

# TEREX CORPORATION

## GOVERNANCE AND NOMINATING COMMITTEE CHARTER

(Dated as of March 11, 2004)

*This Charter is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Company's Certificate of Incorporation and By Laws, it is not intended to establish by its own force any legally binding obligations.*

### **Purpose**

The Governance and Nominating Committee of the Terex Board of Directors plays a central role in planning the size and composition of the Board of Directors, developing criteria and implementing the process of identifying, screening and nominating candidates for election to the Board of Directors, recommending corporate governance guidelines and actions to improve corporate governance, and evaluating Board of Directors and committee performance.

### **Organization**

The Governance and Nominating Committee shall consist of a Chairman and at least two additional members each of whom is determined to be independent in accordance with the applicable rules of the New York Stock Exchange. In addition, the Chairman of the Governance and Nominating Committee must also be a member of the Compensation Committee. The Chairman and members of the Governance and Nominating Committee shall be appointed by the Board on recommendation of the Governance and Nominating Committee and may be replaced by the Board.

### **Responsibilities**

The Governance and Nominating Committee of the Board of Directors has the following responsibilities:

1. Develop appropriate long-range plans for the size and composition of the Board of Directors and the succession of Directors.
2. Develop and implement procedures for identifying, screening and nominating Director candidates to the Board of Directors consistent with qualifications or criteria approved by the Board of Directors (including reviewing incumbent directors for potential re-nomination).
3. Recommend Directors for membership and chairmanship of standing committees of the Board of Directors.
4. Review and reassess Terex's corporate governance guidelines annually, and recommend corporate governance guidelines and any proposed changes to the guidelines.
5. Review and reassess Terex's Code of Ethics and Conduct annually, and recommend any proposed changes to the Code of Ethics and Conduct.
6. Develop and implement procedures for conducting and reporting annual evaluations of Board performance and recommending actions to improve Board performance and governance.
7. Work in conjunction with the Compensation Committee to oversee the evaluation of the Company's management.
8. Review and reassess the adequacy of this charter and the Governance and Nominating Committee's own performance annually, and recommend any proposed changes to the Board of Directors.

9. Such other responsibilities as the Board of Directors may from time to time expressly delegate to the Committee (e.g., Director compensation).

The following general and individual criteria shall be used in identifying prospective members of the Board of Directors:

1. Maintenance of a balanced experience and knowledge base within the total Board that shall include, but not be restricted to, the following:
  - a. Current CEO, or similar line experience, in companies engaged in capital and industrial goods industries;
  - b. Significant direct management experience of multinational business operations;
  - c. Extensive knowledge and experience in financial services and capital markets;
  - d. Unique knowledge and experience complementing the above and providing significant contributions to the Board of Directors effectiveness and corporate governance.
2. Personal integrity and willingness to devote the time and attention necessary to properly discharge the duties of a Director serving on the Board of Directors and the absence of interests which are adverse to, or in conflict with, the interest of Terex Corporation.
3. The ability to use his/her experience and knowledge to make positive contributions to the leadership and governance of Terex.
4. A balanced view of the role and responsibility of business in relation to the environment and societies in which Terex operates.
5. Individuals shall not be eligible for nomination to the Board of Directors after the age of seventy years (unless approved by 100% of all current Directors).

### **Authority**

The Governance and Nominating Committee will have the authority to seek information and external assistance necessary to carry out its responsibilities and additional authority as approved by the Board of Directors. This authority includes the sole ability to retain and terminate any search firm to be used to identify Director candidates, including approval of such firm's fees and other terms of retention, and the ability to obtain assistance from internal and external legal, accounting and other advisors.

### **Meetings, Reports And Annual Performance Evaluations**

The Governance and Nominating Committee will meet at least quarterly and will make a report of each meeting to the full Board of Directors.

The Governance and Nominating Committee will provide its review of corporate governance guidelines, Board performance and its own charter and performance to the full Board of Directors annually.