

**TITAN INTERNATIONAL, INC.**  
**CORPORATE GOVERNANCE POLICIES**

May 18, 2000

Amended January 20, 2004

Titan International Inc. recognizes the importance of corporate governance as a component of providing long-term stockholder value. The policies set forth below have been guiding principles in Titan's approach to corporate governance, and will continue to be reviewed periodically and revised as appropriate by the Board of Directors.

**BOARD COMPOSITION AND FUNCTIONS**

**1. Board of Directors.**

Pursuant to the Company's By-Laws, the Board currently consists of 7 directors. A substantial majority of the Board shall be composed of directors who meet the requirements for independence established by the New York Stock Exchange. The Board shall make a determination at least annually as to the independence of each director, in accordance with standards that are disclosed to the stockholders. Currently, two of the directors out of the seven are not considered independent; they are the Chairman of the Board and the CEO/President. The outside (non-employee) Directors shall meet separately on a regular basis at such times as a majority of the outside Directors may determine. The Chairman (if the Chairman is an outside Director) or a majority of the outside Directors may engage attorneys, advisors or consultants shall report to the Board of Directors or outside Directors, as directed by the Chairman (if the Chairman is outside Director) or a majority of the outside Directors, and shall serve at the Company's expense.

**2. Board Membership Criteria.**

The Corporate Governance and Nominating Committee will consider candidates for nomination to the full board after considering their skills, experience, and diversity, legal and regulatory requirements in the context of needs of the board.

**3. Executive Committee.**

When the Board of Directors is not in session, the Executive Committee shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation to the fullest extent permitted by the Company's By-Laws, and may authorize the seal of the corporation to be affixed to all papers which may require it, including the power and authority to declare a dividend, to authorize the issuance of stock and to adopt a certificate of ownership and merger. The Executive Committee does not meet on a regular basis.

4. **Audit Committee.**

The primary purpose of the Audit Committee is to assist the Board of Directors in the oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications and independence, and (iv) the performance of the Company's internal audit function. The functions performed by the Audit Committee include reviewing periodically with independent auditors the performance of the services for which they are engaged, reviewing the scope of the annual audit and its results, reviewing the Company's annual financial statements and quarterly financial statements with management and the independent auditor, reviewing the scope and results of the Company's internal auditing function, reviewing the adequacy of the Company's internal accounting controls with management and auditors, and selecting, compensating and evaluating the Company's independent auditors.

5. **Compensation Committee.**

The Compensation Committee reviews and approves compensation policy, benefit plans, employment agreements, salary levels, bonus payments, and awards pursuant to the Company's management incentive plans for officers of the Company. It also reviews compensation for Directors and recommends changes to the Board. It is responsible for determining the compensation of the Chief Executive Officer and conducts an annual performance evaluation of the Chief Executive Officer.

6. **Corporate Governance and Nominating Committee.**

The Corporate Governance and Nominating Committee is responsible for making recommendations to the Board of Directors of persons to serve as Directors of the Company and as Chairmen and members of Committees of the Board of Directors and for reviewing and recommending changes in the general Corporate Governance Policies of the Company. It also oversees the annual evaluation by the Board of Directors to determine whether the Board and its Committees are functioning effectively.

7. **Committee Charters.**

The Audit, Compensation and Corporate Governance and Nominating Committees must have Committee charters, which are reviewed and approved by the Board of Directors. These Committee charters shall comply with all legal requirements, including any requirements imposed by the Securities and Exchange Commission and the New York Stock Exchanges.

8. **Authority of Committees.**

The Chairman or a majority of the members of any Committee may engage attorneys, advisors or consultants to advise the Committee in carrying out its responsibilities. Any such attorneys, advisors or consultants shall report to the Committee and shall serve at the Company's expense. In its discretion, a

Committee may establish subcommittees or delegate specific responsibilities to the Committee Chair or any other Committee member(s).

9. **Meetings in Executive Session.**

The Board of Directors and all Board Committees shall meet in executive session (without inside Directors or any other Company employees present) at such times as the Chairman of the Board of Directors or the Board Committee, or a majority of the outside Directors or the members of the Committee, may determine. The Board of Directors shall normally meet in executive session at each regularly scheduled Board of Directors meeting. If the Board of Directors has any outside Directors who are not independent, there shall also be an executive session at least once a year including only the independent Directors.

10. **Chairman of the Board.**

It is the current policy of the Board of Directors that the position of Chairman of the Board does not have to be independent.

11. **Loans to Directors or Executive Officers.**

The Company will not make any personal loans or extensions of credit to Directors or executive officers.

12. **Qualification Standards for Directors and Committee Members.**

- There is a strong commitment to a Board of Directors composed principally of independent, non-employee Directors. At all times there must be at least a majority of independent Directors.
- In order to be considered an “independent” Director, the Board of Directors must affirmatively determine that the Director has no material relationship with the Company other than as a Director. Material relationships can include commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships, among others. In each case, the Board of Directors shall broadly consider all relevant facts and circumstances.
- The Board of Directors periodically sets forth standards for determining whether non-employee Directors shall be considered “Independent”. The current standards that it applies are the independence requirements set forth in the New York Stock Exchange Corporate Governance Rules listing standards.
- In addition to the New York Stock Exchange requirements, Audit Committee members must also satisfy the Securities and Exchange Commission’s independence requirements that are applicable to Audit Committee members pursuant to Rule 10A-3 under the Securities Exchange Act of 1934.

- In addition to the New York Stock Exchange requirements, Compensation Committee members must also satisfy the requirements to qualify as “Non-Employee Directors” under Rule 16b-3(b)(3)(i) promulgated under the Securities Exchange Act of 1934 and as “Outside Directors” under Treasury Regulations adopted pursuant to Section 162(m) of the Internal Revenue Code.
- All members of the Audit Committee must be financially literate, as determined by the Board of Directors. At least one member of the Audit Committee must have accounting or related financial management expertise to comply with the New York Stock Exchange Corporate Governance Rules listing standards, and at least one member of the Audit Committee must be an “audit committee financial expert” as defined by the Securities and Exchange Commission, as determined by the Board of Directors.
- The Board of Directors periodically establishes criteria for selecting candidates for Directors. Candidates for Directors are currently selected for their independence, character, judgment, diversity of experience, financial or business acumen, ability to represent and act on behalf of all shareholders, and the needs of the Board. Ordinarily, candidates for Directors will not be selected if they serve as directors on more than three other public companies.
- A retirement age of 70 is generally considered appropriate for directors, however the Board may decide to defer retirement under certain circumstances after a director reaches age 70. The directors may consider nominating a director to the Board if he or she would be age 70 or older at the time of election or appointment under special circumstances where the Board, after considering such director’s experience, knowledge of the Company and the industry, outstanding contribution to the Board and other factors as the Board may consider relevant, determines allowing such director to continue to serve past the age 70 is in the best interests of the Company.
- Any independent Director who ceases to be independent for any reason must immediately offer to resign from the Board. Absent special circumstances agreed to by a majority of the Board (excluding the affected member(s)), the Board will accept the offer of resignation. A Director who has a material change in principal employment, occupation or business association must also immediately offer to resign from the Board. The Board will determine whether or not to accept such offer of resignation taking into consideration all factors that it deems relevant to such determination.

### 13. **Responsibilities of Directors.**

The Board of Directors represents and acts on behalf of all stockholders of the Company. The primary role of the Board is to oversee management and to assure

that the long-term interests of the stockholders are being served. The Board is responsible for reviewing, monitoring and, where appropriate, approving fundamental financial and business strategies and major corporate actions. It is also responsible for selecting the Company's Chief Executive Officer, who is responsible for directing the day-to-day management of the Company's business. The responsibilities of each Director are:

- Act on behalf of all stockholders.
- Act in good faith and in a manner that the Director reasonably believes to be in or not opposed to the best interests of the Company.
- Exercise due care and independent business judgment.
- Be free from conflicts of interest; disclose any circumstances which might be perceived as a conflict of interest; and recuse oneself from any discussion or decision affecting one's personal, business or professional interest.
- Regular attendance and active and constructive participation at Board and Committee meetings, including sharing one's expertise, experience, knowledge and insights as they relate to matters under consideration.
- Careful review and understanding of materials distributed in advance of Board and Committee meetings, which shall be provided sufficiently in advance to allow Directors to prepare for discussion of the items at the meeting.
- Availability to the Chief Executive Officer for consultation.
- Advancing the Company's reputation.
- Directors must notify the Chairman of the Board before agreeing to serve on the board of directors or the audit committee of another public company.

**14. Director Access to Management and Independent Advisors.**

- Members of management in addition to the Chief Executive Officer attend Board of Directors meetings when appropriate.
- Directors are free at all times to contact members of management.
- The Board and its Committees may retain attorneys, advisors and consultants to advise them in carrying out their responsibilities.

15. **Director Compensation.**

- The Compensation Committee reviews the non-employee Director compensation program annually and makes recommendations to the Board of Directors for any changes.
- Stock-based compensation has been and continues to be an important component of the non-employee Director compensation program.
- One non-employee Director is paid a consulting fee. No other non-employee Director is paid consulting, advisory or other fees in addition to the compensation paid pursuant to the non-employee Director compensation program.

16. **Director Orientation and Continuing Education**

- New Directors will participate in an orientation program, which includes meetings with Directors and officers of the Company, visits to Company facilities, and written materials about the Company.
- The Board and its Committees are able to access appropriate independent advisors to provide advice on new legal developments and changes in the responsibilities of Directors.
- Directors are encouraged to attend accredited third-party training or continuing education programs for directors and trade shows for the Company's products. The Company will pay the reasonable expenses for any Director to attend such programs and trade shows, provided such expenditures are approved in advance by the Chairman of the Board or do not exceed \$1,000 per year.

17. **Management Succession**

- The Board of Directors considers management development and succession planning in depth at least once a year at a regularly scheduled Board meeting and considers specific issues more frequently as appropriate.
- To assist the Board of Directors, the Chief Executive Officer annually provides the Board with an assessment of senior managers and of their potential to succeed him. He also provides the Board with an assessment of persons considered as potential successors to other senior management positions.

18. **Annual Performance Evaluation of the Board**

The Board of Directors will conduct a self-evaluation at least annually to determine whether the Board and its Committees are functioning effectively. The Corporate Governance and Nominating Committee are responsible to oversee this process.

19. **Communications with Directors**

Any Shareholder may communicate with the Chairman of the Board of Directors, the Chairman of the Audit, Compensation or Corporate Governance and Nominating Committee, or any individual Director by sending a letter to the attention of the appropriate person (which may be marked as confidential) addressed to the Secretary of the Company.

20. **Attendance of Directors at Annual Meeting of Stockholders**

It is the policy of the Board of Directors that the Company's Directors shall attend the Annual Meeting of Stockholders, whenever possible.

21. **Conflicts of Interest**

Directors are expected to avoid any action, position or interest those conflicts with an interest of the Company, or give the appearance of conflict. The Company annually solicits information from directors in order to monitor potential conflicts of interest and directors are expected to be mindful of their fiduciary obligations to the Company. If an actual or potential conflict of interest develops, the director should immediately report the matter to the Chairman and the Chair of the Governance and Nominating Committee for evaluation. If a director has a personal interest in a matter before the Board, the director shall disclose the interest to the Board, excuse himself or herself from participation in the matter, and shall not vote on the matter.

21. **Review of Corporate Governance Policies**

The Board of Directors may amend these Corporate Governance Policies. The Corporate Governance and Nominating Committee is responsible for reviewing the Corporate Governance Policies and recommending changes to the Board of Directors, when appropriate. When reviewing and considering changes to the Corporate Governance Policies, the Board of Directors and Corporate Governance and Nominating Committee shall consider, among other things, corporate governance trends and practices.