POLARIS INDUSTRIES INC/MN
Form DEF 14A
March 11, 2019
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant   Filed by a Party other than the Registrant

Check the appropriate box:
Preliminary Proxy Statement
Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
Definitive Proxy Statement
Definitive Additional Materials
Soliciting Material Pursuant to §240.14a-12

Polaris Industries Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(2) Form, Schedule or Registration Statement No.:
(3) Filing Party:
(4) Date Filed:

Notice of
2019 Annual Meeting
of **Shareholders**

Thursday, April 25, 2019

9:00 a.m. Central Time

Polaris Industries Inc.

2100 Highway 55
Medina, Minnesota 55340
763-542-0500
Fax: 763-542-0599

Dear Fellow Shareholders:

We are pleased to provide you with the enclosed proxy materials and to invite you to participate in our 2019 Annual Meeting to be held on Thursday, April 25, 2019 at 9:00 a.m., Central time. The proxy materials that follow detail the agenda items for the meeting, how to vote your shares, and how to participate in the meeting (including how to ask questions). On behalf of our Board of Directors, we encourage you to vote your shares and hope that you will participate in the meeting.

Our vision of “fueling passion and enriching lives” transcends our annual operating plans and along with our commitment to being “a customer centric, highly efficient growth company” creates a sense of purpose that guides all that we do. Our highlights from 2018 demonstrate how we put our actions behind our words.

We grew North American market share in side-by-sides, ATVs, snowmobiles, and Indian motorcycles. We increased revenue by 12%. We generated an attractive ROIC of approximately 16%. We significantly increased investment in innovation, tooling, and long-term capital projects. We continued to diversify our product offerings, with the acquisition of Bennington, the #1 brand in pontoon boats. And we returned approximately $500 million to shareholders through dividends and share repurchases. This is all evidence that the underlying performance of our business is robust. Unfortunately, our strong performance has been overshadowed by the substantial impact of China-related tariffs.

As shareholders, we should be pleased with the agility and tenacity Polaris employees demonstrated to deliver these results despite considerable headwinds, and we should also be excited about the prospects for long-term growth and profitability that Polaris continues to develop. From our supply chain transformation, to the indelible safety and quality culture that we have built, to our unwavering commitment to invest in innovation, we are well positioned to achieve our long-term performance goals of 5% or more sales CAGR and 15% or greater Net Income CAGR by 2022.

Thank you for your continued investment in Polaris.

Sincerely,

Scott W. Wine
Chairman of the Board and Chief Executive Officer
March 11, 2019

Polaris Industries Inc.

2100 Highway 55
Medina, Minnesota 55340
763-542-0500

Fax: 763-542-0599

Dear Fellow Shareholders:

It is an honor to serve on the Polaris Board as your Lead Independent Director. Thank you for your investment in Polaris and for the confidence that you have placed in us as stewards of your capital. Our Board is extremely committed on delivering long-term shareholder value for you. We actively oversee management to guide company strategy, craft executive compensation programs that are clearly linked to our strategy, and commit to a strong corporate governance framework.

It has been a privilege to serve with Scott and my other fellow Directors, who are all highly dedicated, engaged, and qualified individuals who contribute deep operating and industry experience and a broad range of perspectives to the Board. Since 2015, four new directors have joined the Board, resulting in a rich diversity of knowledge, experience and perspectives across manufacturing, technology, finance, and marketing. Most recently, in 2019, we added Gwynne Shotwell, President and Chief Operating Officer at SpaceX, who brings tremendous engineering aptitude and business acumen to our Board.

During 2018, we also continued to expand our shareholder engagement program. In 2018, we had a member of our Board, together with members of our executive management team, meet with a cross-section of our stockholders. We welcome the opportunity to engage with our shareholders and will continue to expand our shareholder engagement efforts in 2019.

We continue to simplify and improve the readability of our proxy statement. This year, we have included an executive summary highlighting our strategic vision and 2018 performance results and summarizing key elements of our corporate governance and compensation principles, along with our environmental sustainability initiatives. We encourage you to review this proxy statement to learn more about your Board, our governance practices, compensation programs, and the proposals to be voted on at this year’s Annual Meeting.

I hope you can participate in our Annual Meeting and vote your Polaris shares this year. On behalf of our Board of Directors, thank you again for your investment in Polaris.

Sincerely,

John Wiehoff
Lead Independent Director
March 11, 2019

Polaris Industries Inc.

2100 Highway 55
Medina, Minnesota 55340

Notice of
Annual Meeting
of Shareholders

Thursday, April 25, 2019

9:00 a.m. Central Time

Polaris Industries Inc. will hold its 2019 Annual Meeting of Shareholders on Thursday, April 25, 2019 at 9:00 a.m. Central time. The Annual Meeting will be completely virtual. You may attend the meeting, submit questions, and vote your shares electronically during the meeting via live webcast by visiting *www.virtualshareholdermeeting.com/PII2019*. You will need the 16-digit control number that is printed in the box marked by the arrow on your Notice of Internet Availability of Proxy Materials or proxy card to enter the Annual Meeting. We recommend that you log in at least 15 minutes before the meeting to ensure you are logged in when the meeting starts. The proxy materials were either made available to you over the Internet or mailed to you beginning on or about March 11, 2019. At the meeting, our shareholders will be asked to:

1. Elect four Class I directors for three-year terms ending in 2022.
2. Approve the Amended and Restated 2007 Omnibus Incentive Plan.
3. Ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2019.
4. Submit an advisory vote to approve the compensation of our Named Executive Officers (as described in the accompanying Proxy Statement).
5. Act on any other matters that may properly come before the meeting.

Only shareholders of record at the close of business on March 1, 2019 may vote at the Annual Meeting or any adjournment thereof.

By Order of the Board of Directors

Lucy Clark Dougherty
Senior Vice President – General Counsel,
Secretary and Chief Compliance Officer
March 11, 2019

How to Participate in the Virtual Meeting

INTERNET	**BY TELEPHONE**	**BY MAIL**	**IN PERSON**
To attend the virtual meeting, visit www.virtualshareholdermeeting.com/ PII2019	Enter the 16-digit control number printed on your proxy card or Notice of Internet Availability of Proxy Materials to enter the meeting.	To vote your shares during the meeting, click on the vote button provided on the screen and follow the instructions provided.	Questions may be submitted in advance, or live during the meeting by typing them in the dialog box provided on the bottom corner of the screen

For technical assistance on the day of the Annual Shareholder meeting, call the support line at 855-449-0991 (Toll Free) or 720-378-5962 (International Toll)

YOUR VOTE IS IMPORTANT

Whether or not you plan to join the virtual meeting, we urge you to vote as soon as possible via the Internet as described in the Notice of Internet Availability of Proxy Materials. If you received a copy of the proxy card by mail, you may vote via Internet or telephone as instructed on the proxy card, or you may sign, date and mail the proxy card in the envelope provided.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2019 ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON APRIL 25, 2019.

Our Proxy Statement for the 2019 Annual Meeting of Shareholders, our Annual Report to Shareholders for the fiscal year ended December 31, 2018 and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 are available at https://materials.proxyvote.com/731068.

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Proxy Statement Summary

This summary highlights information contained in the Proxy Statement. This summary does not contain all of the information you should consider, and you should read the entire Proxy Statement before voting. For more information regarding the company's fiscal 2018 performance, please review the company's Annual Report on Form 10-K for the year ended December 31, 2018.

Voting Roadmap

Proposals		**Board Recommendation**	**Details**
Proposal 1	– Elect four Class I directors for three-year terms ending in 2022	**FOR**	Page 9
Proposal 2	– Approve the Amended and Restated 2007 Omnibus Incentive Plan	**FOR**	Page 46
Proposal 3	– Ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for fiscal 2019	**FOR**	Page 52
Proposal 4	– Advisory vote to approve the compensation of our Named Executive Officers	**FOR**	Page 55

Business and Strategic Overview

At Polaris, we remain committed to being a customer-centric highly efficient growth company. Our senior management team, with oversight from our Board of Directors, has developed a clear vision and strategy for our long-term growth.

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2018 Performance Highlights

Our performance highlights from 2018 demonstrate how we continue to successfully execute against our strategy.

Financial and Operational Highlights

Corporate Governance Highlights

Our commitment to good corporate governance stems from our belief that a strong governance framework creates long-term value for our shareholders, strengthens Board and management accountability, and builds trust in Polaris and its brands.

Corporate Stewardship

In support of our environmental commitments, we have set forth three measurable and time-bound Environmental Sustainability goals. By 2022, we are striving to achieve:

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Executive Compensation Highlights

Our executive compensation program is designed to incent our Executives to pursue strategies and execute priorities that promote growth and deliver strong returns to shareholders. The core elements of our compensation program consist of base salary, annual incentive, and long-term incentive. Below we illustrate the key tenets of our compensation program and how the target total direct compensation of the Named Executive Officers was apportioned among base salary, annual incentives, long-term incentives for 2018.

2018 TARGET TOTAL DIRECT COMPENSATION
(MR. WINE)

2018 TARGET TOTAL DIRECT
COMPENSATION
(AVERAGE OF OTHER NEOs)

* *At-risk compensation does not include RSUs.*

Plans are significantly weighted to performance-based, long-term objectives
At-risk compensation of 70% for CEO & 65% for other NEOs

Majority of executive pay is performance-based and not guaranteed
Appropriate balance between short-term and long-term compensation to discourage short-term risk taking
"Double trigger" change in control and termination of employment provisions
Rigorous stock ownership guidelines: CEO must own 7x his base salary; CFO must own 4x his base salary
Clawback policy allows recovery of cash- or equity-based incentive compensation payments upon occurrence of certain financial restatements

Key Principles of our Compensation Program

Pay for Performance

Emphasize variable compensation that is tied to our financial and stock price performance to generate and reward superior individual and collective performance.

Shareholder Alignment

Link executives' incentive goals with the interests of our shareholders by providing equity- based forms of compensation and establishing specific stock ownership guidelines for employees in key management positions throughout our Company.

Long-Term Focus

Support and reward executives for consistent performance over time and achievement of our long-term strategic goals.

Retention

Attract and retain highly qualified executives whose abilities are critical to our success and competitive advantage.

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Board Leadership Structure

Mr. Wine holds the titles of Chairman of the Board and Chief Executive Officer (“CEO”) of Polaris. The Board believes that the interests of having a unified leadership structure with positions of Chairman and CEO being held by the same person is currently appropriate for our Company. The Board has flexibility to choose a different Board leadership structure if and when it believes circumstances warrant. Our Corporate Governance Guidelines provide that if the CEO is also the Chairman of the Board, then the Chair of the Corporate Governance and Nominating Committee, who is an independent director, will serve as the Lead Director. The Board believes that its independent Board committees and Lead Director provide appropriate independent Board leadership and oversight. Mr. Wiehoff is currently our Lead Director. The duties and responsibilities of the Lead Director, among others, include:

LEAD DIRECTOR DUTIES AND RESPONSIBILITIES

- Presides over Board meetings at which the Chairman is not present, including executive sessions of independent directors
- Serves as the liaison between the Chairman and independent directors
- If requested by major shareholders, ensure his/her availability for consultation and direct communication
- Communicates with CEO about strategic business issues, government processes and board relationships
- In consultation with the Chairman, approves:
  - Key information sent to the Board
  - Meeting agendas for the Board
  - Meeting schedules to ensure that there is sufficient time for discussion of all agenda items.
- Has authority to call meetings of independent directors
- Conducts and facilitates annual Board self-evaluation
- Coordinates with the Compensation Committee on CEO evaluation

Risk Oversight

Our Audit Committee is primarily responsible for regularly reviewing and discussing with management our major financial risk exposures and the steps management has taken to monitor and control such exposures, including management’s guidelines and policies with respect to risk assessment and risk management. When the Board deems it appropriate, responsibility of oversight of a specific risk is assigned to another one of the Board’s committees.

We engage in an Enterprise Risk Management (“ERM”) process. The ERM process consists of periodic risk assessments performed by various functional management groups during the year. Executive management presents these assessments to the Audit Committee to ensure that the process is sound and complete, oversight is appropriate, and the risks and risk assessments are thoroughly reviewed. In addition, the Audit Committee reports regularly to the full Board, which also considers our risk profile. While our management is responsible for day-to-day risk management identification and mitigation, the Board, directly and through its committees, oversees the execution of the ERM process. We believe this division of responsibilities is the most effective approach for addressing the risks facing our Company and that our Board leadership structure supports this approach.

Board Diversity

The Corporate Governance and Nominating Committee is responsible for identifying individuals who it considers qualified to become Board members. In furtherance of this duty, the Corporate Governance and Nominating Committee considers, as required by its charter as well as the Company’s Corporate Governance Guidelines, the Board’s overall balance of diversity of perspectives, backgrounds and experiences in areas relevant to the Company’s activities when selecting Board nominees, although the Company does not maintain a formal policy regarding the diversity of Board members. The Corporate Governance and Nominating Committee views diversity broadly and evaluates a wide range of criteria as it makes its selections, including, among others, functional areas of experience, educational background, employment experience, and leadership performance. The Corporate Governance and Nominating Committee also assesses those intangible factors it deems necessary to develop a heterogeneous and cohesive Board such as integrity, judgment, intelligence, and the willingness and ability of the candidate to devote adequate time to Board duties for a sustained period.

Our Board and each of its committees engage in an annual self-evaluation process. As part of that process, directors provide feedback on whether the Board is meeting its diversity objectives and how the composition of the Board should be altered in order to enhance its value to our Company and shareholders.

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Corporate Governance Guidelines and Independence

Our Board has adopted Corporate Governance Guidelines, which may be viewed online on our website at *www.polaris.com.* Under our Corporate Governance Guidelines, which adopt the current standards for "independence" established by the New York Stock Exchange (the "NYSE"), a majority of the members of the Board must be independent as determined by the Board. In making its determination of independence, among other things, the Board must have determined that the director has no material relationship with the Company either directly or indirectly as a partner, shareholder or officer of an organization that has a relationship with us. The Board of Directors has determined that Mses. Clayton, Henricks, and Shotwell, and Messrs. Bilicic, Farr, Hendrickson, Kessler, Kingsley, and Wiehoff are independent. Mr. Wine, our Chairman and CEO, is the only director who is not independent.

The Board based its independence determinations, in part, upon a review by the Corporate Governance and Nominating Committee and the Board of certain transactions between the Company and companies with which certain of our directors have relationships, each of which was made in the ordinary course of business, at arm's length, at prices and on terms customarily available to unrelated third party vendors or customers generally, in amounts that are not material to our business or the business of such unaffiliated corporation, and in which the director had no direct or indirect personal interest, nor received any personal benefit. Specifically, the Corporate Governance and Nominating Committee and the Board reviewed ordinary course of business purchases by us from C. H. Robinson Worldwide, where Mr. Wiehoff is, and during fiscal 2018 was, the CEO. The payments were less than the greater of $1,000,000 or 2.0% of the recipient's gross revenues in fiscal 2018. Accordingly, a majority of our Board is considered to be independent. Additionally, all current members of our Audit, Compensation, and Corporate Governance and Nominating Committees are considered to be independent.

Shareholder Engagement

The board is committed to ongoing engagement with our shareholders on executive compensation and corporate governance issues. To that end, the board has worked with management to develop an annual shareholder engagement process. These engagement efforts take place throughout the year involving members of our board of directors, senior management, and shareholder representatives. In 2018, Polaris reached out to shareholders representing approximately 53% of our outstanding shares and members of Polaris' Board of Directors and management team met with shareholders owning approximately 18% of the Company. The meeting agendas included discussions on various topics, including company strategy, compensation, governance practices, sustainability and board refreshment and diversity. The feedback from these meetings helps inform the Board and management on compensation and corporate governance practices and trends.

Code of Business Conduct and Ethics

We have adopted a Code of Business Conduct and Ethics applicable to all employees, including our CEO, our Chief Financial Officer ("CFO") and all other executive officers, and the Board. A copy of the Polaris Code of Business Conduct and Ethics is available on our website at *www.polaris.com.* In the event we waive any of the provisions of the Polaris Code of Business Conduct and Ethics with respect to the CEO, CFO, any executive officer or member of the Board that relates to any element of the definition of "code of ethics" enumerated in Item 406(b) of Regulation S-K under the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), we intend to disclose such actions on our website at the same location.

Hedging and Pledging Policy

We adopted a policy that prohibits Directors and executive officers from engaging in hedging transactions with respect to our common stock. We also adopted a policy that permits Directors and executive officers to pledge our common stock as collateral for a loan only if it is pre-approved by the Company's General Counsel and CFO. The Director or executive officer must clearly demonstrate the financial capacity to repay the loan without resorting to the pledged securities. No Directors or executive officers pledged shares of common stock during 2018.

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Communications with the Board

Under our Corporate Governance Guidelines, a process has been established by which shareholders and other interested parties may communicate with members of the Board. Any shareholder or other interested party who desires to communicate with the Board, individually or as a group, may do so by writing to the intended member or members of the Board, c/o Corporate Secretary, Polaris Industries Inc., 2100 Highway 55, Medina, Minnesota 55340.

All communications received in accordance with these procedures will be reviewed initially by the office of our Corporate Secretary to determine whether the communication is a message to one or more of our directors and then will be relayed to the appropriate director or directors unless the Corporate Secretary determines that the communication is an advertisement or other promotional material. The director or directors who receive any such communication will have discretion to determine whether the subject matter of the communication should be brought to the attention of the full Board or one or more of its committees and whether any response to the person sending the communication is appropriate.

Board Meetings

During 2018, the full Board met five times. Each of the meetings was preceded and/or followed by an executive session of the Board without management in attendance, chaired by Mr. Wiehoff. Each of our directors attended at least 75 percent of the meetings of the Board and any committee on which that director served in 2018. The Board also took action in writing three times in 2018. We do not maintain a formal policy regarding the Board’s attendance at annual shareholder meetings; however, Board members are expected to regularly attend all Board meetings and meetings of the committees on which they serve as well as the annual shareholder meetings. All then-current members of the Board attended our 2018 Annual Meeting.

Committees of the Board and Meetings

The Board has designated four standing committees. The Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee, and the Technology Committee each operate under a written charter, which is available on our website at *www.polaris.com.* The current membership of each committee and its principal functions, as well as the number of times it met during 2018, are described below.

Audit Committee	All members of the Audit Committee have been determined to be “independent” and “financially literate” by the Board in accordance with our Corporate Governance Guidelines, rules of the United States Securities and Exchange Commission (the “SEC”), and the applicable listing requirements of the NYSE. Additionally, Messrs. Bilicic, Farr, Kessler, and Kingsley have each been determined by the Board to

Members: be an "Audit Committee Financial Expert" as that term has been defined by the SEC. None of the members of the Audit Committee currently serve on the audit committees of more than three public companies.

Kevin M. Farr, Chair
George W. Bilicic
Gwenne A. Henricks
Bernd F. Kessler
Lawrence D. Kingsley
Gwynne E. Shotwell

Functions:

The Audit Committee assists the Board in fulfilling its fiduciary responsibilities by overseeing our financial reporting and public disclosure activities. The Audit Committee's primary purposes and responsibilities are to:

- Assist the Board of Directors in its oversight of (a) the integrity of our financial statements, (b) the effectiveness of our internal controls over financial reporting, (c) our compliance with legal and regulatory requirements, (d) the independent auditor's performance, qualifications and independence, and (e) the responsibilities, performance, budget and staffing of our internal audit function;

- Prepare the Audit Committee Report that appears later in this Proxy Statement;

- Serve as an independent and objective party to oversee our financial reporting process and internal control system; and

- Provide an open avenue of communication among the independent auditor, financial and senior management, the internal auditors and the Board.

The Audit Committee, in its capacity as a committee of the Board, is directly responsible for the appointment, compensation and oversight of the work of any independent registered public accounting firm employed by us (including resolution of any disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work or performing other audit, review or attestation services for us, and each such independent registered public accounting firm reports directly to the Audit Committee. This committee met nine times during 2018.

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Compensation Committee

Members:

Gary E. Hendrickson, Chair
Annette K. Clayton
John P. Wiehoff

All members of the Compensation Committee have been determined to be "independent" by the Board in accordance with our Corporate Governance Guidelines and the applicable listing requirements of the NYSE.

Functions:

The Compensation Committee assists the Board in establishing a philosophy and policies regarding executive and director compensation, provides oversight to the administration of our director and executive compensation, administers our equity-based and cash incentive plans, reviews and approves the compensation of executive officers and senior management, reviews and recommends the compensation of the directors to the Board, reviews and discusses the Compensation Discussion and Analysis included in this Proxy Statement with management, and prepares any report on executive compensation required by the rules and regulations of the SEC or other regulatory body, including the Compensation Committee Report that appears later in this Proxy Statement. The Compensation Committee met five times during 2018 and took action in writing once.

Use of Compensation Consultant

The Compensation Committee has the authority to retain independent counsel and other independent experts or consultants. The Compensation Committee engaged Willis Towers Watson to act as its compensation consultant again in 2018. The Compensation Committee uses its compensation consultant in an advisory role for various technical, analytical, and plan design issues related to our compensation and benefit programs including, collecting market information on a variety of executive pay and design issues and assisting in the design and review of programs such as our long-term incentive program and annual cash incentive plan. The compensation consultant does not determine compensation for any of our executives, a role that is reserved to the Compensation Committee. The Compensation Committee has assessed the independence of Willis Towers Watson pursuant to the rules of the SEC and concluded no conflict of interest exists that would prevent the independent representation of the Compensation Committee. We used Willis Towers Watson for non-executive consultation services in 2018 for which it was paid $22,750.

Corporate Governance and Nominating Committee

Members:

All members of the Corporate Governance and Nominating Committee have been determined to be "independent" by the Board in accordance with our Corporate Governance Guidelines and the applicable listing requirements of the NYSE.

Functions:

The Corporate Governance and Nominating Committee provides oversight and guidance to the Board to ensure that the membership, structure, policies and processes of the Board and its

John P. Wiehoff, Chair George W. Bilicic Gary E. Hendrickson Bernd F. Kessler	committees facilitate the effective exercise of the Board's role in the governance of our Company. The Corporate Governance and Nominating Committee reviews and evaluates the policies and practices with respect to the size, composition and functions of the Board, evaluates the qualifications of possible candidates for the Board and recommends the nominees for directors to the Board for approval. The committee will consider individuals recommended by shareholders for nomination as a director, applying the standards described in the Corporate Governance and Nominating Committee Charter. The committee also is responsible for recommending to the Board any revisions to our Corporate Governance Guidelines, as well as developing, reviewing and overseeing compliance with the Company's policies and procedures regarding related person transactions and conflicts of interest. This committee met two times during 2018.

Technology Committee

Members:	**Functions:**
Annette K. Clayton, Chair George W. Bilicic Kevin M. Farr Gwenne A. Henricks Bernd F. Kessler Lawrence D. Kingsley Gwynne E. Shotwell Scott W. Wine	The Technology Committee provides oversight of our product plans, innovation and technology acquisitions and development, supplier strategy, manufacturing network, and related business processes. The committee reviews (a) product, manufacturing, innovation and technology acquisition and development plans, processes and digital innovation; (b) major competitive moves and our response plan; (c) the Company's technology, product development, sourcing and manufacturing systems and programs; and (d) talent development and succession plans for operations, engineering and lean. This committee met two times during 2018.

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Certain Relationships and Related Transactions

During 2018, we did not engage in any transactions with related persons that are required to be described in this Proxy Statement pursuant to applicable SEC regulations.

Our written Related-Person Transactions Policy, which is applicable to all of our directors, nominees for directors, executive officers and 5% shareholders and their respective immediate family members, prohibits “related-person transactions” unless approved or ratified by the Corporate Governance and Nominating Committee.

Matters considered to be a related-person transaction subject to the policy include any transaction in which we are directly or indirectly a participant and the amount involved exceeds or reasonably can be expected to exceed $120,000, and in which a director, nominee for director, executive officer or 5% shareholder, or any of their respective family members, has or will have a direct or indirect material interest.

Any potential related-person transaction that is raised will be analyzed by the General Counsel, in consultation with management and with outside counsel, as appropriate, to determine whether the transaction or relationship constitutes a related-person transaction requiring compliance with the policy. The potential related-person transaction and the General Counsel’s conclusion and the analysis thereof are also to be reported to the chair of the Corporate Governance and Nominating Committee.

The Corporate Governance and Nominating Committee shall review the material facts of all related-person transactions that require the committee’s approval and either approve or disapprove of the related person transaction. If advance committee approval of a related-person transaction is not feasible, then the related-person transaction shall be considered and, if the committee determines it to be appropriate, ratified at the committee’s next regularly scheduled meeting. Any related-person transaction that is not approved or ratified, as the case may be, shall be voided, terminated or amended, or such other actions shall be taken, in each case as determined by the committee, so as to avoid or otherwise address any resulting conflict of interest.

Compensation Committee Interlocks and Insider Participation

All current members of the Compensation Committee are considered independent under our Corporate Governance Guidelines. During fiscal year 2018, none of our executive officers served on the compensation committee (or its equivalent) or board of directors of another entity whose executive officers served on our Compensation Committee or Board.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers to file initial reports of ownership and reports of changes of ownership of our common stock with the SEC. Executive officers and directors are required to furnish us with copies of all Section 16(a) reports that they file. To our knowledge, based solely upon a review of the reports filed by the executive officers and directors during 2018 and written representations that no other reports were required, we believe that, during the year ended December 31, 2018, all filing requirements applicable to our directors, executive officers and 10% beneficial owners, if any, were complied with on a timely basis.

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General Information

The Board is divided into three classes. The members of one class are elected at each annual meeting of shareholders to serve three-year terms. The Class I directors currently serving on the Board, whose terms expire at the 2019 Annual Meeting, are Bernd F. Kessler, Lawrence D. Kingsley, Gwynne E. Shotwell, and Scott W. Wine.

Upon the recommendation of the Corporate Governance and Nominating Committee of the Board, the Board proposes that Bernd F. Kessler, Lawrence D. Kingsley, Gwynne E. Shotwell, and Scott W. Wine be elected as Class I directors for three-year terms expiring in 2022. All nominees are presently Polaris directors who were elected by shareholders at the 2018 Annual Meeting, except for Gwynne E. Shotwell, who joined the Board on March 1, 2019.

The persons named in the proxy intend to vote your proxy for the election of each of the four nominees, unless you indicate on the proxy that you vote to “abstain” or vote “against” any or all of the nominees. Our Articles of Incorporation require that a director nominee will be elected only if he or she receives a majority of the votes cast with respect to his or her election in an uncontested election, that is, the number of shares voted “for” that nominee exceeds the number of votes cast “against” that nominee. A vote to “abstain” will not have an effect in determining the election results. If you are voting by telephone or on the Internet, you will be told how to abstain your vote from some or all of the nominees. Each nominee elected as a director will continue in office until his or her successor has been elected, or until his or her death, resignation or retirement.

We expect each nominee standing for election as a director to be able to serve if elected. If any nominee is not able to serve, proxies will be voted in favor of the remainder of those nominated and may be voted for substitute nominees designated by the Board, unless an instruction to the contrary is indicated on the proxy. There are no family relationships between or among any of our executive officers, directors or director nominees.

The Board, upon recommendation of the Corporate Governance and Nominating Committee, unanimously recommends a vote **FOR** the election of these nominees as directors.

Information Concerning Nominees and Directors

Our directors bring a broad range of leadership and experience to the boardroom and regularly contribute to the dialogue involved in effectively overseeing and guiding our business and affairs. Other than our CEO, all of the members of the Board are independent. Preparation, engagement and participation are expected from our directors. We insist on high personal and professional ethics, integrity and values. All of our current directors and the director nominees satisfy such requirements. The Board has adopted Corporate Governance Guidelines, which are observed by all directors. With a diverse mix of experience, backgrounds and skill sets, the Board believes it is well positioned to represent the best interests of the Company's shareholders. The principal occupation, specific experience, qualifications, attributes or skills and certain other information about the nominees and other directors whose terms of office continue after the Annual Meeting are set forth on the following pages.

On January 30, 2019, Gwynne E. Shotwell was appointed by the Board of Directors as a Class I member of the Board of Directors with her initial term becoming effective on March 1, 2019. The Corporate Governance and Nominating Committee led the process for selecting Ms. Shotwell and recommending her to the Board. Based upon the composition and qualifications of the current Board members, the Corporate Governance and Nominating Committee focused on diverse candidates with strong technology and executive leadership experience.

In 2018, the Corporate Governance and Nominating Committee retained Crist Kolder Associates, an independent executive search firm, to assist with its director search and recommend candidates who satisfied the Board's criteria. Ms. Shotwell was first identified by Crist Kolder Associates. The Corporate Governance and Nominating Committee evaluates qualified director nominees at regular or special Committee meetings and reviews qualified director nominees with the Board. A range of directors, including all those on the Corporate Governance and Nominating Committee and the CEO & Chairman of the Board, interview potential Board candidates.

If a shareholder wishes to have the Corporate Governance and Nominating Committee consider a candidate for nomination as a director, the shareholder's notice must include the information specified in our bylaws, including the shareholder's name and address, the information required to be disclosed by the SEC's proxy rules, a written consent of the candidate to be named in the proxy statement and to serve as a director if elected, specified information regarding the shareholder's interests in our capital stock, and the representations specified in our bylaws. The Corporate Governance and Nominating Committee will evaluate recommended nominees based on the factors identified in the Corporate Governance and Nominating Committee Charter, a copy of which is available on our website at *www.polaris.com.* Alternatively, shareholders may directly nominate a person for election to our Board by complying with the procedures set forth in our bylaws, any applicable rules and regulations of the SEC and any other applicable laws.

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Director Nominees — Class I (Term Ending 2022)

Bernd F. Kessler

Age 60

Director since 2010

Independent

Committees

- Audit
- Corporate Governance and Nominating
- Technology

Experience

Mr. Kessler was the Chief Executive Officer of SRTechnics AG, a privately-held aircraft component and engine service provider with facilities throughout Europe and in China, from January 2008 through January 2010. He was the President and Chief Executive Officer of MTU Maintenance, a subsidiary of Aero Engines AG from September 2004 through October 2007 where he was an integral part of the successful initial public offering of the Company on the Frankfort Stock Exchange. Prior to September 2004, Mr. Kessler held management and executive positions for 20 years at Honeywell International, Inc. and its preceding company AlliedSignal Corp. Mr. Kessler also serves on the boards of Flowcastings GmbH, Zitec GmbH, and serves as Chairman of RENA Technologies GmbH.

Key Skills and Qualifications

A recognized industry leader in the global aerospace and defense markets, Mr. Kessler is based in Europe. His experience in operations, service and global business are key assets as we continue to expand our international footprint and strive to increase operational efficiency.

Other Public Company Boards

Current	Prior (Within the Past 5 Years)
None	None

Lawrence D. Kingsley

Age 56

Director since 2016

Independent

Committees

- Audit
- Technology

Experience

Mr. Kingsley served as the Chairman and Chief Executive Officer of the Pall Corporation, a global supplier of filtration, separations and purification products, from October 2013 to October 2015 and previously served as its CEO and President starting in October 2011. Prior to his election, he served as Chairman, President and CEO of IDEX Corporation, a developer, designer and manufacturer of fluid and metering technologies and health and science technologies, from March 2005 to August 2011. Before joining IDEX, Mr. Kingsley held management positions of increasing responsibility with Danaher Corporation, Kollmorgen Corporation and Weidmuller Incorporated.

Key Skills and Qualifications

Mr. Kingsley brings strong executive leadership and business management skills to our Board, as well as valuable experience in strategic planning, corporate development and operations analysis. He also brings significant expertise in financial reporting and corporate finance.

Other Public Company Boards

Current	Prior (Within the Past 5 Years)
IDEXX Laboratories	None
Rockwell Automation Corporation	

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Gwynne E. Shotwell

Age 54

Director since 2019

Independent

Committees

- Audit
- Technology

Experience

Ms. Shotwell has served as President and Chief Operating Officer of Space Exploration Technologies Corp (SpaceX), a private American aerospace manufacturer and space transportation services company, since November 2008 and previously served as Vice President, Business Development from August 2002 to November 2008. Prior to joining SpaceX, Ms. Shotwell held positions with Microcosm, Inc. Space Systems Division as a director, and The Aerospace Corporation as a senior project engineer.

Key Skills and Qualifications

Through her experience as President and Chief Operating Officer for a large corporation providing strategic direction, leading daily operations, and leading business development, Ms. Shotwell brings to the Board expertise in manufacturing, operations, business development, financial accountability, and government relations.

Other Public Company Boards

Current	Prior (Within the Past 5 Years)
None	None

Scott W. Wine

Age 51

Director since 2008

Committees

- Technology

Experience

Mr. Wine has served as CEO of Polaris since September 2008 and was elected to the Board in October 2008. He has been the Chairman of the Board since January 2013. Prior to joining Polaris, Mr. Wine held executive positions with United Technologies Corporation, Danaher Corp. and Allied Signal Corp. (now Honeywell International Inc.), and served as a United States naval officer.

Key Skills and Qualifications

Mr. Wine's knowledge of the all aspects of the Company's business as its CEO, combined with his drive for innovation and excellence, position him well to serve as Chairman of the Board. In his position as a director and CEO, he plays a key role in facilitating communication and information flow between management and the Board on a regular basis.

Other Public Company Boards

Current	Prior (Within the Past 5 Years)
US Bancorp	None
Terex Corporation	

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Directors Continuing in Office — Class II (Term Ending 2020)

George W. Bilicic

Age 55

Director since 2017

Independent

Committees

- Audit
- Corporate Governance and Nominating
- Technology

Experience

Mr. Bilicic is Vice Chairman of Investment Banking at Lazard, an investment banking firm, where he also serves as Head of U.S. Midwest Investment-Banking Business and Global Head of Power, Energy & Infrastructure. Mr. Bilicic also serves as a member of the Firm’s Investment Banking Committee and Deputy Chairpersons Committee. Other than his time at Kohlberg Kravis Roberts & Co. (“KKR”) where he served as Managing Director and Head of Infrastructure from May 2008 to October 2008, Mr. Bilicic has been at Lazard since March 2002. He previously served as a Managing Director at Merrill Lynch & Co., Inc. from January 2001 to March 2002, and was a Partner at Cravath, Swaine & Moore LLP from 1995 to 2000. Mr. Bilicic currently serves as a member of the Board of Directors or equivalent for the Chicago Council on Global Affairs, Georgetown University Law School, The HistoryMakers, Metropolitan Planning Council, and the Museum of Science and Industry.

Key Skills and Qualifications

Mr. Bilicic brings strong legal and investment banking expertise to the Board. He also brings to the Board significant knowledge on mergers and acquisitions and other transactions.

Other Public Company Boards

Current	Prior (Within the Past 5 Years)
None	None

Gary E. Hendrickson

Age 62

Director since 2011

Independent

Committees

- Compensation, Chair
- Corporate Governance and Nominating

Experience

Mr. Hendrickson is the Chairman of the Board of CPG International, LLC, a manufacturer of residential and commercial products. He served as Chairman and Chief Executive Officer of The Valspar Corporation, a global paint and coatings manufacturer, from June 2011 to June 2017, and was its President and Chief Operating Officer from February 2008 until June 2011. He held various executive leadership roles with The Valspar Corporation since 2001 including positions with responsibility for the Asia Pacific operations.

Key Skills and Qualifications

Mr. Hendrickson's experience as President and Chief Executive Officer of a global company provides expertise in corporate leadership and development, and execution of business growth strategy. He also brings to the Board significant global experience and knowledge of competitive strategy including international competition.

Other Public Company Boards

Current	Prior (Within the Past 5 Years)
Waters Corporation	The Valspar Corporation

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Gwenne A. Henricks

Age 61

Director since 2015

Independent

Committees

- Audit
- Technology

Experience

Ms. Henricks served as Vice President, Product Development & Global Technology, and Chief Technology Officer of Caterpillar Inc., a world leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives, from 2012 to 2016. She joined Caterpillar in 1981 in an engineering role and held numerous engineering and executive roles progressing in scope and complexity. Ms. Henricks serves on the Bradley University Engineering Advisory Committee.

Key Skills and Qualifications

Ms. Henricks brings to the Board executive leadership, as well as valuable knowledge and experience in technology and global research and development organization.

Other Public Company Boards

Current	Prior (Within the Past 5 Years)
None	None

Directors Continuing in Office — Class III (Term Ending 2021)

Annette K. Clayton

Age 55

Director since 2003

Independent

Committees

- Compensation
- Technology, Chair

Experience

Ms. Clayton has been the Chief Executive Officer and President of Schneider Electric North America, a French multinational firm specializing in energy management and automation solutions, since June 2016 and is also a member of its Executive Committee. In her prior position with Schneider, she was Chief Supply Officer from May 2011 to June 2016. From 2006 to 2011, Ms. Clayton led Dell Inc.'s supply chain transformation and oversaw the global manufacturing and fulfillment operations. Prior to that, she worked for General Motors Corporation in senior management positions in engineering and production, including President, Saturn Corporation.

Key Skills and Qualifications

With experience in leading a large corporation including overseeing strategic direction and financial accountability and running large scale supply chain manufacturing companies with global presence, Ms. Clayton brings to the Board expertise in supply chain management and strategy, and global and channel expansions.

Other Public Company Boards

Current	Prior (Within the Past 5 Years)
Duke Energy Corp.	None

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Kevin M. Farr

Age 61

Director since 2013

Independent

Committees

- Audit, Chair
- Technology

Experience

Mr. Farr has been the Chief Financial Officer and Secretary of ChromaDex Corp., a science-based nutraceutical company, since October 2017. He previously served as Executive Vice President and Chief Financial Officer of Mattel, Inc., a world-wide leader in the design, manufacture, and marketing of toys and family products, from February 2000 through September 2017, and prior to that served in multiple leadership roles at Mattel, Inc. since 1991. Before joining Mattel, Inc., Mr. Farr spent 10 years at Pricewaterhouse Coopers. He serves on the Corporate Advisory Board of the Marshall School of Business at the University of Southern California.

Key Skills and Qualifications

With his many years of experience in executive leadership roles and his financial background with a Fortune 500 company, Mr. Farr provides the Board expertise in financial operations, business development and corporate strategy and complex financial issues. As a past director for a public company, he also provides significant board experience.

Other Public Company Boards

Current	Prior (Within the Past 5 Years)
None	None

John P. Wiehoff

Age 57

Director since 2007
Lead Director

Independent

Committees

- Compensation
- Corporate Governance and Nominating, Chair

Experience

Mr. Wiehoff has been Chief Executive Officer and Chairman of the Board of C.H. Robinson Worldwide, a transportation, logistics and sourcing company since 2007 and previously was Chief Executive Officer of the company beginning in May 2002 and President in 1999. He has held multiple leadership roles including Chief Financial Officer since joining C.H. Robinson in 1992. Prior to that, Mr. Wiehoff was with Arthur Andersen LLP.

Key Skills and Qualifications

Mr. Wiehoff provides the Board with valuable insight in logistics and complex financial issues gained while serving as the chief executive officer and chief financial officer of a Fortune 500 company. As a director for public companies, he also has significant board experience.

Other Public Company Boards

Current	Prior (Within the Past 5 Years)
C.H. Robinson Worldwide	None
Donaldson Company, Inc.	

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The Compensation Discussion and Analysis (the “CD&A”) describes our compensation objectives and policies and the compensation awarded to our Named Executive Officers during 2018. Our Named Executive Officers during 2018 were:

Name	**Title**
Scott W. Wine	Chairman of the Board and Chief Executive Officer (“CEO”)
Michael T. Speetzen	Executive Vice President – Chief Financial Officer (“CFO”)
Lucy Clark Dougherty	Senior Vice President – General Counsel, Secretary and Chief Compliance Officer
Christopher S. Musso	President – Off-Road Vehicles
Kenneth J. Pucel	Executive Vice President – Global Operations, Engineering and Lean (“EVP”)

Ms. Clark Dougherty joined the Company on January 29, 2018.

Executive Summary

Key 2018 Company Financial Performance*

* *All results measured against fiscal 2017.*

2018 Compensation Decisions

Consistent with our compensation philosophy of paying for performance, our compensation programs closely link pay and performance.

Our performance during 2018 resulted in the following compensation actions:

Base Salary:

	Increases were made to Messrs. Wine, Speetzen, and Pucel for 2018 based on individual performance and were generally implemented to maintain the Named Executive Officer's position with respect to market median. Mr. Musso commenced his employment with the Company on November 6, 2017, and Ms. Clark Dougherty commenced her employment with the Company on January 29, 2018. Neither were eligible for base salary increases in 2018.
Annual Incentive Plan:	The Company achieved adjusted earnings per share of $6.24 under the Senior Executive Annual Incentive Compensation Plan (the "SEP" or "Senior Executive Plan") warranting payouts of an annual cash incentive to each of our Named Executive Officers.
Long-Term Incentive ("PRSUs"):	The Company's Long-Term Incentive Plan ("LTIP") for the 2016 - 2018 performance period paid out at 29.7% of target. While the Company achieved above the target for revenue, it performed below the minimum levels for both net income and operating profit margin %, making the 2016 - 2018 LTIP payout well below target in 2019.
Ms. Clark Dougherty – New Hire Compensation:	Ms. Clark Dougherty commenced her employment on January 29, 2018. As part of her new hire offer, Ms. Clark Dougherty received a sign-on bonus and Restricted Stock Units ("RSUs") that vest ratably over three years to induce her to join the Company and to offset compensation forfeited at her previous employer.

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Return to Shareholders

Because significant portions of our executive compensation program are equity-based, the amount of compensation (defined as salary, annual incentive payment and grant date fair value of equity awards) ultimately realized by our Named Executive Officers is closely linked to the performance of our common stock, which is reflected in the following chart which compares our annualized total shareholder return to that of the members of our 2018 Peer Group listed on page 20:

	Annualized Total Shareholder Return(1)		
Percentile	1-Year	3-Year	5-Year
25th Percentile(2)	(31)%	(2)%	(6)%
Median(2)	(22)%	6%	1%
75th Percentile(2)	(11)%	16%	6%
Polaris Industries	(37)%	(1)%	(10)%
Polaris Percentile	*14%*	36%	11%

(1) 1-Year, 3-Year and 5-Year Total Shareholder Return are annualized total shareholder rates of return reflecting the stock price appreciation plus reinvestment of dividends, as of December 31, 2018.

(2) These percentiles represent Total Shareholder Return of the members of our 2018 Peer Group listed on page 20.

Our 2017 Say on Pay Results and Shareholder Outreach

In making compensation decisions, the Compensation Committee considers the results of the Company's annual shareholder advisory votes approving the Company's executive compensation. Shareholders approved on an advisory basis the Company's Say on Pay proposal at our 2018 Annual Meeting of Shareholders with 83.6% of the votes cast (excluding abstentions) in favor of the compensation paid to our Named Executive Officers. Beginning in late 2016 and continuing throughout 2018, the Compensation Committee, together with key members of management, conducted a shareholder outreach program to discuss our corporate governance and executive compensation programs, policies and practices with some of our largest shareholders. The outreach program is designed to maintain an ongoing relationship with investors to better understand their issues and perspectives on the Company, including executive compensation practices. We plan to continue the outreach program in the years to come. To the extent the Compensation Committee receives specific comments about executive compensation policies or practices, it will take them into consideration when making its decisions.

Objectives of Our Compensation Program

Our executive compensation philosophy aligns executive compensation decisions with our desired business direction, strategy and performance. The primary objectives and priorities of the compensation program for our Named

Executive Officers are the following:

- *Pay for Performance:* Emphasize variable compensation that is tied to our financial and stock price performance in an effort to generate and reward superior individual and collective performance;
- *Shareholder Alignment:* Link executives' incentive goals with the interests of our shareholders by providing equity-based forms of compensation and establishing specific stock ownership guidelines for employees in key management positions throughout our Company;
- *Long-Term Success:* Support and reward executives for consistent performance over time and achievement of our long-term strategic goals; and
- *Retention:* Attract and retain highly qualified executives whose abilities are critical to our success and competitive advantage.

To achieve these objectives, we have designed an executive compensation program that is significantly weighted towards long-term goals. This approach aids us in the retention of executive officers and assures that the interests of our executive officers and shareholders are aligned. Although the program emphasizes performance-based and equity-based compensation as a percentage of total direct compensation (base salary and annual and long-term incentives), we do not have specific policies governing the allocation of the total direct compensation opportunity among its various components. The following charts illustrate the percentage of the 2018 target total direct compensation opportunity for Mr. Wine and the other Named Executive Officers as a group represented by each compensation component – base salary, target annual incentive and grant date fair value of long-term incentives:

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2018 TARGET TOTAL DIRECT COMPENSATION

(MR. WINE)

2018 TARGET TOTAL DIRECT COMPENSATION

(AVERAGE OF OTHER NEOs)

* *At-risk compensation does not include RSUs.*

Since a significant majority of our executive compensation is equity based, actual compensation outcomes vary with Company and stock price performance, closely aligning pay and performance. At the beginning of 2016, our stock price was $88.36. We closed 2018 with a stock price of $76.68. As a result, over that same period, our CEO's pay was well below his targeted non-equity compensation and the grant date fair value of his equity awards.

CEO PAY FOR PERFORMANCE (TOTAL INCENTIVE COMPENSATION)

* *For each year includes annual non-equity incentive compensation at target along with the grant date fair value of RSUs, PRSUs (at target) and options granted in such years.*

** *For each year includes: (i) actual annual non-equity incentive compensation earned for such year (ii) the fiscal year end value of RSUs granted during such year, (iii) the actual vested value of PRSUs earned during such year, and (iv) the value of options granted during such year as of December 31, 2018.*

We believe that our compensation policies and practices are designed to mitigate compensation-related risks to the Company's long-term performance, ethical standards and reputation. The table below illustrates some of those policies and practices.

What We Do	**What We Don't Do**
Majority of executive pay is performance-based and not guaranteed	Do not have long duration employment contracts
Appropriate balance between short-term and long-term compensation to discourage short-term risk taking	No repricing or back dating of stock options
Require "double trigger" change in control and termination of employment provisions in equity awards granted after May 1, 2015 and in severance agreements	No hedging and short sales by executive officers and Directors
Vigorous stock ownership guidelines, including a requirement that our CEO own shares with a value that equals or exceeds	No pledging Company stock without clear demonstration of financial ability to repay loan as

seven times his base salary

Clawback policy allows recovery of cash- or equity-based incentive compensation payments upon occurrence of certain financial restatements

Utilize an independent compensation consultant

well as management pre-approval

No dividends or dividend equivalents on unearned or unvested restricted stock or restricted stock units

No excise tax gross-ups upon a change in control

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Executive Compensation Program Components

Compensation Type	Compensation Component	Purpose	Key Features
Fixed	**Base Salary**	• Provide a fixed level of compensation on which executive officers can rely	• Salary levels set based on an assessment of: – Level of responsibility – Experience and time in position – Individual performance – Future potential – Salary level relative to market median for most applicable comparator job – Internal pay equity considerations • Salary levels are reviewed annually by the Compensation Committee and adjusted as appropriate
	Annual Cash Incentive (Senior Executive Plan)	• Provide explicit incentives to achieve or exceed annual budgeted earnings per share or other desired performance objectives • Link pay to performance	• Target incentive opportunity expressed as a percentage of executive officer's base salary, based on responsibilities of position, expected level of contribution and consideration of market data

	• Align performance objectives with interests of our shareholders	• Maximum potential payouts based on attainment of specified levels of financial performance • For 2018 awards, actual payouts may vary based on the degree to which financial performance objectives are achieved and on consideration of other Company, business unit and individual performance factors, as determined by the Compensation Committee
Long-Term Incentives (Including Stock Options, Performance Restricted Stock Units, and Restricted Stock Units)	• Provide executive officers with incentives to achieve multi-year financial and operational objectives • Link pay to financial, operational and stock price performance • Align executive officers' interests with the interests of our shareholders	• PRSUs are earned based on the degree to which specified financial objectives are attained over a three-year performance period • Target incentive opportunity based on responsibilities of position, expected level of contribution and consideration of market data • Stock options provide value to executive officers only if stock price increases over the stock option term, generally ten years • Restricted stock units may vest either upon completion of a specified period of employment or upon attainment of specified financial objectives • All grants are approved by the Compensation Committee • Actual earned shares are determined by the Compensation Committee
Benefits and Perquisites		•

	• Provide an overall compensation package that is competitive with those offered by companies with whom we compete for executive talent • Provide a level of retirement income and promote retirement savings in a tax-efficient manner	Participation in 401(k) plan and health and welfare plans generally made available to our employees • Executive officers may participate in a non-qualified supplemental retirement savings plan and will receive an employer match up to 5% on base salary and Senior Executive Plan deferral contributions when their 401(k) participation has been limited by IRS annual contribution rules • Perquisites described on page 25
Post- Employment Compensation (Severance and Change in Control Arrangements)	• Enable executive officers to evaluate potential transactions focused on shareholder interests • Provide continuity of management • Provide a bridge to next professional opportunity in the event of an involuntary termination	• Double-trigger change in control severance arrangements • Double-trigger accelerated vesting of equity awards upon change in control for awards granted after May 2015 • Severance for termination by the Company without cause or for good reason resignation • Non-compete and non-solicitation restrictions following termination of employment

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Determining Executive Compensation

Compensation Committee Process

The Compensation Committee is responsible for the review and approval of all aspects of our executive compensation program. The Compensation Committee meets in January or February of each year to: (i) establish the annual base salary and annual incentive compensation opportunity for each of the executive officers for the current year; (ii) determine the actual annual incentive compensation to be paid to each executive officer for services provided during the prior year; (iii) establish plan targets and performance measures for the three-year performance period beginning on January 1 of the current year for long-term incentive awards; (iv) determine the number of PRSUs earned, if any, under the long-term incentive program for the three-year performance period ended on the immediately preceding December 31st; and (v) determine stock option awards, RSU awards and any other equity-based awards to be granted to executive officers.

When making individual compensation decisions for the executive officers, the Compensation Committee takes many factors into account. These factors include subjective and objective considerations of each individual’s skills, performance and level of contribution towards desired business objectives, our overall performance, retention concerns, the individual’s tenure and experience with our Company and in his or her current position, the recommendations of management, the individual’s current and historical compensation, the Compensation Committee’s compensation philosophy, and comparisons to other comparably situated executive officers (both those of the Company and those of the peer group companies). The Compensation Committee’s process utilizes input, analysis and review from a number of sources, including our management, other independent directors of the Board, the Compensation Committee’s independent compensation consultant, and market studies and other comparative compensation information as discussed below.

The Compensation Committee uses this information in conjunction with its own review of the various components of our executive compensation program to determine the base salary and annual and long-term incentive targets and opportunities of the executive officers as a group and individually.

Role of Executive Officers in Determining Compensation

The Compensation Committee meets with our CEO annually to review the performance of our other executive officers. The meeting includes an in-depth review of each executive officer, achievement of individual performance objectives established at the beginning of the year and individual contributions towards achievement of our business goals. A summary of the performance review is presented to the full Board each year.

The Compensation Committee considers input from our CEO, EVP CFO, and Chief Human Resources Officer ("CHRO") when developing and selecting metrics and performance objectives for our Senior Executive Plan and long-term incentive program, and evaluating performance against such pre-established metrics and objectives. The Compensation Committee also receives recommendations from our CEO, with the assistance of our CHRO (for executive officers other than himself), regarding base salary amounts, annual incentive award amounts and equity-based incentive awards for our other executive officers. In determining the CEO's compensation, the Compensation Committee considers comparative compensation information and input from its independent compensation consultant.

Role of the Compensation Consultant

Willis Towers Watson provides the Compensation Committee with an annual compensation market analysis for the executive officers and directors; makes recommendations on the executive pay programs; reviews, participates and comments on executive and board compensation matters; and provides updates on regulatory changes in compensation related issues and other developments and trends in executive compensation.

Market Competitiveness Review

The compensation consultant and the Compensation Committee periodically reviewed the composition of the peer group of companies about which competitive compensation data is obtained. The peer group is established each July and is used for purposes of setting compensation for the following year.

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In 2017, the Compensation Committee with the guidance of Willis Towers Watson reviewed the composition of the peer group and determined no changes were required. The companies comprising the Peer Group used to establish the 2018 compensation opportunities of the executive officers are listed below:

2018 PEER GROUP

Parker-Hannifin Corporation	Harley-Davidson, Inc.	Thor Industries, Inc.	Kennametal Inc.
Stanley-Black & Decker, Inc.	Mattel, Inc.	Leggett & Platt, Incorporated	The Toro Company
BorgWarner Inc.	Flowserve Corporation	Snap-On, Inc.	Donaldson Company, Inc.
Dover Corporation	Hasbro Inc.	Regal Beloit Corporation	IDEX Corporation
Terex Corporation	Brunswick Corporation	The Timken Company	SPX Corporation
Pentair, plc			

Both management and the Compensation Committee believe that this peer group of 21 companies (the “Peer Group”) provided a robust statistical set of comparison data to serve as the basis for 2018 compensation decisions. In connection with the compensation decisions made for 2018, Willis Towers Watson utilized data from the Willis Towers Watson 2017 General Industry Executive Compensation Database and our Peer Group companies in the market review.

The following table summarizes our scale relative to our 2018 industry peer group as of December 31, 2018.

2018 PEER GROUP COMPARISON

	Revenue ($)(1)	**Market Cap ($)(2)**	**Employees (#)**
25th Percentile	$3,580	$3,450	10,500
Median	$4,510	$5,550	17,000
75th Percentile	$6,990	$8,090	24,000
Polaris	$6,079	$4,737	12,000
Polaris Percentile	71%	36%	32%

(1)Revenue reflected the most recent fiscal year end.
(2)As of December 31, 2018.

The reports furnished by compensation consultants provide the Compensation Committee with market information at the median and 75th percentiles for each executive officer position and pay component, and for total direct compensation, and compare the actual and target compensation provided and intended to be provided to each executive officer to the market amounts, which consider both the peer group data and the data contained in the surveys. This market information is an important element reviewed by the Compensation Committee, which generally intends to target base salaries for our executive officers at the market median for comparable positions as set forth in the report. The elements of annual and long-term incentive opportunities of total direct compensation are based on responsibilities of position, expected level of contribution and consideration of market data. The Compensation Committee can and does, however, use discretion to adjust a component of pay, or total direct compensation generally, above or below these ranges to recognize the specific circumstances of individual executive officers.

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2018 Compensation Decisions

2018 Base Salaries

The Summary Compensation Table on page 27 sets forth the actual base salary earned by each of our Named Executive Officers during 2018. Base salary increases in 2018 were based on individual performance and were generally implemented to maintain the Named Executive Officer's position with respect to market median.

The following table reflects the annualized base salaries as established by the Compensation Committee for Messrs. Wine, Speetzen, Musso and Pucel, and Ms. Clark Dougherty for 2018.

Name	**Annualized Base Salary in 2018**	**Percentage Increase (%)**	
Scott W. Wine	1,015,000	3	
Michael T. Speetzen	600,000	3.4	
Lucy Clark Dougherty	450,000	N/A	(1)
Christopher S. Musso	540,000	N/A	(1)
Kenneth J. Pucel	660,000	1.5	

(1) Mr. Musso joined the Company on November 16, 2017 and was not eligible for a salary increase in 2018. Ms. Clark Dougherty joined the Company on January 29, 2018.

2018 Annual Incentive Compensation

Overview

Our Named Executive Officers and other members of senior management selected by the Compensation Committee are eligible to earn annual cash incentive compensation under our Senior Executive Plan ("SEP"), rather than under our broad-based annual profit sharing plan. Cash incentives to participants in the SEP are payable only if and to the degree we achieve annual financial performance objectives determined by the Compensation Committee.

Bonuses for Fiscal 2018 Performance

For 2018, the target payouts under the SEP expressed as a percentage of base salary were set by the Compensation Committee at 125% for Mr. Wine, 100% for Messrs. Speetzen, Pucel, Musso, and 80% for Ms. Clark Dougherty.

In determining whether and to what degree to approve payments under the SEP, the Compensation Committee gives primary consideration to the level of achievement of performance metrics it selects for inclusion in a performance matrix. For 2018, the Compensation Committee selected adjusted earnings per diluted share ("Adjusted EPS") as the sole performance metric for this purpose. The Adjusted EPS metric was chosen because it is a well-understood financial measure communicated in the public disclosure of our financial results, is used in determining payouts under our broad-based annual profit sharing plan, and is believed to significantly influence our stock price performance. In determining the Company's 2018 performance for purposes of the performance matrix, the Compensation Committee adjusted for certain unusual events (such as acquisitions, dispositions, restructurings and legal settlements) which results in Adjusted EPS of $6.24 as compared to GAAP EPS of $5.24.

The performance matrix included recommended annual incentive payouts as a percentage of base salary for each Named Executive Officer, depending upon the level of achievement on the performance metric. The percentage utilized for each Named Executive Officer for these purposes was based on the respective Named Executive Officer's level of responsibility, expected level of contribution and the Compensation Committee's general intention to target annual incentive compensation between the market median and the 75th percentile levels for comparable positions when financial targets are achieved.

The estimated threshold, target and maximum payments under the SEP for 2018 are reflected in the "Estimated Potential Payouts Under Non-Equity Incentive Plan Awards" column in the Grants of Plan-Based Awards in 2018 on page 29. The amounts actually paid in connection with the SEP during each of the years 2016-2018 are set forth in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table on page 27.

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Consistent with our pay-for-performance philosophy, the Compensation Committee sets challenging objectives for the metric incorporated in the matrix. In 2018, the target Adjusted EPS performance goal was set 22% greater than the amount achieved in 2017. The 2018 performance goals that were incorporated into the matrix are summarized in the following table:

	Adjusted EPS
Threshold	$4.96
Target	$6.20
Maximum	$7.50
Actual	$6.24

Our adjusted earnings per diluted share for 2018 was $6.24, which was 1% above target level performance of $6.20 in the performance matrix. The Compensation Committee considered a number of factors, primarily the payout amounts suggested by the performance matrix for the Named Executive Officer as set forth in the table below, but also our financial and operating performance as compared to fiscal 2017, Mr. Wine's assessment of the individual performance of the other Named Executive Officers, the Compensation Committee's assessment of Mr. Wine's individual performance and the motivational and retentive effects.

The following table shows the suggested payout as a percentage of base salary derived from the performance matrix, the actual payout as a percentage of eligible annual wages, and the actual amount paid in March 2019 under the SEP for each of our Named Executive Officers:

Name	Suggested Payout as % of Eligible Wages	Actual Incentive Payout as a % of Eligible Wages	Actual Incentive Amount Paid ($)
Scott W. Wine	128	128	1,290,000
Michael T. Speetzen	103	106	630,000
Lucy Clark Dougherty	82	84	340,000
Christopher S. Musso	103	107	575,000
Kenneth J. Pucel	103	96	630,000

2018 Long-Term Compensation

Overview

Long-term compensation annually awarded by the Compensation Committee emphasizes performance-based equity vehicles, consisting of annual awards of stock options restricted stock units and performance-based restricted stock units (PRSUs). From time to time, supplemental equity awards are granted on a selective and limited basis, generally in connection with promotions, individual outstanding performance and ability to effect desired performance results, hiring of new executives and retention situations. These supplemental awards are discussed in the applicable section based on award type. All equity-based awards are granted under our Amended and Restated 2007 Omnibus Incentive Plan (the “Omnibus Plan”).

The Compensation Committee has chosen to provide a mix of stock options, PRSUs, and restricted stock units (RSUs) for its annual long-term incentive equity awards because it believes such a combination effectively aligns the financial interest of our executive officers with those of our shareholders. Stock options provide value only to the extent that the price of our common stock has appreciated over the option term. PRSUs may be earned and settled in shares of our common stock or, if elected by the executive officer, deferred into the Supplemental Retirement/Savings Plan (“SERP”), but only if and to the extent that we achieve over a three-year performance period financial performance objectives that are believed to correlate well with stock price performance. RSUs provide stability to total compensation packages and a retention benefit, while maintaining a focus on stock growth. RSU awards are also provided occasionally for new hires, promotions, or special recognition and are subject to three-year cliff vesting to maximize the retention benefit. The Compensation Committee provides a variable blended ratio between the types of awards depending on the desired performance outcome. The grant date fair value of annual 2018 long-term incentive awards granted to our Named Executive Officers was allocated 50% to stock options, 25% to PRSUs, and 25% to RSUs. The grant date fair value of target incentive opportunities varies based on responsibilities of position, expected level of contribution, company performance, market performance and consideration of market data.

Performance Restricted Stock Unit Awards (PRSUs)

PRSUs granted in 2018 may be earned during the course of the 2018-2020 performance period based on level of achievement against the performance objectives specified at the beginning of the performance period. All earned PRSUs will either vest

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and be paid out in the form of one share for each earned and vested PRSU or, if elected by the executive officer, the receipt of the shares may be deferred such that each resulting deferred stock unit represents the right to receive one share of common stock upon the settlement date elected by the Named Executive Officer under the SERP. Amounts deemed invested in deferred stock units in the SERP may be transferred into an alternative investment account in the SERP after a period of six months and one day.

A performance objective is intended to align the management's interests with those of shareholders. In 2018, the Compensation Committee selected total shareholder return relative to the Company's peer group ("Relative TSR"), net income, and revenue growth as the metrics for the PRSU awards. The Compensation Committee may use one or more other metrics in the future as it deems appropriate. The Committee believes that measuring the company's performance against these metrics may better reflect management's contributions. Relative TSR for the Company or any member of the Peer Group during the performance period means the cumulative total shareholder return during the performance period on the applicable company's common stock as measured by the change in the company's stock price from the beginning of the performance period to the end of the performance period and takes into account the assumed reinvestment of all dividends paid during the performance period. The beginning stock price for a company will be the average closing sales price as reported on the national securities exchange on which it trades during the period of November 1, 2017 through December 31, 2017. The ending stock price for a company will be the average closing sales price as reported on the national securities exchange on which it trades during the period of November 1, 2020 through December 31, 2020.

Named Executive Officers who received a PRSU award may earn PRSUs based upon the level of achievement against a specified goal. The level of achievement against the performance objective will determine the number of PRSUs that may be earned. For the 2018-2020 performance period, the maximum number of PRSUs that each Named Executive Officer may earn was set by the Compensation Committee at 200% of target and the minimum performance objective was established at net income of $381 million (representing a 7% CAGR), Revenue of $5,931 million (representing a 3% CAGR), and a relative TSR rank in the 25th percentile. Performance below each of these level woulds result in no PRSUs vesting and consequently, no equity would be issued under this award.

For the PRSU awards made during 2018, the following table summarizes the PRSU threshold, target and maximum payouts for each Named Executive Officer:

PRSU PERFORMANCE PERIOD 2018-2020

Name	**Threshold Stock Units (#)**	**Target Stock Units (#)**	**Maximum Stock Units (#)**
Scott W. Wine	7,577	15,154	30,308
Michael T. Speetzen	1,660	3,319	6,638
Lucy Clark Dougherty	1,107	2,213	4,426
Christopher S. Musso	1,881	3,761	7,522

Kenneth J. Pucel	2,545	5,089	10,178

2018 Stock Option Awards

Stock option awards granted under the Omnibus Plan during 2018 to our employees, including Named Executive Officers, have an exercise price equal to 100% of the fair market value of a share of our common stock on the date of grant. Our stock option grant practices for executive officers are designed to ensure that the stock option awards approved by the Compensation Committee at its January meeting will have an effective date occurring after the release of year-end financial results. We do not engage in the backdating, cancellation or re-pricing of stock options and have not engaged in such practices in the past.

The awards for our Named Executive Officers vest in three equal installments on the first, second and third anniversaries of the January 31, 2018 grant date and have an exercise price of $113.01, which was the fair market value of a share of our common stock on the date of the grant. The number of shares subject to each Named Executive Officer's 2018 stock option award is as follows:

Named Executive Officer	**Number of Shares Subject to Stock Option**
Scott W. Wine	131,770
Michael T. Speetzen	28,855
Lucy Clark Dougherty	19,237
Christopher S. Musso	32,702
Kenneth J. Pucel	44,244

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2018 Restricted Stock Unit Awards

In 2018, we introduced RSUs to provide stability to total compensation and as a retention tool. The RSU awards for our Named Executive Officers vest on the third anniversary of the January 31, 2018 grant date. The number of shares subject to each Named Executive Officer's 2018 RSU award is as follows:

Named Executive Officer	**Number of Shares Subject to RSU**
Scott W. Wine	15,154
Michael T. Speetzen	3,319
Lucy Clark Dougherty	2,213
Christopher S. Musso	3,761
Kenneth J. Pucel	5,089

Other Executive Compensation Arrangements, Policies and Practices

Ms. Clark Dougherty's New Hire Compensation

On January 29, 2018, Ms. Clark Dougherty commenced her employment with Polaris. To attract Ms. Clark Dougherty to Polaris, she received a sign-on bonus of $350,000, and was also awarded 25,142 RSUs that vest ratably over three years to induce her to join the Company and to offset compensation forfeited at her previous employer. Assuming continuous employment, the RSUs vest in equal installments on the first, second and third anniversaries of the January 29, 2018 grant date. Ms. Clark Dougherty's sign-on bonus is subject to recapture in certain circumstances.

Sign-on compensation for Ms. Clark Dougherty is reflective of her significant industry experience and our desire to maintain a bonus structure for her similar to our other executives. Ms. Clark Dougherty's RSU award was designed to make her whole with respect to compensation forfeited from her former employer.

Health, Welfare and Retirement Benefits

We provide a full range of benefits to our Named Executive Officers, including the medical, dental and disability benefits generally available to our employees. We also sponsor a qualified 401(k) Plan in which our Named Executive Officers may participate on the same general basis as our employees, and which allows participants to make plan contributions on a pre-tax basis and to which we make Company-matching contributions dollar-for-dollar with employee contributions up to 5% of covered compensation.

Because the application of the annual compensation limit under Section 401(a)(17) of the Internal Revenue Code ("Code") prevents our senior executives from fully contributing to the 401(k) Plan and receiving the full Company match, we have adopted a SERP intended to restore contributions lost because of the application of this annual compensation limit. Additionally, participation in the SERP offsets ESOP contributions generally provided to our non-executive employee population. The SERP provides executives who participate in the 401(k) Plan, including the Named Executive Officers, with the opportunity to defer up to 100% of their base salary, up to 100% of amounts payable under the Senior Executive Plan, and PRSU and RSU awards by making contributions to the SERP. Typically, base salary and Senior Executive Plan deferral contributions are matched by the Company as if they had been made under the 401(k) Plan on a dollar-for-dollar basis up to 5% of covered compensation. The SERP is provided to assist executives in accumulating funds on a tax-advantaged basis for retirement and is consistent with observed competitive practices of similarly situated companies.

We do not maintain a defined benefit pension plan or a defined benefit supplemental pension plan for our executive officers.

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Perquisites

We provide perquisites and personal benefits to our executive officers, generally in an effort to remain competitive with similarly situated companies. These perquisites and personal benefits consist of:

- Reimbursement of club entrance/initiation fees and monthly club dues;
- Reimbursement of tax, estate and financial planning fees;
- Supplemental family medical and dental coverage up to $100,000 a year through Ultimate Health, which covers annual expenses not covered under the basic medical and dental benefit plans that are generally available to Company employees, and reimbursement of the cost of annual physicals at the Mayo Clinic for each executive officer and his or her spouse;
- Temporary use of Polaris products to encourage a first-hand understanding of the riding experience of our customers and to provide executive officers with an opportunity to evaluate product design and efficiency. This perquisite is offered to various employees throughout the Company and the only variable is the number of products made available. The value of the temporary use of the products to each employee participating in the program is included as part of the employee's total compensation, and the Company grosses up the amount so there is no tax impact to any of the participants;
- Executive officers have access to parts, garments, accessories, and services at no cost. The value of these items is included as part of the executive officer's compensation and the Company grosses up the amount so there is no tax impact to the executive officer in an effort to encourage them to experience our products; and

We prohibit personal use of corporate aircraft by any executive officer unless the Company is reimbursed for the full incremental cost to the Company of such use. Unused tickets from business related sponsorship agreements are from time- to-time made available for personal use. Tickets are included in sponsorship agreements and result in no incremental cost to the Company.

Severance Arrangements

We have entered into severance arrangements with our Named Executive Officers, which provide for certain benefits if an executive officer is involuntarily terminated without cause, terminated without cause in connection with a change in control, or if he or she terminates his or her employment for good reason. The severance arrangements with our Named Executive Officers were established as part of the negotiations of their initial employment terms. The severance arrangements are intended to:

- Allow executive officers to weigh potential transactions focused on shareholder interests and not personal interests;
- Provide executive officers with a measure of security in the event of an actual or potential change in corporate ownership or control; and
- Provide executive officers with a bridge to their next professional opportunity.

The severance arrangements are described in more detail beginning on page 36 under the caption entitled *"Potential Payments Upon Termination or Change-in-Control."*

Clawback Policy

Under our "clawback" policy, the Company may require reimbursement or cancellation of cash-based or equity-based incentive compensation awarded to any of our executive officers subject to Section 16 of the Securities Exchange Act if we are required to prepare an accounting restatement due to material noncompliance with any financial reporting requirement, and if the award or payout was predicated upon the achievement of financial results that were restated. The policy applies to awards granted after November 1, 2010 and calls for the reimbursement or cancellation of the amount of the award or payout, net of taxes, in excess of what would have been granted or paid based on the actual results unless the Compensation Committee determines in its discretion that a lesser amount to be reimbursed or canceled is appropriate under the circumstances.

Deductibility of Compensation

The Committee has historically made an effort to ensure that the Company could deduct compensation expense under Section 162(m) of the Internal Revenue Code, which limited the tax deductibility of annual compensation paid to NEOs other than the CFO to $1 million unless the compensation qualified as "performance based." The Company has always reserved the right to pay compensation that did not qualify as "performance based" from time to time.

The 2017 Tax Cut and Jobs Act eliminated the ability to rely on this "performance based" exception unless the compensation is payable pursuant to a binding written agreement in effect on November 2, 2017, and also expanded the limitation on deductibility generally to include all of the NEOs. As a result, the Company will generally no longer be able to take a deduction for any compensation paid to its NEOs in excess of $1 million.

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Stock Ownership Guidelines

The Compensation Committee believes that an important means of aligning the interests of our executive officers, including our Named Executive Officers, with the interests of our shareholders is to ensure that they own significant amounts of our common stock. The Compensation Committee adopted stock ownership guidelines which require executive officers to hold shares with a value equal to or exceeding a multiple of annual base salary as set forth in the table below. Each executive officer is expected to satisfy the stock ownership guidelines within four years following the date he or she becomes an executive officer. Executive officers are prohibited from entering into hedging transactions and are subject to restrictions on pledging Company stock as discussed on page 5.

Shares included in this calculation are those directly or indirectly owned, shares held in the SERP, outstanding PRSU awards at target levels and unvested restricted stock and restricted stock unit awards. The following table sets forth the stock ownership guidelines and whether the Named Executive Officers are in compliance with the guidelines:

Name	**Stock Ownership Guidelines (as a multiple of base salary)**	**In Compliance With Guidelines?**
Scott W. Wine	7x	Yes
Michael T. Speetzen(1)	4x	Yes
Lucy Clark Dougherty(1)	2x	Yes
Christopher S. Musso(1)	2x	Yes
Kenneth J. Pucel	4x	Yes

(1) Became an executive officer and subject to the stock ownership guidelines less than 4 years ago.

Compensation Committee Report

The Compensation Committee assists the Board in establishing a philosophy and policies regarding executive and director compensation, provides oversight of the administration of our director and executive compensation programs and administers our equity-based compensation plans, reviews the compensation of directors, Named Executive Officers and senior management, and prepares any report on executive compensation required by the rules and regulations of the SEC or other regulatory body, including this Compensation Committee Report.

In performing its oversight responsibilities, the Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis with management. Based on the review and discussions, we have recommended to the Board that the Compensation Discussion and Analysis be included in the Proxy Statement for the 2019 Annual Meeting of Shareholders.

COMPENSATION COMMITTEE

Gary E. Hendrickson, Chair
Annette K. Clayton
John P. Wiehoff

Compensation Risk Assessment

Management conducts a risk assessment of our employee compensation policies and practices, including those that apply to our executive officers annually. Management reviewed our compensation plans, program design and existing practices as well as global and local compensation policies, programs and practices applicable to all employees. Management then analyzed the likelihood and magnitude of potential risks, focusing on whether any of our compensation policies and practices varied significantly from our overall risk and reward structure, whether any such policies and practices incentivized individuals to take risks that were inconsistent with our goals, and whether any such policies and practices have resulted in establishing an inappropriate balance between short-term and long-term incentive arrangements.

Management discussed the findings of the risk assessment with the Compensation Committee. Based on the assessment, we have concluded that our compensation policies and practices are aligned with the interests of shareholders, appropriately reward pay for performance, and do not create risks that are reasonably likely to have a material adverse effect on the Company.

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Summary Compensation Table

The following table shows, for the fiscal years ended December 31, 2016, 2017, and 2018, the annual compensation paid to or earned by our Named Executive Officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)(1)	Stock Awards ($)(2)	Option Awards ($)(3)	Non-Equity Incentive Plan Compensation ($)(4)	All Other Compensation ($)(5)	Total ($)
Scott W. Wine	2018	1,006,923	0	3,400,255	3,400,839	1,290,000	202,894	9,300,911
Chairman and Chief Executive	2017	985,000	0	1,258,878	4,653,134	1,856,558	88,844	8,842,414
Officer (Principal Executive Officer)	2016	985,000	0	1,307,032	3,089,501	0	76,544	5,458,077
Michael T.	2018	594,616	0	744,717	744,716	630,000	183,331	2,897,380
Speetzen	2017	571,923	0	404,293	1,494,434	771,577	153,414	3,395,641
Executive Vice President – Finance and Chief Financial Officer (Principal Financial Officer)	2016	550,000	0	300,020	1,421,461	0	63,303	2,334,784
Lucy Clark Dougherty[6] Senior Vice President – General Counsel and Secretary	2018	417,116	350,000	3,871,615	496,486	340,000	215,891	5,691,108
Christopher S. Musso[6]	2018	540,000	1,035,825	843,893	844,003	575,000	242,938	4,081,659
President – Off-Road Vehicles	2017	72,692	550,000	3,458,400	0	0	64,277	4,145,369
Kenneth J. Pucel	2018	657,308	0	1,141,870	1,141,889	630,000	152,518	3,723,585
Executive Vice	2017	636,539	0	532,924	1,969,961	851,239	75,266	4,065,929
President – Global Operations, Engineering and Lean	2016	600,000	0	442,836	2,088,677	0	80,570	3,212,083

(1) The amount shown in this column for Ms. Clark Dougherty represents a signing bonus of $350,000 paid upon commencement of her employment on January 29, 2018. The amounts shown in this column for Mr. Musso represents a signing bonus of $550,000 paid in 2017 upon commencement of his employment on November 6, 2017 and a guaranteed incentive of $1,035,825 earned in 2018.

(2) *Amounts shown in this column represent the aggregate grant date fair value of PRSUs granted to each of our Named Executive Officers, and the grant date fair value of restricted stock unit awards granted to each of our Named Executive Officers, in the fiscal years indicated. The calculation of the grant date fair value amounts for PRSU awards granted in 2018 assumes target-level performance against the specified PRSU financial goals. The TSR component, which accounts for 25% of the total award, is calculated on a Monte Carlo simulation model for market-based total shareholder return determined under FASB ASC Topic 718. Assuming the highest level of performance is achieved under the applicable performance conditions, the maximum possible value of the PRSUs granted to each of our Named Executive Officers in 2018, using the grant date fair value, would have been as follows: for Mr. Wine, $3,375,250 for Mr. Speetzen, $739,241; for Mr. Pucel; $1,133,473; for Mr. Musso, $837,688; and for Ms. Clark Dougherty, $492,901. The actual value ultimately realized by our Named Executive Officers with respect to these PRSU awards will depend on our actual performance against the specified financial goals and the market value of our common stock on the vesting date, and may differ substantially from the grant date fair values shown. The grant date fair value of the time-based restricted stock unit awards was computed in accordance with FASB ASC Topic 718, based on the closing market price of our common stock on the grant date. Additional information regarding the 2018 equity awards is set forth below under the caption "Grants of Plan-Based Awards in 2018" on page 29.*

(3) *Amounts shown in this column represent the grant date fair value of stock option awards granted to each of our Named Executive Officers in the fiscal years indicated. Grant date fair value is calculated in accordance with the requirements of FASB ASC Topic 718 using the Black-Scholes method. The assumptions used in determining the grant date fair value of the awards are set forth in Note 4 to the financial statements contained in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018.*

(4) *Amounts shown in this column represent payments under the Senior Executive Plan, and are reported for the year in which the related services were performed and the incentive amounts earned. Additional information about these payments is set forth under the caption "2018 Annual Incentive Compensation" on page 21.*

(5) *Amounts shown in this column include Company matching contributions to the 401(k) Plan and SERP, life insurance premiums and the aggregate incremental cost to us of the following perquisites: club dues, relocation benefits, financial planning and tax preparation services, Ultimate Health supplemental health and dental coverage, annual physicals, the use of Company products, the receipt of related parts, garments, accessories, services, and related tax gross-ups. These perquisites are described in further detail under the caption "Perquisites" on page 25. Additional detail regarding the components of the amounts shown for 2018 for each of our Named Executive Officers is provided in the "All Other Compensation Table" on page 28.*

(6) *Ms. Clark Dougherty became a Named Executive Officer in 2018. Mr. Musso became a Named Executive Officer in 2017.*

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All Other Compensation Table

The following table provides additional information on the amounts reported in the All Other Compensation column of the Summary Compensation Table for 2018.

	2018 Amount of All Other Compensation ($)				
	S. Wine	**M. Speetzen**	**L. Clark Dougherty**	**C. Musso**	**K. Pucel**
Financial Planning (Reimbursement)	$15,000	$ 1,575	$ 10,000	$ 0	$4,130
Club Initiation Fees and Monthly Dues (Reimbursement)	10,653	5,196	45,390	0	9,910
Relocation	0	0	82,349		