



JLG INDUSTRIES, INC.

Principles of Corporate Governance

The Board of Directors is responsible for ensuring that JLG is managed in a manner that serves the best interests of the Company. In so doing the Board may consider the effects of any Board action upon any or all affected groups including, shareholders, employees, suppliers, customers and creditors of the Company; however the Board is accountable only to the Company's shareholders. Accordingly, the Board believes that the Company's primary purpose is to build long-term shareholder value.

Cognizant of the role that effective corporate governance plays in promoting shareholder value, the Board has adopted the following principles of corporate governance as a public statement of certain guidelines that the Board follows in carrying out its responsibilities. This set of principles generally memorializes JLG Board practices that have evolved into place over time. By adopting these principles, the Board does not expect this evolution to cease. Like all other aspects of the Company's business, the Board is committed to a process of continuous improvement that will require periodic reexamination and possibly modification of these principles.

I. BOARD MEMBERSHIP

1. *Annual Election.* Every director shall be subject to annual election. Annual director nominations shall be reviewed by the Directors and Corporate Governance Committee, and upon its recommendation, by the Board of Directors.
2. *Qualifications for Director Candidates.* In addition to the procedural qualifications for director candidates set forth in the Company's bylaws, director candidates generally should be selected for their abilities and experience in leadership and general business management. It is desirable for the Board to be comprised of directors with a diversity of skills and backgrounds as well as particular expertise in various disciplines including accounting, finance, marketing, manufacturing, engineering, and international markets. In selecting director candidates, the Board will seek to balance continuity in the Company's operations with the need to ensure the Board is open to new ideas and able to critically re-examine the status quo.
3. *Independent directors.* A substantial majority of the Board shall be comprised of independent directors. In addition to the director independence requirements of the New York Stock Exchange and other regulatory requirements, the Board shall make its independence determination with broad consideration given to all relevant factors,

including any affiliation that a director or candidate may have with the Company or with any person or organization with whom the Company has a material relationship and whether such affiliation would interfere with the director's exercise of independent judgment regarding Company affairs. A director that satisfies the Company's published independence criteria may be deemed independent with no further action required by the Board.

4. *Interest in JLG.* Directors are required to own at least 1,000 JLG shares, provided that directors nominated for election by the Board may fulfill this requirement within 18 months of their initial nomination.
5. *Ineligibility.* Retired or former executive officers of the Company, particularly retired CEOs, generally shall not be eligible to serve as directors.
6. *Service on Other Boards.* The Board believes that director service on other business corporation boards lends valuable experiences and perspective to the Company. The capacity of any single director to satisfy multiple commitments including service to the Company varies among directors and cannot be measured by arbitrary limits on other board service. However, each Board member is expected to ensure that all current and planned future commitments, including service on business corporation boards, non-profit boards or service organizations, do not materially interfere with his or her service as a director of the Company.
7. *Director Resignation for Change in Circumstances.* Directors are required to inform the Chairman of the Board and the Directors and Corporate Governance Committee of retirement or any material change in present job responsibilities and to offer his or her resignation from Board service. The Board, through the Directors and Corporate Governance Committee, shall consider such circumstances and determine the appropriateness of continued service by such directors.
8. *Mandatory Retirement Age; Term Limits.* The Board believes that director age or term limits are arbitrary and not necessarily indicative of the ability of a person to provide valuable service as a director. However, the Board believes that the Company benefits from a Board comprised of directors of varying ages and experiences and with an average tenure for all non-management directors of no greater than ten (10) years. Age or duration of service may be a factor in a decision to decline a director nomination to the extent that either impairs a director's ability to provide vigorous service or independent judgment.

II. BOARD COMMITTEES AND OPERATIONS

1. *Board positions.* Following consideration and recommendation by the Directors and Corporate Governance Committee, the Board will select the Chairman of the Board and members of each Board committee. Generally committee members will select from among their ranks a committee chairman, except for the Chairman of the Executive Committee who shall be the Chairman of the Board. The Board favors periodic rotations of committee members and chairmen to ensure that committees are infused with fresh perspectives.
2. *Committee Charters.* Each committee will have its own charter, which will set forth the purposes, goals and responsibilities of the committee as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.
3. *Committee Membership.* The Audit, Compensation, Finance and Directors and Corporate Governance Committees will consist entirely of independent directors. In addition, no member of the Audit Committee shall be permitted to accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Company for services other than as a director.
4. *Audit Committee.* The Audit Committee's principal purposes and functions include: to assist the Board oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditors' qualifications and independence, and (iv) the performance of the Company's internal audit function and independent auditors; and to prepare the report required by the rules of the Securities and Exchange Commission (the "SEC") to be included in the Company's annual proxy statement.
5. *Directors and Corporate Governance Committee.* The Directors and Corporate Governance Committee's principal purposes and functions include: to develop and recommend to the Board for adoption, and thereafter periodically review, corporate governance principles applicable to the Company; to identify individuals qualified to become Board members and to recommend to the Board candidates for election as directors at the annual meeting of shareholders; to assess and make recommendations to the Board regarding the size and composition of the Board and the size, composition, scope of authority, responsibilities, and reporting obligations of each committee of the Board; and to assist the Board in the review of the performance of the Board, the committees of the Board, and individual members of the Board, and to make recommendations to the Board to improve such performance.

6. *Compensation Committee.* The Compensation Committee’s principal purposes and functions include: to discharge the Board’s responsibilities relating to compensation of the Company’s directors and officers and to produce an annual report on executive compensation for inclusion in the Company’s proxy materials in accordance with applicable rules and regulations.
7. *Finance Committee.* The Finance Committee’s principal purpose and function is to oversee the Company’s capital, finance and investment policies, objectives and transactions. Within this oversight role, the Committee exercises the full powers and authority of the Board except for certain categories of transactions with respect to which the Committee’s role is limited to reviewing and making recommendations to the Board.
8. *Executive Committee.* The Executive Committee is comprised of the Chairmen of each of the Audit, Compensation, Directors and Corporate Governance, and Finance Committees and the Company’s Chairman of the Board and President and Chief Executive Officer. The Executive Committee’s principal purposes are to: (i) serve as a sounding board for the Chief Executive Officer to develop and hone issues or initiatives for further Board or Committee action, and (ii) to exercise during intervals between Board meetings the powers of the Board except as limited by the Committee’s charter.
9. *Committee Reporting.* All committees report their deliberations, recommendations and actions to the full Board during the Board meeting next following the applicable committee action.
10. *Lead Director.* The Board has not appointed a single “lead director.” The Board believes its members collaborate well and welcomes the initiative of any director on any issue that a director perceives to require Board attention. More generally the Board looks to the Chairmen of each of the Audit, Compensation, Directors and Corporate Governance, and Finance Committees to lead Board consideration of any specific matters within the jurisdiction of the applicable committee.
11. *Executive Session.* During each Board and committee meeting, independent directors have an opportunity to meet in executive session without the presence of Company officers, including directors who are members of management.

III. DIRECTOR RESPONSIBILITIES AND PERFORMANCE

1. *Performance Criteria.* The Board, through the Directors and Corporate Governance Committee, will develop performance criteria, for itself as a collective body and for its individual directors. These criteria will include

prompt and regular attendance at all Board and committee meetings, thorough preparedness, participation, and candor.

2. *Attendance.* Directors are strongly encouraged to attend all Board and committee meetings in person and disclose their reasons for all absences or conference call substitutions. The Company will disclose director attendance figures for Board and committee meetings to shareholders.
3. *Preparedness.* Directors will receive appropriate materials relating to the items to be acted upon at Board and committee meetings sufficiently in advance of the meetings to allow adequate time for preparation and are expected to review such material prior to the meeting.
4. *Board and Director Performance Evaluations.* The Directors and Corporate Governance Committee will lead the Board in the conduct of annual evaluations of the Board's, each committee's, and each individual directors' effectiveness, and report the results to the Board of Directors.
5. *Compensation of Directors.* The form and amount of director compensation will be determined by the Board based upon recommendations from the Compensation Committee and the Directors and Corporate Governance Committee. The Board believes that directors who are employees of the Company should receive no additional compensation for service as a director. In addition, non-management directors should be compensated only in cash or stock. Further, no independent director should receive compensation for services provided to the Company other than for service as a director. The compensation philosophy is to provide cash compensation that is at approximately the median range of peer companies with total direct compensation, including stock, within the upper quartile of peer companies.
6. *Director Orientation and Continuing Education.* All new directors must participate in the Company's Orientation Program, which shall be established by the Directors and Corporate Governance Committee. The Company also encourages directors to avail themselves of opportunities to attend seminars and other continuing education events.

IV. BUSINESS OPERATIONS

1. *Business Planning.* The Board will review at least annually and evaluate a long-term strategic plan and a one-year operating plan that integrates with strategic plan milestones.
2. *CEO Evaluation.* The Board or the Compensation Committee will evaluate the performance of the CEO at least annually in meetings of independent directors that are not attended by the CEO.

3. *Management Development.* The CEO will report annually to the Compensation Committee on the Company's general management development programs.
4. *CEO Succession.* The Directors and Corporate Governance Committee will examine and report to the Board periodically as needed on matters pertaining to CEO succession, including the policies regarding succession in the event of an emergency or the retirement of the CEO. In addition, the CEO will report to the Directors and Corporate Governance Committee annually or more often as needed his recommendations for an immediate successor in the event of the sudden death or incapacity of the CEO.
5. *Access to Management.* Directors have access to Company officers, other management employees and, as appropriate, to independent advisors. Certain key officers regularly report to the Board during Board meetings and the Board encourages the CEO to schedule Board presentations by a variety of officers both to provide the Board with additional insights on matters and to provide officers with exposure to the Board. The Board also encourages the CEO to schedule informal, social interactions between directors and officers.
6. *Consideration of Business Combinations.* The Board believes that shareholder interests are best served by the Board, in the exercise of its independent judgement and consistent with its fiduciary duties, undertaking supervisory oversight and ultimate responsibility for responding to and/or negotiating any business combination proposal. Accordingly, the Board will implement permissible measures that strengthen the Board's ability to carry out this responsibility.

V. EXECUTIVE COMPENSATION

1. *Compensation Philosophy.* The Company's executive compensation programs are reviewed and established annually by the Compensation Committee, with the advice of independent compensation consultants, and with the approval of the Board. The programs are designed to retain and attract qualified executives to develop and manage implementation of the Company's business plans and to provide appropriate incentives, based principally on objective criteria, that link compensation to individual and Company performance. A substantial portion of executive compensation is provided in the form of stock-based awards that provide incentives for executive management to promote intermediate-term and long-term shareholder value.
2. *Compensation Committee Report.* The Compensation Committee will detail its compensation decisions and recommendations in its annual

report on executive compensation published in the Company's proxy materials.

3. *Stock ownership.* The Board encourages Company officers and directors to hold substantial positions in JLG stock at levels that comply with market-based guidelines for share ownership provided by the Company's independent compensation consultant. Restricted stock and phantom stock units count toward compliance with these guidelines, stock options, including vested stock options, do not count.

VI. SHAREHOLDERS

1. *Shareholder meetings.* Appropriate notice of shareholders' meetings, including notice concerning any changes in meeting date, time, place, or shareholder action contemplated, will be given to shareholders in a timely manner to ensure that shareholders have a reasonable opportunity to exercise their franchise.
2. *Shareholder voting.* The Company does not have dual-class voting. All shareholders have equal voting rights. At annual meetings, shareholders will vote on unrelated issues individually. Proxies will be kept confidential from the Company, except at the express request of shareholders.
3. *Director Availability.* The Board believes that management speaks for the Company. Individual directors may, from time to time, meet or otherwise communicate with various Company constituencies at the request or with the knowledge of management. All directors are encouraged to make every effort to attend annual shareholders' meetings and be available, when requested by the chairman, to answer shareholder questions.
4. *Corporate Governance Standards.* Annually, or as needed, the Board will review, revise as necessary, and approve Principles of Corporate Governance.