income taxes benefit (expense)	(37)	(23)	1,458
Financial services segment profit	40	95	129
Corporate and eliminations	(519)	(590)	(571)
Manufacturing segment profit	\$ 836	\$ 741	\$ 707
<i>Plus:</i>			
Restructuring of North American manufacturing operations ⁽¹⁾			124
Engineering integration costs ⁽²⁾			51
Ford settlement, restructuring and related benefits ⁽⁴⁾	(160)		
Impairment of property, plant, and equipment ⁽⁵⁾	31		
Adjusted manufacturing segment profit	\$ 707	\$ 741	\$ 882

- (1) Restructuring of North American manufacturing operations are charges primarily related to our plans to close our Chatham, Ontario heavy truck plant and Workhorse chassis plant in Union City, Indiana, and to significantly scale back operations at our Monaco recreational vehicle headquarters and motor coach manufacturing plant in Coburg, Oregon, which totaled \$58 million of restructuring charges for the year ended October 31, 2011. We also incurred an additional \$5 million of other related costs for the year ended October 31, 2011. In addition, the Company recognized \$64 million of impairment charges related to certain intangible assets and property plant and equipment primarily related to these facilities. The Truck segment recognized \$124 million of restructuring of North American manufacturing operation charges for the year ended October 31, 2011.
- (2) Engineering integration costs relate to the consolidation of our Truck and Engine engineering operations as well as the move of our world headquarters. These costs include restructuring charges for activities at our Fort Wayne facility of \$29 million for the year ended October 31, 2011. We also incurred an additional \$35 million of other related costs for the year ended October 31, 2011. Our manufacturing segment recognized \$51 million of the engineering integration costs for the year ended October 31, 2011.
- (3) In the fourth quarter of 2011, the company had an unfavorable ruling related to a 2010 administrative change the Company made to the prescription drug program under the OPEB plan affecting plan participants who are Medicare eligible.
- (4) Ford settlement, restructuring and related benefits include the impact of our settlement with Ford in 2009 as well as charges and benefits recognized related to restructuring activity at our Indianapolis Casting Corporation and Indianapolis Engine Plant. The benefits were recognized in our Engine segment with the exception of \$3 million of income tax expense.
- (5) Impairment of property and equipment in 2009 related to charges recognized by the Truck segment for impairments related to asset groups at our Chatham and Conway facilities.

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- (6) The write-off of debt issuance costs during 2009 represent charges related to the Company's refinancing.
- (7) In the third quarter of 2011, we recognized an income tax benefit of \$1.476 billion from the release of a portion of our income tax valuation allowance. In the fourth quarter of 2011, we recognized an additional income tax benefit of \$61 million related to the release of a portion of our income tax valuation allowance. As domestic earnings are now taxable with the release of the income tax valuation allowance we recognized \$10 million of domestic income tax expense for 2011 that would not have been recognized had we not released a portion of the allowance. The \$10 million of domestic income taxes was netted against the total benefit of \$1.537 billion from the release of a portion of the income tax valuation allowance. In addition, the other 2011 adjustments included in the table above have not been adjusted to reflect their income tax effect as the adjustments are intended to represent the impact on the Company's Consolidated Statement of Operations without the incremental income tax effect that would result from the release of the income tax valuation allowance. The charges related to our Canadian operations would not be impacted as a full income tax valuation allowance remains for Canada.

Non-GAAP Reconciliations

The financial measures presented above are unaudited and not in accordance with, or an alternative for, financial measures presented in accordance with U.S. generally accepted accounting principles (GAAP). The non-GAAP financial information presented herein should be considered supplemental to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. However, we believe that non-GAAP reporting, giving effect to the adjustments shown in the reconciliation above, provides meaningful information and therefore, we use it to supplement our GAAP reporting by identifying items that may not be related to the core manufacturing business. Management often uses this information to assess and measure the performance of our operating segments. We have chosen to provide this supplemental information to investors, analysts and other interested parties to enable them to perform additional analyses of operating results, to illustrate the results of operating giving effect to the non-GAAP adjustments shown in the above reconciliation, and to provide an additional measure of performance.

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APPENDIX C

Aon Hewitt's 2011 TCM Survey

Executive Participants Listing by Alphabetical Order

1-800 Contacts

3M Company

7-Eleven, Inc.

A. O. Smith Corporation

Abbott Laboratories

ACCO Brands

Actavis Inc

Acuity Brands Inc.

Axiom Corporation

AECOM Technology Corporation

Aerojet-General Corporation

AGC Chemicals Americas, Inc.

AGL Resources Inc.

Air Products and Chemicals, Inc.

Alcon Laboratories, Inc.

Allergan, Inc.

Alliant Energy Corporation

Altria Group, Inc.

Alyeska Pipeline Service Company

Ameren Corporation

American Axle & Manufacturing, Inc.

American Chemical Society

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American Electric Power

American Heart Association

American Standard

Ameron International Corporation

Amgen Inc.

AMSTED Industries Incorporated

Andersen Corporation

Anheuser-Busch InBev

ANN INC.

APL, Ltd.

Archer Daniels Midland Company

Arizona Public Service

Arkansas Electric Cooperative Corporation

Armstrong World Industries, Inc.

Ash Grove Cement Company

Associated Electric Cooperative Inc.

Atwood Oceanics, Inc.

Automatic Data Processing, Inc.

AutoZone, Inc.

Avant Energy, Inc.

Avery Dennison Corporation

BAE Systems, Inc.

Bain & Company, Inc.

Ball Corporation

The Bama Companies, Inc.

Banner Health

Barnes Group Inc.

Battelle Memorial Institute

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Bausch & Lomb Incorporated
Baxter International Inc.
Black Hills Corporation
Boise Inc
The Bon-Ton Stores, Inc.
BorgWarner Inc.
Brady Corporation
BrightSource Energy Inc.
Bristol-Myers Squibb Company
Broadridge Financial Solutions, Inc.
Brown-Forman Corporation
Brunswick Corporation
Burlington Northern Santa Fe Corporation
Bush Brothers & Company
Calpine Corporation
Campbell Soup Company
Capital Power Corporation
Career Education Corporation
Carestream Health, Inc.
Caterpillar Inc.
CDW Corporation
CenterPoint Energy
Ceridian Corporation
Chelan County Public Utility District
Chevron Global Power
Chicago Bridge and Iron Company
Chipotle Mexican Grill, Inc.
Chiquita Brands International, Inc.

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CHS Inc.

Cleco Corporation

Clipper Windpower

The Clorox Company

The Coca-Cola Company

Constellation Energy

Cooper Industries, Inc.

Covanta Holding Corporation

Covidien

Curtiss-Wright Corporation

CVS Corporation

Cytec Industries, Inc.

C&S Wholesale Grocers, Inc.

Collective Brands, Inc.

ConAgra Foods, Inc.

Darden Restaurants, Inc.

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Del Monte Foods Company

Delhaize America

Delphi Corporation

Deluxe Corporation

Dole Food Company, Inc.

Dominion Resources, Inc.

Donaldson Company, Inc.

Duke Energy Corporation

Dunkin' Brands, Inc.

E. I. du Pont de Nemours and Company

Eastman Chemical Company

Eastman Kodak Company

Eaton Corporation

Ecolab Inc.

Eddie Bauer, LLC

Edison International

Edison Mission Energy

Edwards Lifesciences LLC

El Paso Corporation

Elkay Manufacturing Company

Emerson Electric Co.

Energizer Holdings, Inc.

EnergySolutions, Inc.

EnergySource LLC

Enpower Management Corp.

Enscopl

enXco, Inc.

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ESCO Technologies Inc.

Federal Reserve Information Technology

Federal-Mogul Corporation

FedEx Corporation

Ferro Corporation

FirstGroup America, Inc.

Florida Municipal Power Agency

FMC Corporation

Ford Motor Company

Fortune Brands, Inc.

Foster Wheeler AG

GAF Materials Corporation

Gardner Denver, Inc.

Garland Power & Light

GATX Corporation

Gaylord Entertainment

GDF Suez Energy Resources NA

GenCorp Inc.

Generac Holdings Inc.

General Dynamics Corporation

General Electric Company

General Mills, Inc.

General Motors Corporation

GenOn Energy

Genuine Parts Company

Georgia Gulf Corporation

GlaxoSmithKline plc

Global Crossing Ltd.

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Goodman Global

Goodrich Corporation

Gordon Food Service

Gorton's

Graco Inc.

Great River Energy

GROWMARK, Inc.

GWF Power Systems

H. B. Fuller Company

H. J. Heinz Company

Hallmark Cards, Inc.

Hanesbrands, Inc.

Harley-Davidson Motor Company Inc.

Haworth, Inc.

HDR, Inc

Herman Miller, Inc.

The Hershey Company

HNTB Companies

The Home Depot, Inc.

Honeywell International Inc.

Hormel Foods Corporation

Hot Topic

Hubbell Incorporated

Huntington Ingalls Industries Inc

Hy-Vee, Inc.

Iberdrola Renewables Inc.

IBM Corporation

ICF International

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Idaho Power Company

Illinois Tool Works Inc.

IMS Health

Indeck Energy Services, Inc.

Industrial Electrical Wire & Cable Inc.

Ingersoll-Rand Company

Integrus Energy Group

Intermountain Healthcare

International Paper Company

ITT Corporation

J. C. Penney Company, Inc.

James Hardie Building Products

JBT Corporation

JEA

Johnson Controls, Inc.

Jones Lang LaSalle

Joy Global Inc.

Kaman Corporation

Kinder Morgan Inc.

Kohler Company

KONE, Inc.

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L Oreal USA, Inc.
L.L. Bean Incorporated
Land O Lakes
Leggett & Platt Inc.
Lennox International Inc.
Levi Strauss & Co.
LG&E and KU Energy
Limited Brands
Linet Americas, Inc.
Lockheed Martin Corporation
Lorillard Tobacco Company
Luxottica
Maple Leaf Foods Inc.
The Marmon Group, Inc.
Marriott International, Inc.
Mars, Incorporated
Masco Corporation
Mattel, Inc.
McCormick & Company, Inc.
McDonald's Corporation
McGraw-Hill Companies
Mead Johnson Nutrition Company
Medtronic, Inc.
Meritor, Inc.
Milacron Inc.
MillerCoors
Milliken & Company

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The MITRE Corporation

Mohawk Industries

Molson Coors Brewing Company

MoneyGram International, Inc.

The Mosaic Company

Nalco Company

Navistar International

Navy Exchange Service Command

NCR Corporation

Nestle Purina PetCare Company

New York Power Authority

NewPage Corporation

Nintendo of America

NiSource Inc.

Nordstrom

North American Energy Services

Northern Star Generation Services Company LLC

Northrop Grumman Corporation

NRG Energy, Inc.

OfficeMax Incorporated

OGE Energy Corp.

Oglethorpe Power Corporation

Oil States Industries, Inc.

Old Dominion Electric Cooperative

Olin Corporation

OMNOVA Solutions Inc.

ONEOK Inc.

Oshkosh Truck Corporation

Owens Corning

Owens-Illinois, Inc.

Packaging Corporation of America

Pactiv Corporation

Panduit Corp.

Papa Johns International, Inc.

Pella Corporation

Pentair, Inc.

Petco Animal Supplies, Inc.

PETSMART

PG&E Corporation

Pier 1 Imports, Inc.

Pioneer Natural Resources Company

Portland General Electric Company

PPG Industries, Inc.

PPL Corporation

Prairie State Generating Company, LLC

The Procter & Gamble Company

Progress Energy, Inc.

Public Service Enterprise Group, Incorporated

Puget Sound Energy

Quad Graphics, Inc.

Quest Diagnostics Incorporated

Rayonier Inc.

Raytheon Company

Redcats USA

Revlon Inc.

Reynolds American Inc.

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Rich Products Corporation

Rockwell Automation

Ryder System, Inc.

Sandia National Laboratories

Sanofi Pasteur

Sara Lee Corporation

Sauer-Danfoss Inc.

S.C. Johnson & Son, Inc.

SCANA Corporation

Schreiber Foods Inc.

Sealed Air Corporation

Seminole Electric Cooperative Inc.

Sempra Energy

Sunoco, Inc.

SUPERVALU INC.

Sypris Solutions, Inc.

The Sherwin-Williams Company

Snap-on Incorporated

Solo Cup

Solutia Inc.

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Sonoco Products Company

Starbucks Corporation

Steelcase Inc.

Takeda Pharmaceuticals North America, Inc.

Target Corporation

TDS Telecommunications Corporation

Temple-Inland Inc.

Tenaska Energy Inc.

Tenet Healthcare Corporation

Tennessee Valley Authority

Terex Corporation

Terra-Gen Operating Company

Texas Industries, Inc.

Thirty-One Gifts LLC

Thomas & Betts Corporation

The Timberland Company

Time Warner Cable

The Timken Company

T-Mobile

Topaz Power Group LLC

Toys R Us

Travis County

Treasury Wine Estates Americas

TriMas Corporation

True Value Company

Tupperware Corporation

Tyco Electronics Corporation

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Tyco International

Uline, Inc.

Union Pacific Railroad Co.

Unisys Corporation

United Launch Alliance, LLC

United Space Alliance

United Technologies Corporation

United Water Inc.

USG Corporation

Valero Energy Corporation

Valmont Industries, Inc.

VF Corporation

VHA Inc.

Viacom Inc.

Vulcan Materials Company

W.W. Grainger, Inc.

The Walt Disney Company

Waters Corporation

Wellhead Electric Company, Inc.

The Western Union Company

Westinghouse Electric Co.

Weyerhaeuser Company

Whirlpool Corporation

The Williams Companies, Inc.

Wolters Kluwer U.S.

Wyndham Worldwide Corporation

W. L. Gore & Associates, Inc.

Xcel Energy, Inc.

Yum Brands, Inc.

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