

## **HARLEY-DAVIDSON, INC.**

### **Nominating and Corporate Governance Committee Charter**

#### **I. Committee's Purpose**

The Nominating and Corporate Governance Committee (the "Committee") is appointed by the Board of Directors (the "Board") of Harley-Davidson, Inc. (the "Company") to (a) identify and make recommendations to the Board on individuals qualified to serve as Board members of the Company consistent with the criteria approved by the Board; (b) identify and make recommendations to the Board on individuals qualified to serve as the Chief Executive Officer of the Company; (c) review and recommend the renomination of incumbent directors; (d) review and recommend committee appointments; (e) lead the Board in its annual review of the Board's and its committees' performance; (f) approve goals and objectives of the Chief Executive Officer and review the Chief Executive Officer's annual performance; (g) review and approve the Chief Executive Officer's total compensation as recommended by the Human Resources Committee; (h) review and approve the Company's Code of Business Conduct; (i) establish a process for review of potential conflicts of interest; (j) review potential conflicts of interest and any other potential Code of Business Conduct violations by the Company's Chief Executive Officer or directors; (k) review the disclosure of any waivers of such conflicts or other Code of Business Conduct violations for the Company's Chief Executive Officer or directors; (l) review and reassess annually the Corporate Governance Policy applicable to the Company and recommend any proposed changes to the Board for approval; (m) take a leadership role in shaping the corporate governance of the Company; and (n) perform other related tasks, such as studying and making recommendations to the Board concerning the size, committee structure, compensation or meeting frequency of the Board.

#### **II. Committee Membership**

The Committee shall be comprised of all of the independent directors of the Board. All members of the Committee shall meet the independence and other requirements of the New York Stock Exchange ("NYSE") and other applicable laws, regulations and rules.

#### **III. Committee's Duties and Responsibilities**

The Nominating and Corporate Governance Committee shall, in addition to such other responsibilities and duties that may be assigned by the Board from time to time, have the following responsibilities and duties:

(1) Consider and make recommendations to the Board concerning the size of the Board.

(2) Establish, subject to approval by the Board, the Board's criteria for selecting new directors which shall include those set forth in this Charter.

(3) Identify, consider and recommend to the Board potential nominees for director (including incumbent directors) and retain and terminate any search firm to be used to identify director candidates, with sole authority to approve the search firm's fees and other retention terms.

(4) Consider and evaluate potential nominees for director submitted to the Committee by a shareholder of the Company and, if appropriate, recommend candidates for consideration by the Board. The Committee shall establish procedures for the submission of recommendations for director nominees by a shareholder.

(5) Consider and make recommendations to the Board concerning any resignation submitted by a director pursuant to Section 2.07 of the Company's Bylaws or otherwise.

(6) Review Board compensation levels and policies and recommend appropriate changes to the full Board.

(7) Manage the annual Board evaluation process, including soliciting comments from all directors, reporting to the Board with an assessment of the performance of the Board and making recommendations for improvements of the Board's operations.

(8) Review the status of individual Board members, as well as the composition of the Board as a whole, including assessments of independence of nonmanagement directors and other directorship positions (for profit and not for profit) considered by directors, and take any action necessary to effect changes in incumbent directors if deemed appropriate. Review and reassess from time to time the standard to determine director independence and recommend any proposed changes to the Board for approval.

(9) A member of the Committee who is a candidate for nomination as a director at the next annual meeting of the Company's shareholders (including incumbent directors) shall not be present during the deliberations concerning, or to vote upon, such member's candidacy. The Committee will evaluate, among other things, the Board member's ability to:

- Demonstrate through active participation in formal Board activities, as well as through informal contacts, a broad understanding of the Company's business, problems and opportunities.
- Demonstrate a personal interest in participating in and understanding the overall Harley-Davidson experience at periodic Company, dealer, customer and industry events.
- Demonstrate that he or she is a valued and demanding partner to management and easily accessible to them.

(10) Consider and make recommendations to the Board concerning the number and nature of the committees of the Board, member assignments and rotation, committee chairs and the need for any restructuring of such committees. Among other things, the Committee will consider and make recommendations to the Board as to the following:

- Whether persons to be considered for assignment or reassignment to Board committees meet the required independence standards.
- Whether persons to be considered for assignment or reassignment to Board committees meet specific expertise and experience requirements, such as:
  - Whether persons to be considered for assignment or reassignment to the Audit Committee are financially literate or become financially literate within a reasonable period of time after appointment to the Audit Committee.
  - Whether there is at least one Audit Committee member who: (i) has accounting or related financial management expertise; or (ii) if the Board so determines, is an audit committee financial expert in accordance with the requirements set forth under the Sarbanes-Oxley Act of 2002.

(11) Establish goals and objectives with the CEO and evaluate at least annually the performance of the current CEO in light of these goals and objectives.

(12) Review and approve the CEO's total compensation on an annual basis as recommended by the Human Resources Committee.

(13) Review the Company's management overall to develop a CEO succession plan for recommendation to the Board.

(14) Review and approve a Code of Business Conduct and reassess the adequacy of the Code of Business Conduct from time to time.

(15) Review and approve a Conflict of Interest Process for Directors and Executive Officers;

(16) Review incidents that may involve a potential conflict or any other potential Code of Business Conduct violation by the Company's Chief Executive Officer ("CEO") or directors.

(17) Review the disclosure of any waivers of any conflict of interest or other Code of Business Conduct violation for the CEO and directors.

(18) Review and reassess annually the Corporate Governance Policy applicable to the Company and recommend any proposed changes to the Board for approval.

(19) Appoint a Presiding Director who will: (i) preside at the executive sessions of the non-management directors and (ii) serve as a contact for interested parties to contact non-management directors.

(20) Retain, compensate and terminate any legal, accounting or other advisors as the Committee determines is desirable to accomplish the duties and responsibilities of the Committee.

(21) Make regular reports to the Board.

(22) Review and reassess annually the Committee's performance and the adequacy of this Charter, and recommend any proposed changes to the Board for approval.

(23) Establish subcommittees and delegate authority to such subcommittees if the Committee determines it is desirable to accomplish the duties and responsibilities of the Committee.

#### IV. Committee's Criteria for Selecting and Retaining Directors

In considering potential candidates for the Board, including with respect to incumbent directors and shareholder recommended candidates, the Committee shall consider, among other qualifications that it deems appropriate, the following:

(1) The potential candidate's principal employment, occupation or association involving an active leadership role.

(2) The potential candidate's expertise or experience relevant to the Company's business.

(3) The potential candidate's ability to bring diversity to the Board, including whether the potential candidate brings complementary skills and viewpoints.

(4) The potential candidate's time commitments, particularly the number of other boards on which the potential candidate may serve. No Board member may serve on more than four (4) public company boards (including the Company's Board).

(5) The potential candidate's independence and absence of conflicts of interest as determined by the Board's standards and policies, NYSE rules and other applicable laws, regulations and rules.

(6) The potential candidate's financial literacy and expertise.

(7) The potential candidate's personal qualities including strength of character, maturity of thought process and judgment, values and ability to work collegially.

Adopted:

5/6/95 Board Meeting

12/6-7/95 Board Meeting

Amended 12/11/02 Board Meeting

Amended 12/4/03 Board Meeting

Amended 2/10/04 Board Meeting

Amended 4/24/04 Board Meeting

Amended 2/15/06 Board Meeting