

Corporate Governance Guidelines for Arctic Cat Inc.

The following Corporate Governance Guidelines have been approved by the Arctic Cat Inc. (the “Company”) Board of Directors (the “Board”) and, together with the Restated Articles of Incorporation, the Amended and Restated Bylaws and the Charters of the Board committees, help provide a framework for the governance of the Company. The Board intends that these Corporate Governance Guidelines serve as a flexible guide and not as a set of binding legal obligations. These Corporate Governance Guidelines will be reviewed on an annual basis and modified as circumstances warrant.

1) BOARD SIZE

The Company’s Restated Articles of Incorporation provide for the Board to vary in size from 3 to 9 directors. The Board periodically reviews its size to determine appropriateness based on the needs of the Company and availability of qualified candidates.

2) BOARD EVALUATION

In order to enhance the Board’s overall performance and effectiveness, the Governance Committee conducts an annual Board self-evaluation. Each committee also conducts an annual self-evaluation of its performance and effectiveness.

3) DIRECTOR SELECTION CRITERIA

The Governance Committee annually selects and recommends to the full Board the slate of nominees for election to the Board of Directors.

The Governance Committee considers a variety of criteria in evaluating potential new directors, or the continued service of existing directors, including the following:

- Whether the director/potential director possesses the following characteristics: demonstrated character and personal and professional integrity; an inquiring mind; experience at a strategy/policy setting level; high-level managerial experience in a relatively complex organization, or experience dealing with complex problems; an ability to be candid and work effectively with others; and demonstrated ability to understand and respect the advisory and proactive oversight responsibility of the Board;
- Whether the director/potential director assists in achieving a mix of Board members that represents a diversity of background and business experience. The Committee also considers additional things such as age, gender, race, and specialized experience;

- Whether the director/potential director is free from conflicts of interest or otherwise subject to disqualification as a result of being or having been an employee or director or party to some other special relationship with competitors, customers, suppliers, contractors, counselors or consultants of the Company;
- Whether the director/potential director has sufficient time to devote to the affairs of the Company (including evidence of placing or the ability to place priority on being a director and preparing for, attending and productively participating in Board and committee meetings);
- The director's/potential director's independence, as defined by applicable SEC or NASDAQ criteria and such that there is no appearance of any conflict in serving on the Board;
- Whether the director/potential director would be considered an "audit committee financial expert", a "financial expert" or "financially literate" as described in applicable SEC or NASDAQ criteria or the Audit Committee Charter;
- The extent of the director's/potential director's business experience, technical expertise, or specialized skills or experience as well as evidence of their objectivity, acumen, judgment, work capacity and zeal;

Any factors related to the ability and willingness of a potential director to serve, or an existing director to continue his/her service.

4) DIRECTOR INDEPENDENCE

The Board believes that a substantial majority of directors should be independent directors as defined under the rules of the NASDAQ Stock Market. The Governance Committee at least annually reviews the independence of each Board member and makes recommendations to the full Board regarding the independent status of the members relative to the NASDAQ standards.

5) DIRECTOR TERM LIMITS

The Board does not believe in establishing term limits. Rather than establishing term limits which could arbitrarily deprive the Board of valuable insight and advice, the Chairman of the Board in conjunction with the Chairman of the Governance Committee will review each existing director before the director is proposed for re-nomination to the Board.

6) DIRECTOR OTHER BOARD SERVICE

The Board does not have a formal policy restricting service on other boards. Rather, it considers each director's availability for and participation in the Company's Board activities as part of its annual Board evaluation and director nomination processes.

7) DIRECTOR RETIREMENT

Directors should retire from the Board of Directors at the next annual meeting of shareholders following their 72nd birthday unless such retirement is waived by the Board based on the recommendation of a Governance Committee.

8) DIRECTOR CHANGE OF EMPLOYMENT

Whenever a member of the Board of Directors (i) changes their employment status either by terminating their current employment or having their duties or title materially diminished, or (ii) individually becomes the subject of a proceeding initiated by the SEC, the subject of an inquiry initiated by the Department of Justice, the subject or target of a federal grand jury investigation or is formally charged of having committed a crime that might reflect adversely on the Company, such director shall automatically be deemed to have tendered his or her resignation and the remaining directors shall vote to either accept or decline that tender of resignation and if the majority of remaining directors vote to decline the tender of resignation, the director shall remain on the Board.

9) DIRECTOR COMPENSATION

The Governance Committee reviews and determines the form and amount of director compensation.

10) DIRECTOR CODE OF CONDUCT

Directors are expected to adhere to the Company's Code of Conduct. Annually Directors review and sign the Company's Code of Conduct.

11) DIRECTOR STOCK OWNERSHIP GUIDELINES

Directors are required to own a number of shares of the Company's stock that has a fair market value equal to at least four times their annual cash retainer within five years of the institution of this guideline or five years of the date of first election or appointment to the Board, whichever is longest.

12) MEETING ATTENDANCE

Directors are expected to attend the Company's Annual Meeting of Shareholders, all Board Meetings and all Committee Meetings of which they are a member unless the director has an acceptable reason for their absence.

Generally acceptable reasons will be considered, medical issues and family emergencies.

13) CHAIRMAN/CEO

The Board as a whole determines whether the role of the Chairman and Chief Executive Officer should be separated or combined based on its judgment as to the structure that best serves the interest of the Company and its shareholders.

14) LEAD DIRECTOR

In the event the Board determines that the role of Chairman should be filled by the CEO, the Board shall elect an independent director to serve as Lead Director. The Lead Director will facilitate meaningful communications between the Board and management.

The Board has determined that the Lead Director shall:

- provide input to the Board Chair to establish all Board meeting agendas providing appropriate time for discussion of all agenda items
- preside over all meetings when the Board Chair is not available as well as executive sessions of the independent directors following Board meetings
- communicate with management when appropriate regarding any issues discussed during the independent director sessions
- take the lead and facilitate the annual performance review of the CEO
- perform such other duties as the Board may from time to time designate
- when the Chair and Chief Executive Officer roles are separated and the Chair is an independent director, the Chair will assume the function of the Lead Director.

15) AGENDA AND MATERIALS

The Board and each committee have a core work plan outlining the major topics to be discussed at their meetings throughout the year. This core work plan is reviewed and updated annually to insure that all the appropriate topics are included. If the Chairman is

also the CEO then the Chairman and Lead Director will discuss the Agenda for each Board meeting and all directors are encouraged to add any additional items they wish to discuss. Materials necessary to help Board members prepare to discuss agenda items are mailed in advance with enough time to allow directors to prepare for the meetings. Occasionally, sensitive information will not be included in the advanced mailing but will be provided at the meeting.

16) CEO PERFORMANCE EVALUATION

Where the Chairman and CEO roles are combined, the Lead Director will facilitate an annual evaluation of the CEO. If the roles of the Chairman and CEO are separate, the Chairman will facilitate the CEO's evaluation. The Compensation and Human Resources Committee will annually review the CEO's compensation and make recommendations regarding compensation to be voted on by the independent directors of the full Board.

17) BOARD EDUCATION AND ORIENTATION

The Governance Committee is charged with the responsibility of adequately educating new directors about the Company. In addition, the Governance Committee is responsible to see that all directors are adequately informed about ongoing governance issues. At least one time each year, the Governance Committee coordinates a presentation at a Board meeting designed to keep directors updated on current governance trends and issues.

18) COMMITTEES

The Board currently has three committees: Audit, Governance and Compensation and Human Resources. The Board may establish additional committees to help the execution of its responsibilities. Annually each committee reviews its charter and recommends it for approval by the full Board. The Board has approved the charter of each committee.

Each committee annually evaluates its performance.

Each committee has the power to hire outside advisors as they believe necessary without any prior consultation and approval from management.

19) ACCESS TO MANAGEMENT

Directors have full access to officers and management. In addition, periodically management is invited to make presentations to the Board regarding their areas of responsibility.

20) COMMUNICATION WITH THE BOARD

The Board has established a process for shareholders to send communications to the Board. Shareholders and other interested parties may contact the Board of Directors directly by writing to them at:

**Board of Directors
Arctic Cat Inc.
505 North Highway 169
Suite 1000
Plymouth MN 55441**

Or e-mail at: boardofdirectors@arcticcatinc.com

21) CEO LOSS OF SERVICES

In the event the CEO dies or becomes incapacitated or upon the occurrence of another unexpected or unplanned event that results in the CEO being unable to continue to serve or that leaves the position of CEO vacant, the Board will follow its Emergency Leadership Preparedness Plan. In summary, the Plan provides that the Chairman, or if the CEO is also the Chairman, the Lead Director, will call a meeting of the Board to consider candidates to fill the role as interim CEO and to appoint an interim CEO. The Board will determine whether the incapacity or event causing the loss of CEO services is permanent or temporary and, if the loss of services is permanent, will initiate a formal search for a permanent CEO.

22) INDEMNIFICATION

Any person who at any time shall serve or shall have served as a director, officer or employee of the Company, or of any other enterprise at the request of the Company, and the heirs, executors and administrators of such person shall be indemnified by the Company in accordance with, and to the fullest extent permitted by, the provisions of the Minnesota Business Corporation Act, as it may be amended from time to time, or as required or permitted by other provisions of law.

23) BOARD ROLE IN RISK MANAGEMENT

Management is primarily responsible for the identification, assessment and management of the key risks faced by the Company. The Board oversees management of the Company's risks primarily in connection with its oversight of the Company's business, including through the review of the Company's strategic plans, operating plans, financial results, material legal proceedings, management succession plans and through the work of the Board's committees. The Compensation and Human Resources Committee annually evaluates whether the Company's compensation policies and practices for all of its employees create risks that are reasonably likely to have a material adverse effect on the Company, evaluates compensation policies and practices that could mitigate such risks and reports such evaluation to the full Board for consideration of any appropriate action. Among other responsibilities relating to risk management, the Governance Committee is responsible for the Company's governance

policies and for reviewing and supervising the role of the Board in its oversight of risk management and the Audit Committee is responsible for audit related risks.

24) SHAREHOLDER NOMINATIONS

Any shareholder entitled to vote generally in the election of directors may recommend to the Governance Committee one or more persons for election as a director by submitting such recommendation in writing to the Secretary of the Company at least ninety (90) days prior to a date corresponding to the date of the previous year's annual meeting of shareholders. Such submission should include the shareholder's name and address and pertinent information about the proposed nominee similar to that set forth for the nominees named in the Company's proxy statement for the previous year. The Governance Committee may request such additional information as it deems necessary or desirable in connection with its evaluation of the proposed nominee. The Governance Committee will consider proposed nominees recommended by shareholders in light of the Governance Committee's director selection criteria.

A shareholder intending to independently nominate one or more persons for election as a director at an annual meeting of shareholders, rather than recommend the individual to the Governance Committee for consideration as a nominee, must comply with the advance notice requirements set forth in the Bylaws. These requirements include providing written notice of such shareholder's intent to make such nomination or nominations by personal delivery or by United States mail, postage prepaid, to the Secretary of the Company not less than ninety (90) days nor more than one hundred twenty (120) days prior to a meeting date corresponding to the previous year's annual meeting of shareholders setting forth: (i) the name and address of record of the shareholder making the nomination; (ii) a representation that the shareholder is a holder of record of shares of the Company entitled to vote, intends to hold their shares through the date of the meeting and will appear in person or by proxy at the meeting to nominate the person or persons specified in the notice; (iii) the name, age, business and residence addresses, and principal occupation or employment of each proposed nominee; (iv) a description of all arrangements or understandings between the shareholder and each proposed nominee and any other person or persons (naming such person or persons) pursuant to which the nomination or nominations are to be made by the shareholder; (v) such other information regarding each proposed nominee as would be required to be included in a proxy statement filed pursuant to the SEC's proxy rules; and (vi) the consent of each nominee to serve as a director of the Company if elected. The Company may require the proposed nominee to furnish such additional information as may reasonably be required by the Company to determine the eligibility of the proposed nominee to serve as a director of the Company. If the presiding officer of the annual meeting determines, based on the facts, that a nomination was not made in accordance with these procedures, he or she shall so declare to the meeting and the defective nomination shall be disregarded.

Last amended: August 7, 2014