



# **POLARIS INC.**

Board of Directors

Corporate Governance Guidelines

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**POLARIS INC.**  
**BOARD OF DIRECTORS**  
**CORPORATE GOVERNANCE GUIDELINES**  
As amended and restated on July 30, 2020

POLARIS INC. ("Polaris" or the "Company") is a publicly held company and operates in a complex, dynamic, highly competitive, and regulated environment. These Corporate Governance Guidelines (the "Guidelines") have been adopted by the Board of Directors of the Company (the "Board") to assist it in the performance of its duties and the exercise of its responsibilities. The Board believes that good corporate governance is a source of competitive advantage for Polaris. Good corporate governance will serve to drive superior performance and maximize the effectiveness of the Board and the Company's executive management team by efficiently bringing to bear the skills, experience and judgment of the Board.

These Guidelines are the current views of the Polaris Board concerning philosophy, style, and emphasis of governance and provide the framework for the governance of Polaris. The Board views these Guidelines as guidelines—not rigid restraints—and believes they are evolutionary in nature. The Guidelines are neither intended to be, nor are they, rigid rules that govern the Board's activities. The Guidelines are subject to review and modification from time to time by the Board.

**I. BOARD ROLES AND RESPONSIBILITIES**

a. Role of the Board. Polaris' business is conducted by its employees, managers and officers, under the direction of the Chief Executive Officer ("CEO") and the oversight of the Board, to build long-term value for Polaris shareholders. The Board recognizes that to advance the long-term interest of its shareholders, it must balance the interests of the Company's stakeholders, including employees, customers, dealers, suppliers, creditors, government agencies, and the communities in which the Company operates.

b. Board Responsibilities. The Board is elected by and accountable to the shareholders and is responsible for the oversight of management and the direction and control of the Company. In carrying out its responsibilities, the Board will exercise sound, informed, and independent business judgment. The Board recognizes that to do so requires individual preparation by each Director and group deliberation by the Board. The Board's responsibilities include both decision-making and oversight.

1. Decision-Making Responsibilities. Among other things, the Board's decision-making responsibilities include: (i) review and approval of the Company's mission, strategies and objectives, annual budgets, and critical policies, as developed by management; (ii) the selection and evaluation of the Company's CEO; and (iii) the approval of material investments, acquisitions or divestitures, material strategic transactions, and other significant transactions that are outside the ordinary course of the Company's business.
2. Oversight Responsibilities. Among other things, the Board's oversight responsibilities include monitoring, directly or through its committees: (i) the Company's compliance with legal requirements and ethical standards; (ii) the performance of the Company (in relation to its mission, strategies, financial and non-financial objectives, and competitors); (iii) the Company's product quality and safety strategy and activities and related regulatory issues; (iv) the Company's success in developing leaders and ensuring a strong management team with sound succession plans; (v) the performance and effectiveness of the

CEO and management; (vi) the Company's financial reporting processes and internal controls; and (vii) the Company's Enterprise Risk Management ("ERM") process. In addition, as appropriate, the Board should offer the CEO and management constructive advice and counsel. The Board as a whole should consider all major decisions.

c. Expectations of Individual Directors. Among other things, the Board expects each Director to: (1) understand the Company's businesses and the marketplaces in which it operates; (2) regularly attend meetings of the Board and of the committees on which he or she serves; (3) review and understand the materials provided in advance of meetings and any other materials provided to the Board from time to time; (4) monitor and keep abreast of general economic, business and management news and trends, developments in the Company's competitive environment, and the Company's performance; (5) actively, objectively and constructively participate in meetings and the strategic decision making processes; (6) share his or her perspective, background, experience, knowledge and insights as they relate to the matters before the Board and its committees; and (7) be reasonably available when requested to advise the CEO and management on specific issues not requiring the attention of the full Board but where an individual Director's insights might be helpful to the CEO or management.

d. Board's Expectations of Management. Among other things, the Board expects management to: (1) provide strong, informed and ethical leadership; (2) develop strategies that build businesses with strong sustainable marketplace positions and that build shareholder value over the long term; (3) develop appropriate strategic and operating plans; (4) maintain effective control of operations and report regularly on its programs to ensure compliance with the highest ethical, product safety and quality standards, as well as with legal, regulatory and other requirements; (5) measure and report performance against peer enterprises; (6) provide sound succession planning and management development; (7) maintain a sound organizational structure; (8) inform the Board regularly of the status of key initiatives and changes in the Company's performance or the environment in which it operates; and (9) timely address and resolve issues discussed at Board and Board committee meetings. Management acting through the CEO will inform the Board of material developments as soon as practical, and not wait until regularly scheduled Board meetings.

## II. **BOARD SELECTION AND COMPOSITION**

a. Number of Directors. The Board should have a sufficient number of Directors to reflect a substantial diversity of perspectives, backgrounds and experiences, but not so many Directors that the size of the Board hinders effective discussion or diminishes individual accountability. The Board, on the recommendation of the Corporate Governance and Nominating Committee, will from time to time evaluate its size in light of changes in the size, complexity, or nature of the Company and its businesses and may change the specific number of Directors constituting the Board by resolution.

b. Number of Independent Directors. The majority of the Directors will be Independent Directors as such term is defined below. Directors who are determined by the Board to have a material relationship with the Company that would preclude Independent Director status may also make valuable contributions to the Board and to the Company by reason of their experience and judgment.

c. Definition of Independent Director. In order to be considered independent, the Board must affirmatively determine, after consideration of all relevant facts and circumstances, that a

Director has no material relationship with the Company or its executive officers (either directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). An Independent Director is a Director who meets the definition of "independent director," provided in the Listed Company Manual of the New York Stock Exchange, as such definition may be amended from time to time ("Independent Director").

The Company will not make any personal loans or extensions of credit to Directors or to management, other than consumer loans on credit card services on terms offered to the general public.

d. Nomination and Selection of Directors. The Board, as a whole, will be responsible for nominating individuals for election to the Board and for filling vacancies on the Board that may occur between annual meetings of the shareholders. The Corporate Governance and Nominating Committee, in consultation with the Board, will be responsible for identifying, screening, interviewing and recommending candidates to the entire Board. In nominating candidates, the Board will take into consideration such factors as it deems appropriate. These factors include integrity, achievements, judgment, intelligence, personal character, the interplay of the candidate's relevant experience and skillset with the experience and skills of other Board members, the willingness of the candidate to devote adequate time to Board duties, and the likelihood that he or she will be willing and able to serve on the Board for a sustained period. In connection with the selection of nominees for Director, due consideration will be given to the Board's overall balance of diversity of perspectives, gender, race, backgrounds and experiences in areas relevant to the Company's activities. The Corporate Governance and Nominating Committee will consider suggested candidates offered by management, other Directors or any shareholder with respect to potential Directors, as set forth in the Corporate Governance and Nominating Committee Charter.

e. Selection of Chairman and CEO. The Chairman of the Board may, but is not required to, also hold the office of CEO. The offices of CEO and Chairman of the Board are to be separately evaluated by the independent members of the Board of Directors.

f. Lead Director Roles and Responsibilities. If the Chairman of the Board is the CEO (or otherwise not independent), then the Board will appoint an independent Director to serve as the Lead Director. The Lead Director will:

1. Preside over all meetings of the Board at which the Chairman is not present, including executive sessions of the independent directors;
2. Serve as a liaison between the Chairman and the independent directors;
3. In consultation with the Chairman of the Board:
  - Review certain key information sent to the Board;
  - Discuss meeting agendas for the Board; and
  - Review meeting schedules to assure that there is sufficient time for discussion of all agenda items;
4. Have the authority to call meetings of the independent directors;
5. If requested by major shareholders, ensure his/her availability for consultation and direct communication;
6. Communicate with CEO about strategic business issues and governance process or board relationships; and
7. Coordinate with the Compensation Committee on CEO evaluation.

g. Tender of Resignation if Not Elected by Shareholders. If a nominee for Director who is an

incumbent Director is not elected at a meeting of shareholders, the Director will promptly tender his or her resignation to the Board. The Corporate Governance and Nominating Committee will make a recommendation to the Board on whether to accept or reject the offer. The Board will act on whether to accept the Director's resignation, taking into account the Corporate Governance and Nominating Committee's recommendation, and publicly disclose (by press release, a filing with the Securities and Exchange Commission or other broadly disseminated means of communication) its decision and the rationale behind it within 90 days after the date of the election. The Corporate Governance and Nominating Committee, in making its recommendation, and the Board, in making its decision, may each consider any factors or other recommendations that it considers relevant and appropriate. The Director who tenders his or her resignation will not participate in the Corporate Governance and Nominating Committee's or Board's decision with respect to that Director. If such Director's resignation is not accepted by the Board, such Director will continue to serve until the next election of directors and until his or her successor is duly elected, or his or her earlier death, resignation, retirement, disqualification or removal.

h. Director Retirement. Directors normally will not stand for re-election if they will have reached age 72 prior to the mailing to shareholders of that year's Proxy Statement. If a Director reaches age 72 during his or her term of service, he or she will resign from the Board effective as of the Annual Meeting of Shareholders immediately following his or her 72<sup>nd</sup> birthday. Any member of management (including the CEO) who is a Director will retire from the Board at the same time he or she discontinues active management responsibilities with the Company or ceases to hold the position held at the time of the last Annual Meeting of Shareholders, unless in either case requested by the Board to continue as a Director. The Board does not believe that arbitrary term limits are appropriate, nor does it believe that Directors should expect to be regularly renominated until they reach the mandatory retirement age.

i. Change of Position. Any non-employee Director whose principal occupation or business association changes substantially during his or her tenure as a Director will submit his or her resignation to the Board. The Corporate Governance and Nominating Committee will consider whether or not such resignation should be accepted and make a recommendation to the Board. The Board will determine whether or not such Director will continue as a member of the Board.

j. Service on Other Boards. Directors must be willing to devote sufficient time to carrying out their duties and responsibilities effectively. The Board believes that individuals should limit the number of boards on which they serve in order to give proper attention to their responsibility to the Board. A Director who is not serving as an executive officer of a public company should serve on no more than five public company boards (including the Company's Board), and a new Director who joins the Board and is serving as an executive officer of a public company should serve on no more than two public company boards (including the Company's Board). A Director who intends to join another for-profit company board of directors, whether public or private, will pre-clear service on that other company board of directors with the Chair. The Chair will make a determination on whether to permit or deny that additional service, taking into consideration the time commitments related to the director's other boards, the expected time commitment to the Company, the potential for any conflicts with the Director's duties to the Company, and any other factors deemed relevant. All memberships on other for-profit company boards by the CEO will be considered and decided by the full Board based upon the Corporate Governance and Nominating Committee's recommendation. Exceptions to this policy may be made in exceptional cases by the Board with the advice and counsel of the Corporate Governance and Nominating Committee.

k. Service on Boards or as Officers of Competing or Interlocking Enterprises. A Director or

officer will not serve as a director or officer of any public company that is competitive with the businesses of the Company or would result in an “interlocking” directorate under federal antitrust law. In addition, the Company’s Directors and executive officers should not serve on any board that would result in a compensation committee interlock, whereby there is reciprocal service by an executive officer and Director on each other’s compensation committee.

I. Director Orientation and Continuing Education Program. The Board and management will provide an orientation program for new Directors (and, as appropriate, a continuing education program for returning Directors) that includes, as advisable, management meetings, facility visits, and materials, such as the Company’s organizational and governance documents, recent Board and Committee minutes, recent Securities and Exchange Commission filings, strategic and operating plans, financial information, corporate structure and organizational charts, and information about the Company’s businesses, products, services, risks and the industries in which the Company operates. Each Director is expected to be involved in continuing director education on an ongoing basis.

### III. **BOARD OPERATIONS**

a. Number of Regular Meetings. The Board normally will hold at least four regular meetings each year.

b. Meeting Schedule. The Chairman will prepare and propose a Board meeting schedule for consideration by the Board at its first meeting following the Annual Meeting of Shareholders.

c. Extended Meeting. One of the Board’s meetings may be scheduled over an extended period to permit detailed discussion and review of the Company’s strategic plan.

d. Executive Sessions. At each regularly scheduled meeting, the Board will conduct discussions that involve only the non-management Directors. These meetings will be chaired by the Chairman (if he or she is an Independent Director) or by the Lead Director (if the Chairman is not an Independent Director). If not all of the non-management Directors are Independent Directors, then the Independent Directors will meet separately in Executive Session at least once a year in connection with the Annual Meeting of Shareholders and these meetings will be chaired by the Chairman or Lead Director, as applicable. In order that interested parties may be able to make their concerns about the Company known to the non-management Directors, those parties should contact the Chairman or Lead Director, as applicable, directly.

e. Meeting Materials. In advance of each Board meeting, an agenda for such meeting will be made available to each Director together with: (1) written materials pertaining to the matters to be presented for Board decision at such meeting; (2) summary financial information needed to understand the performance of the Company; (3) minutes of the most recent Board meeting and of any Committee meetings held since the distribution of materials for the most recent Board meeting; and (4) other written materials that are available in advance of the meeting. Written materials should be largely for preparation purposes to provide a foundation for the Board’s discussion of key issues and allow the Board to make the most efficient use of its meeting time. Directors may request additional information or changes in the scope, amount or format of the information provided, and management will make every effort to provide such additional information or make such changes.

f. Director Access to Management and Independent Advisors. The Board encourages the CEO to bring other members of management and other employees into Board meetings to: (1) make presentations to the Board regarding matters that involve the individual’s area of

responsibility and expertise; (2) provide additional insight and perspective concerning matters under discussion by the Board; (3) expose the Board to individuals with high potential for significant leadership roles in the Company; or (4) otherwise assist the Board in its work. Additionally, Directors may from time to time meet individually with members of management. The Directors should inform the CEO of such meetings and, following such meetings, if appropriate, inform the CEO of the results of and matters discussed during such meetings. Directors should use their access to management with care so as not to undermine normal lines of management authority or take too much of management's time. In addition, the Board has a policy that enables Directors to engage their own individual independent advisors at the expense of the Company in appropriate circumstances. Any such engagement is subject to the approval of the Corporate Governance and Nominating Committee.

g. Strategy. It is management's responsibility to formulate, propose and implement strategy and the Board's role to approve strategic direction and to evaluate strategic results. Board approval will be required for material changes in long-range strategy (including capital allocation) and changes in long-term capital structure (including borrowing long-term indebtedness) as well as the entry into a new substantial line of business, material business acquisitions or divestitures and material capital expenditures.

h. Management Development and Succession Planning. At least once a year, the Chief Executive Officer of the Company will meet with the non-management Directors to discuss potential successors as Chief Executive Officer and other key senior executive roles. The non-management Directors will meet in executive session following these presentations to consider these discussions. The Chief Executive Officer will also have in place at all times a confidential written procedure for the timely and efficient transfer of his or her responsibilities in the event of his or her sudden incapacitation or departure, including recommendations for longer-term succession planning. The Chief Executive Officer will review this procedure periodically with the Company's Compensation Committee.

i. Board and Committee Evaluations. The Board and each committee will conduct a self-evaluation at least annually to determine whether it is functioning effectively. The Corporate Governance and Nominating Committee will exercise oversight of the self-evaluation process for the Board and the committees as to whether they are functioning efficiently and lead the process implemented for conducting such evaluation.

**IV. BOARD COMMITTEES.** The Board will normally have four standing Committees - Audit Committee, Compensation Committee, Corporate Governance and Nominating Committee, and Technology Committee. The Board may, from time to time, expand or reduce the number of standing committees. In general, the Committees should function in accordance with their respective charters and seek to identify and focus on issues for discussion by the full Board and, where appropriate, make recommendations to the Board on matters requiring Board approval. Each Committee Chair will report regularly to the Board on Committee meetings and other Committee activities.

a. Committee Composition; Rotation of Membership. The Corporate Governance and Nominating Committee will review, evaluate and make recommendations to the Board with regard to the size, membership, and Chair of each Committee. Other than the Technology Committee, each of the Committees will be chaired by an Independent Director and will have only Independent Directors as members. In addition, Directors who serve on the Audit or Compensation Committees must be "independent" and satisfy all other requirements imposed by rules and regulations of the Securities and Exchange Commission and New York Stock



Exchange. Pursuant to the recommendation of the Corporate Governance and Nominating Committee, the membership of the Committees may be rotated from time to time to allow Directors to serve on various committees while maintaining at all times on each Committee some number of members having reasonable tenure and experience in the Committee. Assuming the availability of an appropriate successor at that time and remaining mindful of the need for continuity and leadership, each Committee Chair and the independent Chairman of the Board and/or Lead Director will be rotated as determined by the Board based upon recommendations of the Corporate Governance and Nominating Committee and the Chairman of the Board. A Director may attend any Committee meeting, except when such participation would present a conflict of interest or, in the case of a Chairman who is also the CEO, the meeting is an executive session of the Committee.

b. Committee Meeting Materials. The Chair of each Committee will oversee the preparation of an agenda for each meeting. The agenda, together with: (a) written materials pertaining to the matters to be presented for consideration at such meeting; and (b) the minutes of the most recent meeting of the Committee, will be provided to each Committee member in advance. Copies of all Committee meeting materials will also be provided to the Company's Secretary for inclusion in the Company's records on a regular basis and such materials will be available for review by the Board.

c. Management Attendance at Committee Meetings. The Chair of each Committee in consultation with the CEO will determine which members of management will attend each Committee meeting. The CEO will be permitted to attend any Committee meeting except those designated for executive session or when such participation would present a conflict of interest.

d. Committee Reports to the Board. At least once per year, the Chair of each Committee will make a presentation to the Board regarding the activities and policies and practices of his or her Committee. The purpose of such presentation is to inform Directors of the activities, policies and practices of Committees on which they do not serve.

e. Other Committees. The Board may form ad hoc committees from time to time. The Board will determine the size, membership, chair and duties and responsibility of each ad hoc committee. Generally, the chairs and most members of such committees will be Independent Directors. The Board may appoint members of management as members of such ad hoc committees.

**V. DIRECTORS COMPENSATION.** The Board will determine Directors' compensation. Members of management who are also Directors will not receive additional compensation for their service as Directors. The Compensation Committee's independent compensation consultant (or if none, Management) will report annually to the Compensation Committee on the amount and composition of the compensation of the Company's Directors in relation to the compensation of Directors of comparable enterprises and the Compensation Committee will make recommendations to the Board with respect thereto. The Compensation Committee and the Board may also engage independent consultants or other advisers to report and make recommendations on the amount or composition of the compensation of the Company's Directors. The Compensation Committee will recommend changes in Directors' compensation to the Board.

**VI. DIRECTORS AND OFFICERS SHARE OWNERSHIP.** The Board believes that the Directors and Officers should be shareholders and, based on recommendation of the Compensation Committee, will review and administer guidelines for stock ownership by Board members and Officers.

**VII. COMMUNICATIONS BY THE COMPANY.** Management speaks for the Company. Inquiries from

investors, analysts, the press, customers, suppliers, or others should be referred to the CEO or other appropriate members of management. Individual Directors may, from time to time, meet with various constituencies of the Company, at the request of or with the concurrence of management. Directors are free to meet with or address the public or special groups concerning board practices generally, and other matters of interest to the Directors not directly related to activities of the Company, and such contacts will not require management concurrence.

**VIII. SHAREHOLDER COMMUNICATIONS WITH DIRECTORS.** The Board has established a process to receive communications from shareholders. Shareholders may contact any member (or all members) of the Board. To communicate with the Board, any individual directors or any group or committee of directors, correspondence should be addressed to the Board or any such individual directors or group or committee of directors by either name or title. All such correspondence should be sent “c/o Corporate Secretary” at the Company’s executive offices. All communications received as set forth above will be opened by the office of our Corporate Secretary for the sole purpose of determining whether the contents represent a message to our directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board or any group or committee of directors, the Corporate Secretary’s office will make sufficient copies of the contents to send to each director who is a member of the group or committee to which the communication is addressed.

**IX. CODE OF CONDUCT.** The Company has adopted a Code of Conduct. Each Director is expected to be familiar with and to follow the standards contained in the Code of Conduct.

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