

HARLEY DAVIDSON INC
Form PRE 14A
March 11, 2011
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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

(Amendment No.)

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 Section 240.14a-11(c) or Section 240.14a-12

Harley-Davidson, 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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NOTICE OF ANNUAL MEETING

AND

PROXY STATEMENT

Harley-Davidson, Inc.

3700 West Juneau Avenue

Milwaukee, Wisconsin 53208

(414) 342-4680

March [], 2011

Dear Fellow Shareholder:

On behalf of the Board of Directors and management of Harley-Davidson, Inc., I cordially invite you to attend the 2011 Annual Meeting of Shareholders to be held at 10:30 a.m., Central Daylight Time, on Saturday, April 30, 2011, at the Frontier Airlines Center, 400 West Wisconsin Avenue, Milwaukee, Wisconsin.

The attached Notice of Annual Meeting of Shareholders and Proxy Statement describe the formal business that the shareholders will transact at the Annual Meeting. During the Annual Meeting, there will also be brief reports on our operations. Once the shareholders conclude the business of the Annual Meeting, we will give shareholders an opportunity to ask questions.

We sincerely hope you will be able to attend our Annual Meeting. However, whether or not you are personally present, it is important that you vote your shares.

We are pleased to once again offer multiple options for voting your shares. As described in the section called, *Questions and Answers About the Meeting How Do I Vote?* of the Notice of Annual Meeting of Shareholders and Proxy Statement, you may vote your shares by telephone, the Internet, mail or written ballot at the Annual Meeting.

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If you own shares through a broker, bank or other nominee, please vote your shares by providing your broker, bank or nominee with your voting instructions.

Thank you for your continued support of Harley-Davidson, Inc.

Sincerely yours,

Keith E. Wandell

President and Chief Executive Officer

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NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

April 30, 2011

The 2011 Annual Meeting of Shareholders of Harley-Davidson, Inc. will be held at the Frontier Airlines Center, 400 West Wisconsin Avenue, Milwaukee, Wisconsin, on Saturday, April 30, 2011 at 10:30 a.m., Central Daylight Time, for the following purposes:

1. To elect nine directors to the Board of Directors;
2. To approve amendments to Article V of the Harley-Davidson, Inc. Restated Articles of Incorporation to adopt a simple majority vote for the approval of certain transactions with an interested shareholder ;
3. To approve amendments to Article VII of the Harley-Davidson, Inc. Restated Articles of Incorporation to adopt a simple majority vote for the amendment of Article VII and certain sections of our By-laws involving procedural provisions applicable to special meetings of shareholders;
4. To approve amendments to delete Article VIII and renumber Article IX of the Harley-Davidson, Inc. Restated Articles of Incorporation to adopt a simple majority vote for the approval of certain matters by voting groups and the amendment of Article VIII;
5. To approve the adoption of the Harley-Davidson, Inc. Short-Term Incentive Plan for Senior Executives;
6. To ratify the selection of Ernst & Young LLP, independent registered public accounting firm, to be the auditors for the fiscal year ending December 31, 2011;
7. To consider an advisory vote on compensation of our named executive officers;

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8. To consider an advisory vote on the frequency of the advisory vote on compensation of our named executive officers;
9. To vote on a shareholder proposal, if properly presented before the 2011 Annual Meeting; and
10. To take action upon any other business as may properly come before the 2011 Annual Meeting and any adjournments or postponements of that meeting.

The Board of Directors recommends a vote FOR items 1, 2, 3, 4, 5, 6 and 7. The Board of Directors recommends a vote for a frequency of every year for future nonbinding advisory votes to approve the compensation of our named executive officers, which is item 8. The Board of Directors has considered the shareholder proposal, which is item 9, and recommends a vote AGAINST it. The Board of Directors or proxy holders will use their discretion on other matters that may arise at the 2011 Annual Meeting.

The Board of Directors fixed the close of business on March 10, 2011 as the record date for determining shareholders entitled to notice of and to vote at the 2011 Annual Meeting and any adjournments or postponements of that meeting.

By Order of the Board of Directors,

Harley-Davidson, Inc.

Paul J. Jones

Secretary

Milwaukee, Wisconsin

March [], 2011

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We urge you to submit your proxy as soon as possible. If the records of our transfer agent, Computershare Investor Services LLC, show that you own shares in your name, or you own shares in our Dividend Reinvestment Plan, then you can submit your proxy for those shares by using a toll-free telephone number or the Internet. Or you can mark your votes on the proxy card we have enclosed, sign and date it, and mail it in the postage-paid envelope we have provided. Instructions for using these convenient services are set forth on the proxy card.

If you own shares in street name, we encourage you to provide voting instructions to your bank, broker or other nominee. Street name holders may also vote by telephone or the Internet if their bank, broker or other nominee makes those methods available, in which case the bank, broker or other nominee will enclose the instructions along with this Proxy Statement. Street name holders who wish to vote at the meeting cannot vote in person at the 2011 Annual Meeting unless they first obtain a proxy issued in their name from their broker, bank or other nominee.

**Important Notice Regarding the Availability of Proxy Materials for the
Shareholder Meeting to be Held on April 30, 2011**

Pursuant to rules of the Securities and Exchange Commission, we have elected to provide access to our proxy materials both by sending you this full set of proxy materials, including a proxy card, and by notifying you of the availability of our proxy materials on the Internet. This Proxy Statement and our 2010 Annual Report on Form 10-K are available at <http://www.proxyvote.com>.

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3700 West Juneau Avenue

Milwaukee, Wisconsin 53208

March [], 2011

PROXY STATEMENT

The Board of Directors of Harley-Davidson, Inc. requests the proxy accompanying this Proxy Statement for use at the 2011 Annual Meeting of Shareholders to be held on April 30, 2011 and at any adjournment or postponement of that meeting (the Annual Meeting). We first sent this Proxy Statement and the accompanying proxy to shareholders on or about March 25, 2011.

As used in this Proxy Statement, we, the company or Harley-Davidson refers to Harley-Davidson, Inc. Motor Company refers to our subsidiaries, which include Harley-Davidson Motor Company Operations, Inc., Harley-Davidson Motor Company Group, LLC and Harley-Davidson Motor Company, Inc. which do business as Harley-Davidson Motor Company. In addition, HDFS refers to Harley-Davidson Financial Services, Inc. and its subsidiaries.

QUESTIONS AND ANSWERS ABOUT THE MEETING

Q: What Is the Purpose of the Annual Meeting?

A: (1) To elect nine directors to the Board of Directors; (2) to approve amendments to Article V of the Harley-Davidson, Inc. Restated Articles of Incorporation to adopt a simple majority vote for the approval of certain transactions with an interested shareholder; (3) to approve amendments to Article VII of the Harley-Davidson, Inc. Restated Articles of Incorporation to adopt a simple majority vote for the amendment of Article VII and certain sections of our By-laws involving procedural provisions applicable to special meetings of shareholders; (4) to approve amendments to Articles VIII and IX of the Harley-Davidson, Inc. Restated Articles of Incorporation to

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adopt a simple majority vote for the approval of certain matters by voting groups and the amendment of Article VIII; (5) to approve the adoption of the Harley-Davidson, Inc. Short-Term Incentive Plan for Senior Executives; (6) to ratify the selection of Ernst & Young LLP, independent registered public accounting firm, to be the auditors for the fiscal year ending December 31, 2011; (7) to consider an advisory vote on compensation of our named executive officers; (8) to consider an advisory vote on the frequency of the advisory vote on compensation of our named executive officers; (9) to vote on a shareholder proposal, if properly presented before the Annual Meeting; and (10) to take action upon any other business as may properly come before the Annual Meeting and any adjournments or postponements of the meeting. The Notice of Annual Meeting of Shareholders and Proxy Statement describe these matters in more detail. In addition, members of management will report on our 2010 performance and, once the shareholders conclude the business of the Annual Meeting, respond to shareholders' questions as time permits.

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Q: Who Can Attend the Annual Meeting?

A: All Harley-Davidson, Inc. shareholders, or individuals that shareholders have duly appointed as their proxies, may attend the Annual Meeting. Appointing a proxy in response to this request will not affect a shareholder's right to attend the Annual Meeting and to vote in person. Please note that if you hold your shares in street name (that is, through a broker, bank or other nominee), you will need to bring a copy of a brokerage statement reflecting your stock ownership as of March 10, 2011 to enter the Annual Meeting.

Q: What Constitutes a Quorum?

A: A majority of the 235,131,513 shares of our stock outstanding on March 10, 2011 must be present, in person or by proxy, to provide a quorum at the Annual Meeting. If you vote, your shares will count toward satisfying the quorum requirement. If you return a proxy card marked ABSTAIN or without voting instructions, your shares of common stock will also count toward satisfying the quorum requirement. Also, in those instances where banks, brokers or other nominees who hold shares on behalf of others have returned a proxy but could not vote the shares on particular matters without receiving voting instructions from the beneficial owners (broker nonvotes), those shares will count toward satisfying the quorum requirement. If you own shares in street name, we encourage you to provide voting instructions to your broker, bank or other nominee.

Q: Who Is Entitled to Vote?

A: Only holders of the 235,131,513 shares of our common stock outstanding as of the close of business on March 10, 2011 can vote at the Annual Meeting. Each of these shareholders has one vote for each share of our stock held on that date.

Q: How Do I Vote?

A: If the records of our transfer agent show that you own shares in your name or if you own shares through our Dividend Reinvestment Plan at the close of business on March 10, 2011, you can appoint a proxy by telephone by calling toll-free within the United States or Canada ((800) 690-6903), by using the Internet at <http://www.proxyvote.com> or by mailing your signed proxy card in the envelope we have included with this Proxy Statement. If you own shares in street name, you may vote by telephone or the Internet if your bank, broker or other nominee makes those methods available, in which case your bank, broker or other nominee will include instructions with your Proxy Statement. The telephone and Internet voting procedures will authenticate your identity, allow you to give your voting instructions and confirm that we have properly recorded your instructions. If you vote by using the Internet, you should understand that there might be costs associated with electronic access that you must bear, such as usage charges from Internet access providers and telephone companies.

Q: What Is the Effect of Not Voting at the Annual Meeting?

A: The consequences of not voting at the Annual Meeting will depend on how you own your shares. If the records of our transfer agent, Computershare Investor Services LLC, show that you own shares in your name or if you own shares through our Dividend Reinvestment Plan and you do not vote, we cannot consider those shares present at the meeting and they will not count toward satisfying the quorum requirement.

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If you own shares in street name and do not vote, your broker, bank or other nominee may vote your shares at the meeting. If you do not give voting instructions for your shares, your broker, bank or other nominee may or may not be able to vote your shares in its discretion depending on the proposals before the meeting. Your broker, bank or other nominee may vote your shares in its discretion on routine matters such as Proposal 6, the ratification of the selection of our independent registered public accounting firm, but may not vote your shares in its discretion on the other Proposals. If you own shares in street name, we encourage you to provide voting instructions to your broker, bank or other nominee.

If your shares are present at the meeting but you abstain from voting on proposal 2, 3, 4, 5, 6, 7 or 9 or your broker, bank or other nominee is unable to vote your shares in its discretion on any of those proposals (other than proposal 6) because you have not provided voting instructions, it will have the same effect as if you had voted against the proposal.

Additionally, if your shares are not present at the meeting, your failure to vote will have the same effect as if you had voted against proposals 2, 3 and 4 (the amendments to the Harley-Davidson, Inc. Restated Articles of Incorporation).

Q: Can I Change My Vote After I Submit My Proxy?

A: Yes. You can change your vote at any time before the Annual Meeting by submitting a new proxy or by providing written notice to our Secretary and voting in person at the Annual Meeting. Your presence at the Annual Meeting does not in and of itself revoke your proxy.

Unless you properly revoke your proxy, the persons you have appointed will vote your shares at the Annual Meeting. If you specify a choice by means of the proxy, the persons you have appointed will vote your shares as you specify. If you do not specify a choice, the persons you have appointed will vote your shares in accordance with the recommendations of the Board of Directors.

Q: Is My Vote Confidential?

A: We will handle all proxy instructions, ballots and voting tabulations that identify individual shareholders carefully to protect your voting privacy. No one will disclose your vote either within Harley-Davidson or to third parties, except: (i) as necessary to meet applicable legal requirements, (ii) to allow for the tabulation of votes and certification of the vote, and (iii) to facilitate a successful proxy solicitation.

Q: What Am I Voting On?

A: You are voting on eight company proposals and one shareholder proposal:

Proposal 1: [Election of Directors](#)

Election of nine directors, with the following as the Board of Directors nominees:

1. Barry K. Allen;
2. R. John Anderson;

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3. Richard I. Beattie;
4. George H. Conrades;
5. Judson C. Green;
6. Sara L. Levinson;
7. N. Thomas Linebarger;
8. George L. Miles, Jr.; and
9. Jochen Zeitz

Proposal 2: Approval of Amendments to Article V of the Harley-Davidson, Inc. Restated Articles of Incorporation

We are seeking shareholder approval of amendments that the Board of Directors adopted on December 7, 2010, subject to shareholder approval, to Article V of the Harley-Davidson, Inc. Restated Articles of Incorporation relating to the approval of certain transactions with an interested shareholder.

Proposal 3: Approval of Amendments to Article VII of the Harley-Davidson, Inc. Restated Articles of Incorporation

We are seeking shareholder approval of amendments that the Board of Directors adopted on December 7, 2010, subject to shareholder approval, to Article VII of the Harley-Davidson, Inc. Restated Articles of Incorporation relating to amendments to Article VII and certain sections of our By-laws involving procedural provisions applicable to special meetings of shareholders.

Proposal 4: Approval of Amendments to Articles VIII and IX of the Harley-Davidson, Inc. Restated Articles of Incorporation

We are seeking shareholder approval of amendments that the Board of Directors adopted on December 7, 2010, subject to shareholder approval, to Articles VIII and IX of the Harley-Davidson, Inc. Restated Articles of Incorporation relating to the approval of certain matters by voting groups and the amendment of Article VIII.

Proposal 5: Approval of Harley-Davidson, Inc. Short-Term Incentive Plan for Senior Executives

We are seeking shareholder approval of the Harley-Davidson, Inc. Short-Term Incentive Plan for Senior Executives.

Proposal 6: Ratification of Selection of an Independent Registered Public Accounting Firm

The Audit Committee of the Board of Directors has selected Ernst & Young LLP, independent registered public accounting firm, to be the auditors for the fiscal year ending December 31, 2011. We are seeking shareholder ratification of that selection.

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Proposal 7: Advisory Vote on Compensation of Our Named Executive Officers;

We are seeking shareholder approval of the compensation of our named executive officers.

Proposal 8: Advisory Vote on the Frequency of the Advisory Vote on Compensation of Our Named Executive Officers

We are seeking shareholder input regarding the frequency of the advisory vote on compensation of our named executive officers.

Proposal 9: Shareholder Proposal

Q: What Are the Board of Directors Recommendations?

A: The Board of Directors recommends a vote:

- **FOR** election of the nine nominees of the Board of Directors (see Proposal 1);
- **FOR** approval of amendments to the Harley-Davidson, Inc. Restated Articles of Incorporation (see Proposals 2, 3 and 4);
- **FOR** approval of the Harley-Davidson, Inc. Short-Term Incentive Plan for Senior Executives (see Proposal 5);
- **FOR** ratification of the selection of Ernst & Young LLP, independent registered public accounting firm (see Proposal 6);
- **FOR** the proposal to approve the compensation of our named executive officers (see Proposal 7);
- **FOR** a frequency of every year for future nonbinding shareholder advisory votes to approve the compensation of our named executive officers (see Proposal 8); and
- **AGAINST** the shareholder proposal (see Proposal 9).

Unless you give other instructions on your proxy card, the persons named as proxy holders on the proxy card will vote to approve the recommendations of the Board of Directors.

Q: What Vote Is Required to Approve Each Proposal?

A: Our By-laws have a majority vote standard for Proposal 1, the election of directors. The director nominees receiving the greatest number of votes will be elected. However, a nominee who receives more withheld votes than for votes must tender his or her resignation to the Board of Directors. The Nominating and Corporate Governance Committee will promptly consider that resignation and will recommend to the Board of Directors whether to accept the tendered resignation or reject it, and the Board will then act on that recommendation.

If a quorum is present at the Annual Meeting, the following matters require an affirmative vote of a majority of the shares represented in person or by proxy at the Annual Meeting: Proposal 5, the approval of the Harley-Davidson, Inc. Short-Term Incentive Plan for Senior Executives; Proposal 6, ratification of the selection of Ernst & Young LLP as the independent registered public accounting firm for fiscal year 2011; Proposal 7, approval of the compensation of our named executive officers; and Proposal 9, approval of a shareholder proposal.

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For Proposal 2, the approval of amendments to Article V of the Harley-Davidson, Inc. Restated Articles of Incorporation, the affirmative vote of at least 66 2/3% of the shares of our stock outstanding on March 10, 2011 is required.

For Proposal 3, the approval of amendments to Article VII of the Harley-Davidson, Inc. Restated Articles of Incorporation, the affirmative vote of at least 80% of the shares of our stock outstanding on March 10, 2011 is required.

For Proposal 4, the approval of amendments to Articles VIII and IX of the Harley-Davidson, Inc. Restated Articles of Incorporation, the affirmative vote of at least a majority of the shares of our stock outstanding on March 10, 2011 is required.

For Proposal 8: The frequency of the advisory vote on compensation of our named executive officers receiving the greatest number of votes every three years, every two years or every year will be the frequency that shareholders approve.

Q: Are There Any Other Items That Are to be Acted Upon During the Annual Meeting?

A: No. We are not aware of any other matters that you will vote on at the Annual Meeting. In addition, the deadlines have passed under Rule 14a-8 of the Securities Exchange Act of 1934 and our Restated Articles of Incorporation for shareholders to submit their own proposals for presentation at the Annual Meeting. If other matters come before the Annual Meeting with the assent of the Board of Directors, the Board or proxy holders will use their discretion on these matters.

Q: Who Will Count the Vote?

A: Broadridge Financial Solutions, Inc. will count the vote. Its representative will serve as the inspector of the election.

Q: Who Pays to Prepare, Mail and Solicit the Proxies?

A: We pay the cost of soliciting the proxies relating to the Annual Meeting, except for some costs that may arise through your use of the telephone and Internet. We may request proxies in person, by telephone, Internet, telegraph and facsimile machine, as well as through the mail. We also expect to ask banks, brokerage houses and other custodians, nominees or fiduciaries to forward proxy materials to their principals and to obtain proxies. We will reimburse these institutions for their out-of-pocket expenses. We hired D. F. King & Co., Inc. to help solicit proxies and we expect to pay them approximately \$7,000 plus out-of-pocket expenses.

Q: How Can I Obtain Electronic Access to Shareholder Materials Instead of Receiving Mailed Copies?

A: We are pleased to offer you the option to view shareholder communications (for example, annual reports and proxy statements) over the Internet, instead of receiving those documents in print. By agreeing to view communications over the Internet, you will help us reduce our printing and mailing costs, which can be substantial. Participation is completely voluntary, but now is a good time to consent. If you give your consent, then we will notify you by U.S. mail when shareholder materials are available over the Internet and provide you with a listing of the

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website locations where you can access these materials. Once you give your consent, it will remain in effect until you inform us otherwise. Even if you give your consent, you can request paper copies of these documents at any time by contacting our Investor Relations Department by: (a) mail at Harley-Davidson, Inc., Attention: Investor Relations, 3700 West Juneau Avenue, P.O. Box 653, Milwaukee, Wisconsin 53201-0653, (b) telephone at 877-HDSTOCK (toll-free) or (c) email at investor.relations@harley-davidson.com. If you access documents electronically, you should understand that there might be costs to access materials electronically that you must bear, such as usage charges from Internet access providers and telephone companies.

To give your consent, please follow the directions under **Electronic Delivery of Future Proxy Materials** on your proxy card. If you hold your shares through a bank, broker or other nominee, please refer to the information that entity provides to you for instructions on how to elect this option. If you have previously consented to receive shareholder communications electronically, then you do not need to provide additional consent at this time.

We encourage you to consider agreeing to view your shareholder communications electronically.

QUESTIONS AND ANSWERS ABOUT THE COMPANY

Q: How is Management Structured?

A: We operate in two business segments: the Motorcycles and Related Products segment and the Financial Services segment. The Motorcycles and Related Products segment includes the Motor Company. The Financial Services segment includes HDFS.

Our organizational structure consists of the Executive Leadership Team and a broad group of our leaders representing key functions and key individuals of Harley-Davidson and its subsidiaries that we refer to as the Senior Leadership Group. This broad group meets several times each year to have a dialogue with the Chief Executive Officer of Harley-Davidson and to share business information. While this group is not a decision-making body, it will evaluate and discuss critical, enterprise-wide business challenges throughout the year.

The Executive Leadership Team consists of the Chief Executive Officer of Harley-Davidson, as well as the Presidents of the Motor Company and HDFS and other senior officers who report directly to the Chief Executive Officer. The members of the Executive Leadership Team are responsible for making decisions on business issues that impact our entire company, developing high-level policies and advising our Chief Executive Officer. For Securities and Exchange Commission (SEC) purposes, we consider the Executive Leadership Team members our executive officers. Among other things, the SEC requires executive officers to disclose publicly their holdings of and transactions involving our stock.

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Q: Who Are Our Executive Officers for SEC Purposes?

A: As of March 10, 2011, our executive officers for general SEC purposes were as follows:

Name and Title	Age
John P. Baker, General Manager, Corporate Strategy and Business Development of the Motor Company <i>We have employed Mr. Baker for approximately 18 years.</i>	43
Joanne M. Bischmann, Vice President, Communications <i>We have employed Ms. Bischmann for approximately 21 years.</i>	49
Tonit M. Calaway, Vice President, Human Resources of Harley-Davidson <i>We have employed Ms. Calaway for approximately 13 years.</i>	43
Lawrence G. Hund, President and Chief Operating Officer of HDFS <i>HDFS has employed Mr. Hund for 2 years and previously employed him for approximately 5 years prior to 2008.</i>	54
Paul J. Jones, Vice President, General Counsel, Secretary and Chief Compliance Officer <i>We have employed Mr. Jones for approximately 8 months.</i>	40
Matthew S. Levatich, President and Chief Operating Officer of the Motor Company <i>We have employed Mr. Levatich for approximately 17 years.</i>	46
John A. Olin, Senior Vice President and Chief Financial Officer of Harley-Davidson <i>We have employed Mr. Olin for approximately 8 years.</i>	50
Keith E. Wandell, President and Chief Executive Officer of Harley-Davidson <i>We have employed Mr. Wandell for approximately 2 years.</i>	61

We have employed the executive officers that we identify below in the respective capacities that we list above for less than five years. The following is additional biographical information for at least the last five years relating to these executive officers:

Mr. Baker has served as our General Manager, Corporate Strategy and Business Development since November 2007. From March 2002 to November 2007, Mr. Baker served as our Director, Marketing Platform. From September 2000 to March 2002, Mr. Baker served as Director, Racing.

Ms. Bischmann has been with Harley-Davidson since 1990 and currently serves as our Vice President, Communications. From January 2007 to April 2010, she was our Vice President, Licensing and Special Events. She served as Vice President of Marketing from May 1996 to December 2006.

Ms. Calaway has served as our Vice President, Human Resources since February 2010. She served as our Assistant General Counsel and Chief Compliance Counsel from January 2008 until January 2010. From July 2004 to December 2007, Ms. Calaway served as Associate General Counsel of the Motor Company.

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Mr. Hund has served as the President and Chief Operating Officer of HDFS since June 2009. From November 2008 through June 2009, Mr. Hund served as Executive Vice President and Chief Financial Officer of Tygris Commercial Finance Group, Inc., a commercial finance and leasing company. From December 2007 through October 2008, Mr. Hund served as Vice President and Chief Financial Officer of Bridge Finance Group, a commercial finance company. From July 2006 to January 2007, Mr. Hund served as Interim Chief Operating Officer of HDFS. From February 2002 to December 2007, Mr. Hund served as the Vice President and Chief Financial Officer of HDFS.

Mr. Jones became our Vice President, General Counsel, Secretary and Chief Compliance Officer in July 2010. Prior to joining our company, Mr. Jones served as the Vice President, General Counsel and Secretary of Regal Beloit Corp., a manufacturing company, from September 2006 through June 2010. Mr. Jones was a Partner/Attorney at Foley & Lardner LLP, a law firm, from August 1998 to August 2006.

Mr. Levatich has served as the President and Chief Operating Officer of the Motor Company since May 2009. From August 2008 through April 2009, Mr. Levatich served as President and Managing Director of MV Agusta. From November 2007 through July 2008, Mr. Levatich was Vice President and General Manager of Parts and Accessories and Custom Vehicle Operations of the Motor Company. From October 2003 to October 2007, Mr. Levatich was Vice President of Materials Management of the Motor Company. From 1994 to 2003, Mr. Levatich held other positions with the Motor Company.

Mr. Olin has served as our Senior Vice President and Chief Financial Officer since September 2009. From May 2009 through September 2009, Mr. Olin served as Acting Chief Financial Officer of Harley-Davidson, and from May 2003 through April 2009, Mr. Olin served as Vice President and Controller of the Motor Company.

Mr. Wandell has served as our President and Chief Executive Officer since May 2009. Prior to joining the company, Mr. Wandell served as President and Chief Operating Officer of Johnson Controls, Inc., a global manufacturer of automotive, power and building solutions, from July 2006 through April 2009. Mr. Wandell previously served as Executive Vice President of Johnson Controls from May 2005 to July 2006, Corporate Vice President of Johnson Controls from January 1997 to May 2005, President of the Automotive Experience business of Johnson Controls from August 2003 to July 2006 and President of the Power Solutions business of Johnson Controls from October 1998 to August 2003. Mr. Wandell joined Johnson Controls in 1998.

In addition, Mark R. Kornetzke is our Chief Accounting Officer. We have employed Mr. Kornetzke for approximately 15 years.

Q: Does Harley-Davidson have a Chief Compliance Officer?

A: Yes. Our Board of Directors first appointed a Chief Compliance Officer in 2004. Paul J. Jones, our Vice President, General Counsel and Secretary, is our current Chief Compliance Officer.

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Appointing a Chief Compliance Officer was part of the Board's commitment to compliance and its desire to promote compliance, education and reporting within our company. This action formalized our continuing efforts to direct and promote an effective compliance program. Among other things, under this compliance program, management gives quarterly reports to the Legal Department regarding compliance matters. The compliance program also includes training to employees, including senior management, on corporate governance issues including insider trading restrictions and restrictions on disclosure of nonpublic material information. The company has a corporate compliance department reporting to Mr. Jones staffed with an assistant general counsel and other employees who manage corporate governance, compliance and records management. Mr. Jones makes regular reports to the Audit Committee on legal and compliance matters.

Q: Does Harley-Davidson have a Disclosure Committee?

A: Yes. In October 2002, we established a Disclosure Committee comprised of members of management responsible for considering the materiality of information and making disclosure decisions on a timely basis. The Disclosure Committee Guidelines provide that the Disclosure Committee or a subset of the Disclosure Committee comprised of the Chief Financial Officer and the General Counsel: (1) has access to all company books, records, facilities and personnel, as well as our independent registered public accounting firm and outside counsel; (2) designs, establishes and maintains disclosure controls and procedures for the SEC reporting process and modifies them from time to time, as appropriate; (3) creates and reviews all financial press releases; (4) reviews SEC filings on Form 8-K relating to quarterly earnings releases, Form 10-K, Form 10-Q and our annual proxy statement; (5) suggests appropriate disclosures or provides opinions on disclosure issues; (6) evaluates changes in SEC, New York Stock Exchange and Financial Accounting Standards Board disclosure rules and makes recommendations regarding their impact on the company; (7) consults with management, internal auditors, independent accountants and outside legal counsel; (8) discusses material items with employees in the internal audit function, independent registered public accounting firm and management to ensure appropriate disclosure; (9) arranges for necessary training to ensure effective implementation of the disclosure controls and procedures; and (10) annually reviews and reassesses the performance of the Disclosure Committee and these guidelines.

Q: Does Harley-Davidson have a Policy for Communicating Non-Public Material Information?

A: Yes. We adopted the Policy for Managing Disclosure of Material Information in November 2001 and amended it in January 2008. The policy describes the procedures relating to communication with the public, the investment community and third party business contacts. The Policy for Managing Disclosure of Material Information can be found on the Corporate Governance page of our website at <http://www.harley-davidson.com>.

Q: Does Harley-Davidson have an Internal Audit Department?

A: Yes. In August 2003, we established an internal audit function. The head of the internal audit function reports directly to both the Audit Committee and our Chief Financial Officer. The Audit Committee Charter specifically provides that the head of the internal audit function is accountable to the Board of Directors and the Audit Committee, and that the Audit Committee

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has the ultimate authority and responsibility to appoint, retain, evaluate and replace the head of the internal audit function. For more information on the internal audit function, please see the Audit Committee Report.

Q: Where Can I Find Corporate Governance Materials for Harley-Davidson?

A: The Corporate Governance page of our website at <http://www.harley-davidson.com> contains our Corporate Governance Policy, our Conflict of Interest Process for Directors, Executive Officers and Other Employees, our Code of Business Conduct, our Financial Code of Ethics, our Policy for Managing Disclosure of Material Information, the charters for the Audit Committee, Nominating and Corporate Governance Committee and Human Resources Committee, our By-laws and a list of the Board of Directors. We are not including the information available through our website as a part of this Proxy Statement.

The Board of Directors first adopted a Code of Business Conduct in 1992 and the Board amended and restated it in 2003. Our Code of Business Conduct applies to all of our employees, including all executives, and directors. Our Code of Business Conduct promotes honest and ethical conduct and provides guidance in handling various business situations. It is available worldwide to our employees in eight languages on our intranet and on the Corporate Governance page of our website. Employees may anonymously report possible violations of the Code of Business Conduct by calling a third-party toll-free telephone number that is available 24 hours a day and seven days a week, via a third-party website over the Internet or by writing to our General Counsel at the following address in care of our Secretary: Harley-Davidson, Inc., 3700 West Juneau Avenue, P.O. Box 653, Milwaukee, Wisconsin 53201-0653. Employees may also report possible violations by email to their supervisor, their local human resources department or the General Counsel and Chief Compliance Officer of Harley-Davidson, Inc. For more information on our Code of Business Conduct, please see the Nominating and Corporate Governance Committee Report.

Managers of employees and employees in the finance and accounting areas, or in areas that provide support to the finance and accounting areas, sign the Financial Code of Ethics. Employees may report possible violations of the Financial Code of Ethics directly to the Chairperson of the Audit Committee, in care of our Secretary at the above address.

As a shareholder, you can request paper copies of the documents found on the Corporate Governance page of our website at any time by contacting our Investor Relations Department by: (a) mail at Harley-Davidson, Inc., Attention: Investor Relations, 3700 West Juneau Avenue, P.O. Box 653, Milwaukee, Wisconsin 53201-0653, (b) telephone at 877-HDSTOCK (toll-free) or (c) email at investor.relations@harley-davidson.com. If you access documents electronically, you should understand that there might be costs to access materials electronically that you must bear, such as usage charges from Internet access providers and telephone companies.

Q: How May I Contact the Members of the Board of Directors?

A: The Corporate Governance page of our website lists the current members of the Board of Directors. Shareholders and other parties interested in communicating with Barry K. Allen, the Chairman of the Board, or with any director may do so by writing to that director in care of our Secretary, 3700 West Juneau Avenue, P.O. Box 653, Milwaukee, Wisconsin 53201-0653. We open and forward all mail to the director or directors specified in the communication.

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Q: How May I Recommend a Candidate to serve on the Board of Directors?

A: Shareholders may recommend candidates for consideration by the Nominating and Corporate Governance Committee at any time by writing to the Chairperson of the committee in care of our Secretary at the above address. To enable the committee to consider a shareholder recommendation in connection with the 2012 annual meeting of shareholders, we must receive the recommendation on or before November 25, 2011. Under Nominating and Corporate Governance Committee, on page 44, we discuss the criteria that the Nominating and Corporate Governance Committee considers for identifying and recommending new candidates to serve on the Board.

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PROPOSALS TO BE VOTED ON

PROPOSAL 1

ELECTION OF DIRECTORS

Our Restated Articles of Incorporation provide for a Board of Directors that has between six and fifteen members. The Board determines the size from time to time by the vote of a majority of the directors then in office. Prior to April 26, 2010, the Board had a classified structure. At the 2010 annual meeting of shareholders, shareholders approved an amendment to our Restated Articles of Incorporation to declassify the Board and provide for the annual election of directors. The directors that shareholders elected at the 2010 annual meeting were elected to a one-year term. All directors that shareholders elect this year at the Annual Meeting will have a one-year term. Beginning with the 2012 annual meeting of shareholders, shareholders will elect the entire Board annually.

The By-laws provide that a director nominee in an uncontested election who receives more withheld votes than for votes must tender his or her resignation to the Chairman of the Board. The Nominating and Corporate Governance Committee will promptly consider that resignation and will recommend to the Board whether to accept the tendered resignation or reject it. The Board will then act on that recommendation no later than 90 days following the date of the shareholders meeting at which the election occurred. However, the Board may determine to extend such 90-day period by an additional period of up to 90 days if it determines that such an extension is in the best interests of the company and its shareholders. Within four days of the Board's decision, the company must disclose the decision in a Current Report on Form 8-K filed with the Securities and Exchange Commission that includes a full explanation of the process by which the decision was reached and, if applicable, the reasons for rejecting the resignation. These requirements do not apply in a contested election.

The Board currently consists of thirteen members: nine with terms that expire at the Annual Meeting and four with terms that expire at the 2012 annual meeting of shareholders.

We have identified the nine director nominees that the Board of Directors has nominated below. All nine nominees have advised us that they will serve if elected.

The nine nominees receiving the most votes will be elected to the Board, assuming a quorum is present at the Annual Meeting. Any shares not voted, whether due to abstentions or broker nonvotes, will not have an impact on the election of directors. Once a share is counted as present at the Annual Meeting, it will count as present for quorum purposes throughout the Annual Meeting (including any adjournment or postponement of that meeting unless a new record date is or must be set for the adjournment or postponement).

Unless you specify otherwise in your proxy, the persons you have appointed will vote your shares FOR the Board of Directors nominees that we name below. If any nominee becomes unable to serve, the persons you have appointed may vote your shares for another person that the Board designates.

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Below, we provide the following information for each Board of Directors nominee and each director whose term does not expire at the Annual Meeting:

- name

- age as of March 10, 2011

- principal occupations for at least the past five years

- the names of any other public companies where the nominee or director currently serves as a director or has served during the past five years

- the particular experience, qualifications, attributes or skills that led the Board to conclude that the person should serve as a director for the company

Under our By-laws, no person may be elected as a director of the company after such person's 72nd birthday, except as the Board may otherwise approve in advance of such election. In light of the strategic transformation that the company is undertaking, the Board believes retaining a retirement policy for directors while allowing for discretion by the Board to make exceptions to the policy when it deems it to be in the best interests of the company is a prudent balance of succession planning for members of the Board and ensuring continuity in the leadership of the company. The Board exercised its discretion in February 2011 to allow the nomination and election of Messrs. Beattie and Conrades, who are age 72 or will be age 72 at the time of the Annual Meeting.

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**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE FOLLOWING
NINE NOMINEES OF THE BOARD OF DIRECTORS.**

Nominees of the Board of Directors

BARRY K. ALLEN, 62, has been a director since 1992.

Mr. Allen is currently a Senior Advisor to Providence Equity Partners, a private equity firm focused on media, entertainment, communications and information investments, a position he has held since 2007. In addition, he serves as President of Allen Enterprises, LLC, a private equity investment and management company he established in 2000. From 2004 to 2007 Mr. Allen served as Executive Vice President of Operations of Qwest Communications International Inc., a broadband Internet-based communications company, and prior to that time, from 2002, served as Executive Vice President and Chief Human Resources Officer of Qwest. Mr. Allen served as President of Ameritech Corporation, a telecommunications company, from 1999 until 2000. Mr. Allen was Executive Vice President of SBC Communications (f/k/a Ameritech Corporation) from 1995 to 1999. Mr. Allen holds a masters degree of business administration from Boston University and has expertise in international business matters and operations, particularly in the telecommunications area. Mr. Allen is also a member of the Board of Directors of FMI Common Stock Fund, Inc., FMI Funds, Inc. and FMI Mutual Funds, Inc., mutual funds advised by Fiduciary Management, Inc., and BCE Inc., Canada's largest communications company. Mr. Allen has served as Chairman of our Board since April 2009 and previously served as the presiding director of our Board commencing in 2002.

R. JOHN ANDERSON, 60, elected as a director effective October 1, 2010.

Mr. Anderson is currently President and Chief Executive Officer of Levi Strauss & Co., a privately held company that designs and markets jeans, casual wear and related accessories. He has held this position since 2006. Mr. Anderson has wide-ranging expertise in international business matters, merchandising, marketing and operations. Among other leadership positions in his 30-year career with Levi Strauss & Co., he has served as President of the company's Asia Pacific Division; President of its Global Sourcing Organization; President of Levi Strauss Canada and Latin America; interim President of Levi Strauss Europe; and Vice President of Merchandising and Product Development for the U.S.

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RICHARD I. BEATTIE, 71, has been a director since 1996.

Mr. Beattie is currently Chairman of Simpson Thacher & Bartlett LLP, a law firm, a position he has held since 2004. Mr. Beattie has been a partner of Simpson Thacher & Bartlett LLP since 1977 and had served as Chairman of the Executive Committee of that firm from 1991 to 2004. Mr. Beattie holds a juris doctor from the University of Pennsylvania Law School and is an expert in corporate transactions and corporate governance issues, serving as counsel to numerous boards and non-management directors. Mr. Beattie also has a distinguished record of public service, including serving as General Counsel of the Department of Health, Education and Welfare during President Carter's administration and as a Senior Advisor to the Secretary of State for Reorganization Issues in 1997 during President Clinton's administration. From 1995 to 1997, Mr. Beattie served as President Clinton's Emissary for Cyprus. Mr. Beattie is also a director of Evercore Partners Inc. and Heidrick & Struggles International, Inc. Mr. Beattie is the Chair of our Board's Nominating and Corporate Governance Committee.

GEORGE H. CONRADES, 72, has been a director since 2002.

Mr. Conrades is Executive Chairman of Akamai Technologies, Inc., a provider of secure, outsourced e-business infrastructure services, a position he has held since 2005. Mr. Conrades served as Chairman and Chief Executive Officer of Akamai from 1999 to 2005. Since 1998, Mr. Conrades also has served as a venture partner with Polaris Venture Partners, an early stage investment company. Mr. Conrades previously served as Executive Vice President of GTE Corporation, a telecommunications company, and President of GTE Internetworking, Inc., an Internet communications company, from May 1997 to August 1998, following that firm's acquisition of BBN Corporation, a technological research and development company, of which Mr. Conrades was Chief Executive Officer. Prior to that time and for 31 years, Mr. Conrades was employed by International Business Machines Corporation, an information technology company. Mr. Conrades holds a masters degree of business administration from the University of Chicago Graduate School of Business and has expertise in international business matters and operations, particularly in the technology and telecommunications area. He was a director of Cardinal Health, Inc. from 1999 to 2008 and is currently a director of Oracle Corporation and Ironwood Pharmaceuticals, Inc. Mr. Conrades is the Chair of our Board's Human Resources Committee.

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JUDSON C. GREEN, 58, has been a director since 2004.

Mr. Green is Vice Chairman of NAVTEQ, a subsidiary of Nokia Corporation and a leading provider of comprehensive digital map information for automotive navigation systems, mobile navigation devices and Internet-based mapping applications, a position he has held since 2009. Previously, he served as President and Chief Executive Officer of NAVTEQ from 2008 to 2009 and of NAVTEQ Corporation from 2000 until its acquisition by Nokia Corporation in 2008. Prior to joining NAVTEQ Corporation, Mr. Green was the Chairman of Walt Disney Attractions, the theme park and resort segment of The Walt Disney Company, from 1998 until 2000, and President of Walt Disney Attractions from 1991 through 1998. He holds a masters degree of business administration from the University of Chicago Graduate School of Business. Mr. Green has an extensive accounting and finance background and has expertise in international business matters and operations. Mr. Green is also a director of DreamWorks Animation SKG, Inc. and Aon Corporation.

N. THOMAS LINEBARGER, 48, has been a director since 2008.

Mr. Linebarger is President and Chief Operating Officer of Cummins Inc., which designs, manufactures, distributes and services diesel and natural gas engines, electric power generation systems and engine-related component products, a position he has held since 2008. Mr. Linebarger had served as Executive Vice President of Cummins and President of Cummins Power Generation since 2005. Mr. Linebarger served as Cummins Vice President and President of Cummins Power Generation from 2003 to 2005 and as Cummins Chief Financial Officer from 2000 to 2003. Mr. Linebarger has a masters degree of business administration from the Stanford Graduate School of Business and a masters degree in mechanical engineering from Stanford University. He has expertise in finance, engineering, international business matters and operations. Mr. Linebarger is also a director of Cummins Inc. He was a director of Pactiv Corporation from 2005 to December 2010 (when it was acquired by Reynolds Group Holdings).

SARA L. LEVINSON, 60, has been a director since 1996.

Ms. Levinson was the Non-Executive Chairman of ClubMom, Inc., an internet based consumer relationship company, a position she held from 2002 to 2008. Ms. Levinson previously served as President of the Women's Group of Rodale, Inc., the world's leading publisher of information on healthy, active lifestyles, a position she held from 2002 to 2005. She previously served as Chairman and Chief Executive Officer of ClubMom, Inc. from 2000 to 2002. Ms. Levinson was President of NFL Properties, Inc., a trademark licensing company for the National Football League, from 1994 to 2000. Prior to that time, Ms. Levinson served as President and Business Director of MTV: Music Television, a cable television network. Ms. Levinson holds a masters degree of business administration from Columbia University and has expertise in marketing and licensing. She is also a director of Macy's, Inc.

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GEORGE L. MILES, JR., 69, has been a director since 2002.

Mr. Miles is the Executive Chair of Chester Engineers, Inc., a provider of water and wastewater engineering solutions, a position he has held since November 2010. He has served on the board of directors of Chester Engineers, Inc. since 2004. He was the President and Chief Executive Officer of WQED Multimedia, the public broadcaster for southwestern Pennsylvania, from 1994 until November 2010. Mr. Miles is also a certified public accountant who at the beginning of his career worked for over eight years with Touche Ross & Company, an accounting firm, and six years as an auditor for the federal government. Mr. Miles holds a masters degree of business administration from Fairleigh Dickinson University and has expertise in accounting and finance. He is also a director of American International Group, Inc., EQT Corporation, WESCO International, Inc. and HFF, Inc. Mr. Miles also served as director of Westwood One, Inc. from 2002 to 2006.

JOCHEN ZEITZ, 47, has been a director of the company since 2007.

Jochen Zeitz has served as Chairman and Chief Executive Officer of PUMA AG, which develops and markets a broad range of sport and lifestyle products including footwear, apparel and accessories, since 1993. Mr. Zeitz began his professional career with Colgate-Palmolive in New York and Hamburg, Germany prior to joining PUMA in 1990, where he also served as Chief Financial Officer from 1993 to 2005. In April 2010, Mr. Zeitz launched PUMA's ambitious long-term sustainability program. In October 2010, he was appointed Chief Sustainability Officer at PPR, a French publicly traded company that develops a portfolio of high-growth global brands. Mr. Zeitz serves on the board and Executive Committee of PPR. In 2008, he founded the not-for-profit company, Zeitz Foundation of Intercultural Ecosphere Safety. Mr. Zeitz attended the European Business School in Oestrich-Winkel, Germany, has an extensive accounting and finance background and has expertise in international business matters, sustainability and marketing.

Continuing Directors with Terms Expiring at 2012 Annual Meeting of Shareholders

MARTHA F. BROOKS, 51, has been a director since April 2009.

Ms. Brooks served as President and Chief Operating Officer of Novelis Inc., an aluminum rolling and recycling company, from 2007 to May 2009. She served as Chief Operating Officer of Novelis from 2005 to 2007, after Alcan, Inc. completed a spinoff of Novelis. Ms. Brooks served as President of the Americas and Asia Rolled Products business of Alcan, Senior Vice President of Alcan and President of Alcan Aluminum Corporation from 2002 to 2004. In addition, she was Vice President of Cummins Inc. from 1996 to 2002. Ms. Brooks holds a masters degree of business administration from Yale University. She has expertise in general management, international business, operations, marketing and business development. Ms. Brooks is also a director of Bombardier Inc. and was a director of International Paper Company from 2003 to May 2009.

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DONALD A. JAMES, 67, has been a director since 1991.

Mr. James is a co-founder and a majority owner and, since 2002, has served as Chairman and Chief Executive Officer of Fred Deeley Imports Ltd., doing business as Deeley Harley-Davidson Canada (Deeley Imports), the largest independent motorcycle distributorship in Canada and the exclusive distributor of our motorcycles in Canada. He served as Vice Chairman and Chief Executive Officer of Deeley Imports from 1973 to 2002. Mr. James has expertise in the motorcycle industry and international distribution.

JAMES A. NORLING, 69, has been a director since 1993.

Mr. Norling has served as the Chairman of the Board of Directors of GlobalFoundries Inc., a semiconductor manufacturing company, since February 2011. He served as the Chairman of the Board of Chartered Semiconductor Manufacturing from 2002 until the company was acquired by Advanced Technology Investment Corporation in 2009 and merged with GlobalFoundries Inc. in 2010. Mr. Norling also served as interim President and Chief Executive Officer of that company during 2002. In August 2000, Mr. Norling retired as Executive Vice President of Motorola, Inc., a manufacturer of electronics, and as President, Personal Communications Sector of Motorola, Inc., positions that he held since 1999. He served as Executive Vice President, Deputy to Chief Executive Officer and President, Europe, Middle East and Africa for Motorola, Inc. from 1998 to 1999, and as President and General Manager, Messaging, Information and Media Sector for Motorola, Inc. from 1997 to 1998. Mr. Norling has expertise in engineering, international business matters and operations and finance. Mr. Norling is the Chair of our Board's Audit Committee.

KEITH E. WANDELL, 61, has been a director since May 2009.

Mr. Wandell is our Chief Executive Officer and President, a position he has held since 2009. Mr. Wandell was formerly the President and Chief Operating Officer of Johnson Controls, Inc., a global manufacturer of automotive, power and building solutions. He held that position since 2006. He previously served as Executive Vice President of Johnson Controls from 2005 to 2006, Corporate Vice President of Johnson Controls from 1997 to 2005, President of the Automotive Experience business of Johnson Controls from 2003 to 2006 and President of the Power Solutions business of Johnson Controls from 1998 to 2003. Mr. Wandell joined Johnson Controls in 1988. He holds a masters degree of business administration from the University of Dayton. Mr. Wandell has expertise in international business matters and operations, particularly in manufacturing. He is also a director of Dana Holding Corporation.

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PROPOSALS 2, 3 AND 4

APPROVAL OF AMENDMENTS TO THE HARLEY-DAVIDSON, INC. RESTATED ARTICLES OF INCORPORATION TO ADOPT A SIMPLE MAJORITY VOTE

The Board of Directors unanimously recommends a vote FOR the proposals below.

We are seeking shareholder approval of amendments to the Harley-Davidson, Inc. Restated Articles of Incorporation, as amended through April 26, 2010, to adopt a simple majority vote.

Proposed Voting Requirements. On December 7, 2010, the Board of Directors voted to approve, and to recommend that the shareholders approve at the Annual Meeting, amendments to the Restated Articles of Incorporation that would change certain voting requirements that we discuss below to a simple majority vote.

Rationale for Adopting a Simple Majority Vote. The Board of Directors heard our shareholders' broad support in favor of a non-binding shareholder proposal at the 2010 annual meeting of shareholders requesting that the Board of Directors adopt a simple majority vote. Additionally, the Board is committed to good corporate governance at the company. Accordingly, in determining whether to propose a simple majority vote as described above, the Board carefully reviewed the various arguments for and against a simple majority vote.

The Board recognizes that our supermajority vote requirements are intended to preserve the value of our company for all shareholders and to provide protection for all shareholders against self-interested actions by one or a few large shareholders. The Board also recognizes, however, that implementing a simple majority vote would support the company's ongoing effort to adopt best practices in corporate governance.

In view of the considerations described above, the Board of Directors has unanimously determined that it is in the best interests of the company and its shareholders to amend the Restated Articles of Incorporation to change the voting requirements that we discuss below.

PROPOSAL 2: Approval of Amendments to Article V of the Harley-Davidson, Inc. Restated Articles of Incorporation

Current Voting Requirements. Article V of the company's current Restated Articles of Incorporation requires the approval of at least 66 2/3% of our shareholders (including the approval of at least a majority of non-interested shareholders) for certain transactions with an interested shareholder (owner of more than 10% of our voting power) unless the transaction meets certain tests intended to ensure that the transaction is fair. Further, actions by shareholders to alter, amend or repeal Article V require the approval of at least 66 2/3% of our shareholders (including the approval of at least a majority of non-interested shareholders).

Text and Legal Effectiveness of Proposed Amendments. Approval of Proposal 2 will result in the amendment and restatement of Article V in its entirety. As amended, Article V will require a vote of the shareholders where the votes cast in favor of the action exceed the votes cast opposing the action for certain transactions with an interested shareholder (owner of more than 10% of our voting power) unless the transaction meets

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certain tests intended to ensure that the transaction is fair. Further, actions by shareholders to alter, amend or repeal Article V will also require a vote of the shareholders where the votes cast in favor of the action exceed the votes cast opposing the action. A copy of Article V as it is proposed to be amended and restated is attached to this Proxy Statement as Appendix A.

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Vote Requirement. The affirmative vote of at least 66 2/3% of the shares of our stock outstanding on March 10, 2011 is required for approval of the amendments to Article V. Abstentions and broker nonvotes will have the same effect as a vote against this proposal. Additionally, if your shares are not present at the meeting, the failure to vote will have the same effect as a vote against this proposal. Proxies solicited by the Board will be voted FOR approval of the amendments to Article V unless a shareholder specifies otherwise.

PROPOSAL 3: Approval of Amendments to Article VII of the Harley-Davidson, Inc. Restated Articles of Incorporation

Current Voting Requirements. Article VII of our Restated Articles of Incorporation prohibits shareholder action without a meeting by less than unanimous consent and requires the approval of at least 80% of our shareholders to alter, amend or repeal Article VII and Sections 1.02, 1.04 and 1.05 of our By-laws, which primarily include procedural provisions applicable to special meetings of shareholders, including:

- the procedural requirements for shareholders to demand a special meeting of the shareholders;
- the timing and content of the notices of any special meeting of the shareholders; and
- the fixing of the record date for the determination of shareholders entitled to notice of, or to vote at, a shareholders meeting.

Text and Legal Effectiveness of Proposed Amendments. Approval of Proposal 3 will result in the amendment and restatement of Article VII in its entirety to require a vote of the shareholders where the votes cast in favor of the action exceed the votes cast opposing the action for the amendment of Article VII and Sections 1.02, 1.04 and 1.05 of our By-laws. A copy of Article VII as it is proposed to be amended and restated is attached to this Proxy Statement as Appendix B.

Vote Requirement. The affirmative vote of at least 80% of the shares of our stock outstanding on March 10, 2011 is required for approval of the amendments to Article VII. Abstentions and broker nonvotes will have the same effect as a vote against this proposal. Additionally, if your shares are not present at the meeting, the failure to vote will have the same effect as a vote against this proposal. Proxies solicited by the Board will be voted FOR approval of the amendments to Article VII unless a shareholder specifies otherwise.

PROPOSAL 4: Approval of Amendments to Articles VIII and IX of the Harley-Davidson, Inc. Restated Articles of Incorporation

Current Voting Requirements. Under Article VIII of our Restated Articles of Incorporation, in general, shareholders approve action on a matter, other than the election of directors, only if a majority of the votes represented (in person or by proxy) at a meeting at which a quorum is present are cast in favor of the action. This requires more votes to approve action on a matter than a standard under which shareholders approve action on a matter if the votes cast favoring the action exceed the votes cast opposing the action because, under the current Article VIII standard, shares represented at a meeting that abstain from voting on a matter and broker nonvote shares relating to the matter will have the effect of a vote against the matter. Further, the approval of a majority of the votes cast by the holders of our Common Stock (and each other voting group of our shareholders, if any) is required to amend our Restated Articles of Incorporation.

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Text and Legal Effectiveness of Proposed Amendments. Approval of Proposal 4 will cause Article VIII to be deleted and Article IX to be renumbered as Article VIII. The effect of deleting Article VIII will be to change the voting standard to approve actions to the standard that applies under the Wisconsin statutes that govern us as a corporation incorporated in Wisconsin. Under that standard, shareholders approve action on a matter, other than the election of directors, if the votes cast favoring the action exceed the votes cast opposing the action, unless the articles of incorporation or Wisconsin law requires a greater number of affirmative votes. A copy of Articles VIII and IX as they are proposed to be amended is attached to this Proxy Statement as Appendix C.

Vote Requirement. The affirmative vote of at least a majority of the shares of our stock outstanding on March 10, 2011 is required for approval of the amendments to Articles VIII and IX. Abstentions and broker nonvotes will have the same effect as a vote against this proposal. Additionally, if your shares are not present at the meeting, the failure to vote will have the same effect as a vote against this proposal. Proxies solicited by the Board will be voted FOR approval of the amendments to Articles VIII and IX unless a shareholder specifies otherwise.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE AMENDMENTS TO THE HARLEY-DAVIDSON, INC. RESTATED ARTICLES OF INCORPORATION SET FORTH IN PROPOSALS 2, 3 AND 4.

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PROPOSAL 5

APPROVAL OF HARLEY-DAVIDSON, INC. SHORT-TERM INCENTIVE PLAN FOR SENIOR EXECUTIVES

The Board of Directors unanimously recommends a vote FOR the proposal below.

We are seeking shareholder approval of the Harley-Davidson, Inc. Short-Term Incentive Plan for Senior Executives, which we refer to in this discussion as the Senior Executive Plan. The company has long used various plans to provide performance-based incentive compensation to employees. Shareholders approved one of those plans in 1994, 1999 and 2004. Shareholders also approved the Employee Short-Term Incentive Plan in 2005 and again approved that plan as the Employee Incentive Plan in 2010. The Senior Executive Plan involves a different approach to ensuring that we can deduct the annual incentive compensation that we pay for income tax purposes in light of Section 162(m) of the Internal Revenue Code (Section 162(m)). We believe the Senior Executive Plan will benefit the company and shareholders by giving us greater flexibility to establish annual incentive plan terms than is the case under the plans that we have used to approve these awards in the past and by allowing us to treat all annual incentive compensation that we pay as qualified performance-based compensation for purposes of Section 162(m) so that we can deduct it. As a threshold matter under Section 162(m), the company must, at the Annual Meeting, obtain Shareholder approval of the Senior Executive Plan. The following summary description is qualified in its entirety by reference to the full text of the Senior Executive Plan, which is attached to this Proxy Statement as Appendix D.

Summary of Proposal. The purpose of the Senior Executive Plan is to reward achievement of key annual goals and to enhance the ability of the company and its affiliates to attract, motivate, reward and retain certain key employees, to strengthen their commitment to the company, to promote near-term objectives of the company, and to ensure annual incentive compensation can be tax deductible. In the past, we have given executives the opportunity to earn two types of annual incentive compensation. We have based one type on quantifiable, objective factors, such as the annual incentive compensation that we paid in 2010 under our Corporate STIP, Motor Company STIP or HDFS STIP. We refer to this type of annual incentive compensation opportunity as our Financial STIPs. We have made Financial STIP awards under incentive plans that shareholders have approved so that the incentive compensation that we pay under these awards constitutes qualified performance-based compensation for purposes of Section 162(m). We have also given certain of our employees the opportunity to receive payments under an annual incentive plan that we have referred to as our Leadership STIP. For example, in December 2009, the Human Resources Committee approved the Leadership STIP applicable in 2010. The Leadership STIP provided the opportunity to earn an incentive payment above amounts that a participant could earn under the Financial STIP in which he or she participated. A participant was able to earn a payment based on individual performance relative to key strategic imperatives and expected behaviors that were not necessarily easily quantifiable or objective. Due to the technical requirements of Section 162(m), amounts we have paid under these Leadership STIP awards have not constituted qualified performance-based compensation for purposes of Section 162(m). The amounts that we have paid under the Financial STIPs and the Leadership STIP over the past three years to the Chief Executive Officer, the Chief Financial Officer, and the other executive officers identified in the Summary Compensation Table located in Executive Compensation (the named executive officers) are included in Non-Equity Incentive Plan Compensation and Bonus amounts, respectively, set forth in the Summary Compensation Table. If shareholders approve the Senior Executive Plan, then our intention is to administer both the Financial STIPs and the Leadership STIP for participating executives under the Senior Executive Plan.

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The Human Resources Committee desires to make similar bonus payments to executives in the future based on objective or subjective factors. Section 162(m) places a limit of \$1,000,000 on the amount of compensation that we may deduct in any one year with respect to our CEO and our three most highly paid executive officers other than the CEO and our Chief Financial Officer. There is an exception to the \$1,000,000 limitation for performance-based compensation, provided we pay it pursuant to a plan that shareholders have approved and that meets certain other criteria. The Senior Executive Plan will give us the ability to make payments that are deductible for tax purposes in an aggregate amount in any year up to the amount of a Performance Pool which is equal to 3.5% of consolidated operating income of the company adjusted for:

- charges for reorganizing and restructuring,
- discontinued operations,
- asset write-downs,
- gains or losses on the disposition of a business or business segment or arising from the sale of assets outside the ordinary course of business,
- changes in tax or accounting principles, regulations or laws,
- extraordinary, unusual, transition, one-time and/or non-recurring items of gain or loss, and
- mergers, acquisitions or dispositions.

Under the Senior Executive Plan, we will establish potential awards at the beginning of each fiscal year (the plan year). We will determine final incentive awards after the end of each plan year based upon actual performance, and the Senior Executive Plan refers to the final awards as performance awards.

Our intention is to make annual payments under the Senior Executive Plan similar to past Financial STIP and Leadership STIP payments but not exceeding, in the aggregate, the amount of the Performance Pool. At the start of each year, the Human Resources Committee will allocate to each participant a percentage of the Performance Pool (with final approval by the Nominating and Corporate Governance Committee in the case of the CEO). At the end of the year, we will calculate a dollar amount for each participant under the Senior Executive Plan based on that percentage and the total amount of the Performance Pool, which we will determine based on actual company performance. The Senior Executive Plan allows the Human Resources Committee to reduce the dollar amount that we calculate for each participant under the Senior Executive Plan (in other words, the portion of the Performance Pool allocated to the participant) by up to 100% of the award, based on any objective or subjective factors it deems appropriate. Under this framework, the Human Resources Committee will also have flexibility to approve terms of Financial STIP and Leadership STIP opportunities that will result in entitlements to payout amounts for participants based on actual performance. Our intention is that the Committee will reduce the dollar amount that we calculate for each participant under the Senior Executive Plan (in other words, the portion of the Performance Pool allocated to the participant) so that the resulting amount of annual incentive compensation that we actually pay to a participant is the desired aggregate amount that the participant earned during the same year under the relevant Financial STIP and the Leadership STIP.

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We believe using the Senior Executive Plan as a framework for the annual incentive opportunities under the Financial STIPs and the Leadership STIP will benefit the company and shareholders in two ways. First, we believe the Senior Executive Plan will give us greater flexibility to establish Financial STIP terms than is the case under the plans that we have used to approve these awards in the past. Second, the Senior Executive Plan will allow us to treat amounts that we pay under the Leadership STIP as qualified performance-based compensation for purposes of Section 162(m) so that we can deduct it.

Accordingly, the Human Resources Committee, with final approval by the Nominating and Corporate Governance Committee as to the CEO, approved Financial STIPs and a Leadership STIP under the Senior Executive Plan for 2011 that apply to eight participants, subject to receiving shareholder approval of the Senior Executive Plan. For 2011, the aggregate maximum of the target Financial STIP and Leadership STIP opportunities for each participant without regard to the limits of the Senior Executive Plan is an amount that varies by executive. To calculate the Financial STIP for a participant, each participant has a target opportunity that is a percentage of base salary based on his or her position with the company. For the CEO in 2011, the target Financial STIP opportunity is 125% of his base salary, and for the CFO, the target Financial STIP opportunity is 60% of his base salary. The Financial STIP places a limit on the payout equal to 200% of a participant's target STIP opportunity. So, for the CEO, the maximum payout would be 250% of his salary, and for the CFO, the maximum payout would be 120% of his base salary. Under the 2011 Leadership STIP, each participant can receive up to an additional 30% of his or her target Financial STIP opportunity (for the CEO this would be his target Financial STIP opportunity of 125% of base salary multiplied by 30% or up to a maximum of 37.5% of base salary under the Leadership STIP, and for the CFO this would be his target Financial STIP opportunity of 60% of base salary multiplied by 30% or up to a maximum of 18% of base salary). So, for the CEO, the maximum possible aggregate payout under the Financial STIP (250%) and the Leadership STIP (37.5%) is equal to 287.5% of his base salary, while for the CFO it is a maximum of 138% of his base salary. However, each participant will not be entitled to receive an amount exceeding the calculated dollar amount representing such participant's portion of the Performance Pool, which is based on a percentage of the Performance Pool that the Human Resources Committee fixed for that participant at the beginning of the year (with final approval by the Nominating and Corporate Governance Committee in the case of the CEO).

Administration. The Human Resources Committee, or a successor committee to the Human Resources Committee, administers the Senior Executive Plan. The Human Resources Committee may delegate its administrative authority to one or more company officers, other than with respect to awards that are subject to Section 162(m). In all cases, actions of the Human Resources Committee relating to the CEO are subject to final approval by the Nominating and Corporate Governance Committee.

Eligibility. The Human Resources Committee will designate the officers or key executives of the company and of its affiliates that participate in the Senior Executive Plan in any year. All regular salaried full-time employees who are officers or key executives of the company and of its affiliates that the Human Resources Committee designates are eligible to be designated as participants. As of December 31, 2010, the number of eligible individuals was approximately 75, but the Human Resources Committee has selected 8 individuals to participate in the Plan for 2011. The Human Resources Committee selects, in its sole discretion, the eligible employee participants in the Senior Executive Plan for a given plan year.

Award Description. Under the Senior Executive Plan, the Human Resources Committee is required to fix the Performance Pool percentage for each participant prior to the commencement of

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each plan year (or such later date as may be determined by the Human Resources Committee). The total of the Performance Pool percentages for all participants for a plan year must be less than or equal to 100%. The Human Resources Committee will fix a Performance Pool percentage for each participant at the same time that it selects the eligible employee participants in the Senior Executive Plan. A participant's target award for the year is equal to his or her Performance Pool percentage multiplied by 3.5% of consolidated operating income of the company before certain excluded items.

Following the end of each plan year, the Human Resources Committee will calculate the performance award amount for each participant. The Human Resources Committee may at any time prior to payment of the performance award, in its sole discretion, reduce the amount of any participant's performance award by up to 100% based on any objective or subjective factors it deems appropriate. Such reductions need not be uniform among participants. The Committee may, but is not required to, give one or more reasons for any such reduction. The Committee will not have the discretionary authority to increase the amount of any performance award above the amount determined in accordance with the terms of the Senior Executive Plan and a participant's award. Without limitation, a reduction in the amount of the performance award for one participant may not result in an increase in the amount of the performance award for another participant. The Committee must affirmatively determine whether or not to reduce the amount of the performance award for each participant as soon as practicable following the end of each Plan Year. As we note above, we intend that the Human Resources Committee will approve terms of Financial STIP and Leadership STIP opportunities that will result in entitlements to payout amounts based on actual performance. The Human Resources Committee will reduce the amount calculated for each participant under the Senior Executive Plan so that the resulting amount of annual incentive compensation that we actually pay to a participant is the desired aggregate amount that the participant earned during the same year under relevant the Financial STIP and the Leadership STIP.

Payments of final performance awards under the Senior Executive Plan are to be made, in the sole discretion of the Human Resources Committee, in cash, shares of Common Stock or both. If shares of Common Stock are used, they will be issued pursuant to the Harley-Davidson, Inc. 2009 Incentive Stock Plan (the 2009 Plan) and will be valued at fair market value as defined in the 2009 Plan. Except as otherwise provided by the Human Resources Committee, to the extent an award is paid in shares of Common Stock, a participant cannot defer payment of the award under the terms of any deferred compensation or other plan of the company. Payments will be made no later than March 15 of the calendar year following the end of the plan year.

Other Limitations. Under the Senior Executive Plan, no participant may receive more than \$6 million in any one plan year.

Transferability Restrictions. Participants generally may not transfer performance awards or subject them in any manner to sale, transfer, anticipation, alienation, assignment, pledge, encumbrance or charge.

Termination of Employment. A participant whose employment terminates prior to the end of a year generally is not entitled to receive any performance award for that year. However, the Human Resources Committee may, in its sole discretion, provide for a partial or complete payment if termination is due to death, disability or retirement. If a participant has an employment agreement with the company that the Human Resources Committee has approved, or is a participant in any other plan or subject to a policy that addresses payment of annual incentive awards under the Senior Executive Plan in the event of termination of employment, then the terms of the employment agreement or other plan or policy will govern payment.

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Change in Control. In addition, in connection with a Change of Control Event (as defined in the 2009 Plan) during a year, the Human Resources Committee may, in its sole discretion, provide for the immediate payment to all participants of awards for the plan year based upon extrapolating through the remainder of the plan year the performance measure through the end of the most recently completed fiscal month prior to the payment.

Termination of or Change to the Senior Executive Plan. The Human Resources Committee may from time to time or at any time suspend or terminate the Senior Executive Plan or amend the Senior Executive Plan in any manner without obtaining further shareholder approval. However, if the Human Resources Committee amends the Senior Executive Plan to increase the maximum final performance award that can be paid to a participant for any one plan year or to change the performance measure or to increase the class of employees eligible to participate in the Senior Executive Plan, then further shareholder approval would be required to retain the benefits afforded by shareholder approval of the Senior Executive Plan under the Internal Revenue Code in respect of awards to which such changes apply. Further, no change to a performance award may be made after the Human Resources Committee has made a determination to reduce a performance award with respect to an employee for a plan year.

New Plan Benefits.

Harley-Davidson, Inc. Senior Executive Plan for Senior Executives

Name and Position	Dollar Values (\$)
Keith E. Wandell, <i>President and CEO</i>	\$ 0 to \$2,803,125
John A. Olin, <i>Senior Vice President and CFO</i>	\$0 to \$676,200
Matthew S. Levatich, <i>President and COO Motor Company</i>	\$ 0 to \$1,179,900
Lawrence G. Hund, <i>President and COO HDFS</i>	\$0 to \$740,600
Paul J. Jones, <i>Vice President and General Counsel</i>	\$0 to \$431,250
Executive Group	\$ 0 to \$6,761,575
Non-Executive Director Group	\$0
Non-Executive Officer Employee Group	\$0

As we have discussed above, the Human Resources Committee, with final approval by the Nominating and Corporate Governance Committee as to the CEO, approved Financial STIPs and a Leadership STIP under the Senior Executive Plan for 2011, subject to receiving shareholder approval of the Senior Executive Plan. The dollar values that we reflect in the table above show the range of aggregate potential payouts under the Financial STIP and Leadership STIP for each of the named persons for 2011 without regard to the limits of the Senior Executive Plan. However, each participant will not be entitled to receive an amount exceeding the calculated dollar amount for such participant based on the amount representing such participant's portion of the Performance Pool, which is based on a percentage of the Performance Pool that we have fixed for that participant. The amount of the Performance Pool and, therefore, the calculated amount for such participant are not determinable at this time. If shareholders do not approve the Senior Executive Plan, then the participants will have no rights under the 2011 Financial STIPs and Leadership STIP awards. But, failure to approve the plan will not restrict the directors' discretion to approve other compensation for these executives.

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Equity Compensation Plan Information. In accordance with SEC requirements, the following table provides information about the Company's equity compensation plans (including individual compensation arrangements) as of December 31, 2010:

Plan Category	Number of securities to be issued upon the exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by shareholders:			
Management employees	6,925,409	\$ 36.01	14,035,816
Equity compensation plans not submitted to shareholders:			
Union employees:			
Kansas City, MO		\$	26,718
York, PA	38,470	\$ 38.88	58,300
Non employees:			
Board of Directors	13,800	\$ 51.22	282,727
	52,270	\$ 42.14	367,745
Total all plans	6,977,679	\$ 36.06	14,403,561

Vote Requirement. The affirmative vote of a majority of the shares represented in person or by proxy at the Annual Meeting is required for approval of the Senior Executive Plan, assuming that a quorum is present. Abstentions and broker nonvotes will be counted for purposes of determining whether a majority of votes has been cast in favor of the proposal. Proxies solicited by the Board will be voted **FOR** approval of the proposal to approve the Senior Executive Plan, unless a shareholder specifies otherwise.

THE BOARD UNANIMOUSLY RECOMMENDS A VOTE FOR APPROVAL OF THE HARLEY-DAVIDSON, INC. SHORT-TERM INCENTIVE PLAN FOR SENIOR EXECUTIVES.

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PROPOSAL 6

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Ernst & Young LLP, an independent registered public accounting firm, performed an audit of our consolidated financial statements for the fiscal year ended December 31, 2010 and the effectiveness of our internal control over financial reporting as of December 31, 2010. The Audit Committee has selected Ernst & Young LLP to serve as our independent registered public accounting firm for the 2011 fiscal year, and the committee is presenting this selection to shareholders for ratification. Representatives of Ernst & Young LLP will be present at the Annual Meeting to respond to shareholders' questions.

If prior to the Annual Meeting, Ernst & Young LLP declines to act as our independent registered public accountant or the Audit Committee does not want to use Ernst & Young LLP as our independent registered public accountant, the Audit Committee will appoint another independent registered public accounting firm. The Audit Committee will present any new independent registered public accounting firm for the shareholders to ratify at the Annual Meeting. If the shareholders do not ratify the engagement of Ernst & Young LLP at the Annual Meeting, then the Audit Committee will reconsider its selection of Ernst & Young LLP.

To ratify the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011, a majority of all shares voting on the proposal must vote to approve it. For purposes of determining the vote regarding this proposal, abstentions will have the same effect as a vote against this proposal. Abstentions will be counted for purposes of determining whether a majority of votes has been cast in favor of the proposal. Unless you specify otherwise in your proxy, the persons you have appointed will vote your shares FOR ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2011.

We entered into an engagement letter with Ernst & Young LLP for its work in 2010. The engagement letter contains provisions that subject the company to alternative dispute resolution. The arbitration panel has the power to make an award or impose a remedy if, and only if, such award could be made or remedy imposed by a court deciding the matter in the same jurisdiction. The arbitration panel has no power to award non-monetary or equitable relief or to make an award or impose a remedy that is inconsistent with any applicable agreement between the parties. We expect that the audit work that Ernst & Young LLP performs for 2011 will be subject to a similar engagement letter.

Table of Contents**Fees Paid to Ernst & Young LLP**

During the fiscal year ended December 31, 2010, we hired Ernst & Young LLP to perform the annual audit and to provide audit-related and tax services. The Audit Committee Charter requires that the Audit Committee pre-approve all Ernst & Young LLP services. The Audit Committee also pre-approved all fees that we incurred for services that Ernst & Young LLP provided for the last two fiscal years. The fees we incurred for services that Ernst & Young LLP provided are listed in the following table.

	2010	2009
Audit fees	\$ 2,589,500	\$ 3,185,064
Audit-related fees	425,500	508,344
Tax fees	578,100	315,341
All other fees		
	\$ 3,593,100	\$ 4,008,749

Audit fees included fees for the audit of our consolidated financial statements and our internal control over financial reporting as required by Section 404 of the Sarbanes-Oxley Act of 2002. This category also includes fees for audits provided in connection with government filings or services that generally only the principal auditor can reasonably provide to a client, such as comfort letters, procedures related to debt financing, consents and reviews of documents that we file with the SEC. Audit-related services included audits of employee benefit plans, procedures related to securitization transactions, transaction advisory services and consultation on accounting and internal control matters. Tax services included tax advice, planning, compliance and transaction consulting.

The Audit Committee has procedures for pre-approving all audit and nonaudit services that the independent registered public accounting firm provides. These procedures include reviewing and approving a budget for audit and permitted nonaudit services. The budget includes a description of, and a budgeted amount for, particular categories of nonaudit services that are recurring in nature and that we anticipate at the time we submit the budget. In addition, the Audit Committee has established a policy that the fees we pay for nonaudit services must be less than the fees we pay for audit and audit related services. Audit Committee approval is required to exceed the budget amount for a particular category of nonaudit services and to engage the independent registered public accounting firm for any nonaudit services not included in the budget. For both types of pre-approval, the Audit Committee considers whether the services are consistent with the SEC's rules on auditor independence. The Audit Committee also considers whether the independent registered public accounting firm is best positioned to provide the most effective and efficient service. The Audit Committee may delegate pre-approval authority to one or more members of the Audit Committee. The Audit Committee periodically monitors the services that our independent registered public accounting firm provides and actual fees we have paid to the independent registered public accounting firm to ensure that the services are within the parameters that the Audit Committee has approved.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE SELECTION OF ERNST & YOUNG
LLP AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM.**

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PROPOSAL 7

ADVISORY VOTE ON COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Beginning this year, under legislation that Congress enacted in 2010, our shareholders may approve, on a non-binding, advisory basis, the compensation of our named executive officers as disclosed in accordance with the executive compensation disclosure rules contained in Item 402 of the SEC's Regulation S-K. Accordingly, we are seeking input from shareholders with this advisory vote on the compensation of our named executive officers. The vote on this proposal is not intended to address any specific element of compensation; rather, the vote relates to the compensation of our named executive officers as disclosed in the Compensation Discussion and Analysis section and the accompanying executive compensation tables and narrative discussion contained in this Proxy Statement. The company asks that you support the compensation of our named executive officers as so disclosed. Because your vote is advisory, it will not be binding on the Human Resources Committee, the Nominating and Corporate Governance Committee, the Board or the company. However, the Board will review the voting results and take them into consideration when making future decisions regarding executive compensation.

Our compensation philosophy emphasizes pay for performance. We target base salary midpoints for our Senior Leaders, including our Named Executive Officers, at approximately the market median, with actual pay levels varying around the midpoints based upon factors such as performance and experience. We target short-term incentive opportunities and long-term awards at approximately the market median. The goal is to provide an opportunity for total direct compensation that is competitive and sufficient to attract and retain executives and is reflective of our overall executive compensation philosophy which is designed to:

- provide a competitive compensation opportunity to allow us to attract, retain and appropriately motivate key talent;
- provide a significant portion of pay based on performance (incentive compensation), so that actual compensation paid will vary up and down with our performance. The portion of pay based upon performance increases for more senior executive positions;
- align executive and shareholder interests by linking incentive pay primarily to key quantitative financial results. We further enhance this alignment by using equity-based grants. The value that participating executives realize from such grants depends upon our share price;
- create alignment with executives and shareholders by rewarding executives for the achievement of strategic goals and business strategies that successfully drive our operations and provide strong financial results, thereby enhancing shareholder value;
- differentiate executive pay to recognize critical skills, leadership contributions and (current and future potential) impact on the organization's success; and
- provide a total compensation opportunity that is at the market 50th percentile for a similar-sized business subject to differences by individual within a range of plus or minus 20%.

We describe the individual elements that make up our total compensation more fully in the Compensation Discussion and Analysis section of this Proxy Statement. We believe our executive

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compensation programs are structured in the best manner possible to support our company and our business objectives, as well as to support our culture and traditions that have been around for over 100 years.

- Our compensation programs are substantially tied into our key business objectives and the success of our shareholders. If the value we deliver to our shareholders declines, so does the compensation we deliver to our executives.
- We maintain the highest level of oversight over our executive pay programs.
- We closely monitor the compensation programs and pay levels of executives from other companies that we believe to be similar to the company in business characteristics and economics.

Accordingly, for the reasons we discuss above, the Board recommends that shareholders vote in favor of the compensation of our named executive officers as disclosed pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narrative discussion.

Vote Requirement. The affirmative vote of a majority of the shares represented in person or by proxy at the Annual Meeting is required for approval of the compensation of our named executive officers, assuming that a quorum is present. Abstentions and broker nonvotes will be counted for purposes of determining whether a majority of votes has been cast in favor of the proposal. Proxies solicited by the Board will be voted **FOR** approval of the compensation unless a shareholder specifies otherwise.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE

COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS AS

DISCLOSED IN THE COMPENSATION DISCUSSION AND ANALYSIS SECTION

AND THE ACCOMPANYING COMPENSATION TABLES AND NARRATIVE DISCUSSION CONTAINED IN THIS PROXY STATEMENT.

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PROPOSAL 8

ADVISORY VOTE ON THE FREQUENCY OF THE ADVISORY VOTE ON COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Also, beginning this year, under the legislation that Congress enacted in 2010, our shareholders may approve, on a non-binding, advisory basis, the frequency of the advisory vote on the compensation of our named executive officers as disclosed in accordance with the executive compensation disclosure rules contained in Item 402 of the SEC's Regulation S-K. Shareholders may choose to approve holding an advisory vote on the compensation of our named executive officers annually, biennially or triennially. Accordingly, we are asking shareholders whether the advisory vote should occur every year, once every two years or once every three years.

The Board has considered the frequency of the advisory vote on the compensation of our named executive officers that it should recommend. After considering the benefits and consequences of each option for the frequency of submitting the advisory vote on the compensation of our named executive officers to shareholders, the Board recommends submitting the advisory vote on the compensation of our named executive officers to our shareholders annually.

We believe an annual advisory vote on the compensation of our named executive officers will allow us to obtain information on shareholders' views of the compensation of our named executive officers on a more consistent basis. In addition, we believe an annual advisory vote on the compensation of our named executive officers will provide our Board and the Human Resources Committee with frequent input from shareholders on our compensation programs for our named executive officers. Finally, we believe an annual advisory vote on the compensation of our named executive officers aligns more closely with our objective to engage in regular dialogue with our shareholders on corporate governance matters, including our executive compensation philosophy, policies and programs, and our commitment to good corporate governance.

For the reasons discussed above, the Board recommends that shareholders vote in favor of holding an advisory vote on the compensation of our named executive officers at an annual meeting of shareholders every year. In voting on this advisory vote on the frequency of the advisory vote on the compensation of our named executive officers, shareholders should be aware that they are not voting for or against the Board's recommendation to vote for a frequency of every year for holding future advisory votes on the compensation of our named executive officers. Rather, shareholders will be casting votes to recommend an advisory vote on the compensation of our named executive officers which may be every year, once every two years or once every three years, or they may abstain entirely from voting on the proposal.

We recognize that shareholders may have different views as to the best approach for the Company, and therefore, we look forward to hearing from our shareholders as to their preferences on the frequency of the advisory vote on the compensation of our named executive officers. The option on the frequency of the advisory vote on the compensation of our named executive officers that receives the most votes from shareholders will be considered by the Board and Human Resources Committee as the shareholders' recommendation as to the frequency of future advisory votes on the compensation of our named executive officers. However, the outcome of this advisory vote on the frequency of the advisory vote on the compensation of our named executive officers is not binding on us or the Board. Nevertheless, the Board will review and consider the outcome of this vote when making determinations as to when the advisory vote on the compensation of our named executive officers will again be submitted to shareholders for approval at an annual meeting of shareholders within the next three years.

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Vote Requirement. The frequency of the advisory vote on compensation of our named executive officers receiving the greatest number of votes every year, once every two years or once every three years will be the frequency that shareholders approve. For purposes of determining the vote regarding this proposal, abstentions and broker nonvotes will have no impact on the vote. Proxies solicited by the Board will be voted FOR approval of a frequency of every year unless a shareholder specifies otherwise.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR SUBMITTING THE ADVISORY VOTE ON THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS TO SHAREHOLDERS EVERY YEAR.

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PROPOSAL 9

SHAREHOLDER PROPOSAL

The following proposal and supporting statement were submitted by a proponent (the Proponent). Shareholders will vote on the proposal at the Annual Meeting if the Proponent properly presents it at the meeting. If shareholders approve the proposal, the proposal is not binding on the company. Shareholders may obtain the Proponent's name and address and the number of shares of common stock that the Proponent holds upon written request to our Secretary. The Board unanimously recommends a vote AGAINST this proposal. Unless you specify otherwise, the Board intends the accompanying proxy to be voted against this proposal. The shareholder proposal and supporting statement, for which the Board and the company accept no responsibility, follow. We have included the proposal verbatim as we received it. The Board's response follows the Statement of Proponent.

* * *

RESOLVED: The shareholders of Harley-Davidson, Inc. (the Company) hereby request the board of directors to adopt a policy of obtaining shareholder approval for any future agreements and corporate policies that could oblige the Company to make payments, grants or awards following the death of a senior executive in the form of unearned salary or bonuses; accelerated vesting or the continuation in force of unvested and unearned equity grants; awards of ungranted equity; perquisites; and other payments or awards made in lieu of compensation. This policy would not apply to the extent that comparable payments, grants or award, are offered to other Company employees. As used herein, future agreements include modifications, amendments or extensions of existing agreements.

SUPPORTING STATEMENT

As shareholders, we support a compensation philosophy that provides sufficient remuneration to motivate and retain talented executives and that ties their pay to the long-term performance of the Company. We believe that such a pay for performance approach is needed to align the interests of executives with those of shareholders.

In our view, golden coffin agreements, which can require a company to make significant payments or awards after an executive's death, are inconsistent with that approach. Senior executives have opportunities while they are alive to contribute to a pension fund, purchase life insurance, or engage in other estate planning strategies suitable to their needs. We see no reason to saddle shareholders with payments or awards when shareholders are receiving no services in return.

Harley-Davidson currently offers death benefits to senior executives consisting of up to three times annual salary in the form of insurance proceeds (four times annual salary for the CEO), plus reimbursement for taxes on the value of such benefits, and a *pro rata* vesting of unvested awards of restricted stock.

We agree with Peter Gleason, CFO of the National Association of Corporate Directors, who was quoted in *Financial Week* as calling golden coffin packages a bad idea. We disagree that such agreements enhance executive retention, as an executive who is deceased cannot be retained.

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We thus ask the Company to provide for a shareholder role on this issue. We believe that the existence of such a shareholder approval requirement may induce restraint when parties negotiate such agreements. The proposal does not require prior shareholder approval, which may not always be practical to obtain; there is thus flexibility to seek shareholder approval after material terms of an agreement are agreed upon.

We urge shareholders to vote FOR this proposal.

FOR THE REASONS STATED BELOW, THE BOARD OF DIRECTORS UNANIMOUSLY

RECOMMENDS A VOTE AGAINST PROPOSAL 9

The Board of Directors unanimously recommends a vote AGAINST the above proposal for the following reasons:

RECOMMENDATION OF THE BOARD OF DIRECTORS

After reviewing and considering carefully this proposal, our Board and the Human Resources Committee have determined that the proposal is not in the best interests of our shareholders and oppose the proposal for the following reasons.

1. Our Board and the Human Resources Committee recognize the need to attract and retain talented executives. This must be done in the context of the competitive environment in which the company exists. We have determined the company's current compensation practices to be competitive with our peers, including with respect to benefits payable upon an executive's death. We believe the incentive value of long-term benefits is enhanced when employees know that payments will not be lost upon their death but will be available for their beneficiaries. Such long-term benefits are a strong incentive for long-term performance. We believe they increase retention, encourage life-long dedication to the company and discourage short-term risk-taking.
2. Our shareholders have already approved the majority of the current plans under which executives are entitled to benefits upon death, including our stock incentive plan and the employee incentive plan. In addition, shareholders are being asked to approve the Short-Term Incentive Plan for Senior Executives (discussed under Proposal 5) which also allows for benefits upon death. Under our stock incentive plan, the Human Resources Committee may accelerate the vesting or deem an equity award to be earned in the event of a participant's death. (Equity awards currently provide for vesting upon termination of employment on or after age 55, including as a result of death; for those under age 55 vesting of options does not accelerate due to death and restricted stock vests pro rata upon death.) Under our cash incentive plans, the Human Resources Committee may, in its sole discretion, provide for a partial or complete payment of an award upon death, although cash incentive plan awards do not by their terms provide for any payment upon death. As a result, the intent of this shareholder proposal has already been largely realized, since shareholder oversight and approval have been obtained. Further, under Proposal 7 above, which involves an advisory shareholder vote on executive compensation, shareholders have an opportunity to provide feedback on the compensation of our named executive officers.
3. The Board and the Human Resources Committee are well positioned, with access to independent experts, to exercise discretion and to make decisions with respect to executive compensation that are in the best interests of the company and its shareholders. Staying competitive in many cases requires us to adapt rapidly to fast-moving trends in the marketplace and to the

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circumstances of individual executive officers or officer candidates. Putting decisions to a shareholder vote is a slow and costly process. Requiring shareholder approval of employment agreements and policies that provide for benefits following the death of a senior executive officer could hurt our ability to fill critical executive positions by impeding our ability to negotiate agreements or implement policies that address the competitive market, the needs of our company and the nature of the particular situation. For example, beginning in 2011, the CEO agreed to reduce the amount of his company-provided death benefit to a multiple of three times annual pay (which is consistent with other named executive officer), and under this proposal we would not have been able to do so without shareholder approval.

In summary, our Board believes that our compensation practices have been and will continue to be a key factor in our ability to deliver strong results. Our Board believes the requirements of the proposal would place us at a competitive disadvantage in recruiting and retaining executive talent and that it is in the best interests of our company and our shareholders to retain flexibility in structuring our executive compensation programs. Our Human Resources Committee is well positioned to exercise that judgment, and the spirit of the shareholder proposal has already been substantially met, since shareholders have already approved many of the provisions that make up the company's approach to providing benefits upon an executive's death.

For these reasons, the Board of Directors unanimously recommends a vote AGAINST Proposal Number 9.

Vote Requirement. The affirmative vote of a majority of the shares represented in person or by proxy at the Annual Meeting is required for approval of this proposal, assuming that a quorum is present. Abstentions and broker nonvotes will be counted for purposes of determining whether a majority of votes has been cast in favor of the proposal. Proxies solicited by the Board will be voted AGAINST approval of this proposal unless a shareholder specifies otherwise.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST PROPOSAL 9

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OTHER MATTERS TO COME BEFORE THE ANNUAL MEETING

The Board of Directors and management do not intend to bring any matters before the Annual Meeting other than those to which we referred in the Notice of Annual Meeting and this Proxy Statement. If any other matters come before the Annual Meeting, the persons named in the proxy cards intend to vote the shares that shareholders have authorized those persons to vote in accordance with their judgment on those matters. To bring business before an annual meeting, a shareholder must give written notice to our Secretary before the meeting and comply with the terms and time periods that our Restated Articles of Incorporation specify (see Shareholder Proposals on page 95). No shareholder has given written notice to our Secretary of his or her desire to bring business before the Annual Meeting in compliance with the terms and time periods that our Restated Articles of Incorporation specify.

CORPORATE GOVERNANCE PRINCIPLES AND BOARD MATTERS

Independence of Directors

The Board has affirmatively determined that Ms. Brooks, Ms. Levinson and Messrs. Anderson, Allen, Beattie, Conrades, Green, Linebarger, Miles, Norling and Zeitz qualify as independent directors under New York Stock Exchange rules. The Board has affirmatively determined that Messrs. James and Wandell are not independent. To assist the Board in making determinations of independence, the Board adopted the categorical standards set forth below. In evaluating the independence of our directors, the Board determined that any relationships that these directors have with the company satisfy the categorical standards that we describe below.

The Board reviews and determines on the recommendation of the Nominating and Corporate Governance Committee (the Nominating Committee), after reviewing all relevant facts and circumstances, whether any director has a material relationship with the company that would affect his or her independence. Under the categorical standards that the Board has established to assist it in making these determinations, the Board will not consider the following relationships material:

- The director has received, or has an immediate family member* who has received, less than \$120,000 a year in direct compensation from Harley-Davidson (not including director and committee fees and pension or other forms of deferred compensation for prior service, compensation received by the director for former services as an interim chairman of the Board, interim Chief Executive Officer or other interim executive officer and compensation received by an immediate family member* for service in a non-executive position).
- (1) The director has an immediate family member* who is a current employee of Harley-Davidson's internal or external auditor but the immediate family member* is not a partner of that firm and does not personally work on Harley-Davidson's audit; or (2) the director or an immediate family member* was a partner or employee of Harley-Davidson's internal or external auditor but did not personally work on Harley-Davidson's audit within the last three years.

* An immediate family member as used in these categorical standards includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-laws, and anyone (other than domestic employees) who shares the person's home.

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- The director has any current or former relationship (including through an immediate family member*) with a company that makes payments to (other than contributions to tax exempt organizations), or receives payments from, Harley-Davidson for property or services in an amount which, in any single fiscal year during the previous three fiscal years, does not exceed the greater of \$1 million or 2% of the consolidated gross revenues of the company with which the director has the relationship.
- The director has any current or former relationship (including through an immediate family member*) with a tax exempt organization that receives contributions from Harley-Davidson in an amount which, in any single fiscal year during the previous three fiscal years, does not exceed the greater of \$1 million or 2% of the consolidated gross revenues of the tax exempt organization with which the director has the relationship.
- The director is a shareholder of Harley-Davidson.
- The director has a current or former relationship (including through an immediate family member*) with a company that has a relationship with Harley-Davidson, but the director's relationship with the other company is through the ownership of the stock or other equity interests of that company that is less than 10% of the outstanding stock or other equity interests of that company.
- A family member of the director has a relationship with Harley-Davidson but the family member is not an immediate family member* of the director.
- An immediate family member* of the director, other than his or her spouse, is an employee of a company that has a relationship with Harley-Davidson but the family member is not an executive officer of that company.

When making director independence determinations, the Board considered certain business relationships. We have a business relationship with Akamai Technologies, Inc., of which Mr. Conrades is the Executive Chairman, and with Cummins Inc., of which Mr. Linebarger is President and Chief Operating Officer. We discuss these relationships in more detail in the Certain Transactions section below. The Board considered the nature of the relationship and the annual amount of payments we make and determined that the dollar amount of such payments did not preclude the Board from making an independence determination for either director and that the relationship fell within our categorical standards of independence.

In addition, a director cannot qualify as independent for Audit Committee purposes if the director, other than in his or her capacity as a member of the Audit Committee, the Board, or any other Board committee meets one of the following:

- accepts directly or indirectly any consulting, advisory, or other compensatory fee from Harley-Davidson or any of its subsidiaries, except that compensatory fees do not include fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with Harley-Davidson (provided that the compensation is not contingent in any way on continued service)
- is an affiliated person of Harley-Davidson or any of its subsidiaries

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Indirect acceptance of any consulting, advisory or other compensatory fee includes:

- acceptance of a fee by a spouse, a minor child or stepchild, or a child or stepchild sharing a home with the Audit Committee member
- acceptance of a fee by an entity in which the Audit Committee member is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to Harley-Davidson or any of its subsidiaries

Board Committees

The Board has three committees: the Audit Committee, the Human Resources Committee and the Nominating and Corporate Governance Committee. The Corporate Governance page of our website located at <http://www.harley-davidson.com> contains the charter for each of the committees.

Audit Committee

Members: During 2010, the members of the Audit Committee were directors Richard I. Beattie, Judson C. Green, N. Thomas Linebarger, George L. Miles, Jr. and James A. Norling (Chairperson).

Number of Meetings in 2010: 9

Audit Committee Purpose:

The Audit Committee Charter provides that the Audit Committee will assist the Board in fulfilling its oversight responsibility relating to:

- the integrity of our financial statements and the financial reporting process;
- the systems of internal control over financial reporting;
- the maintenance of the Financial Code of Ethics;
- the internal audit function;

- the retention, compensation and termination of the independent registered public accounting firm;
- the annual independent audit of our financial statements;
- the independent registered public accounting firm's qualifications and independence;
- our compliance with legal and regulatory requirements; and
- risk management.

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In December 2010, the Audit Committee reviewed the Audit Committee Charter and recommended proposed changes to the Board for approval. The Board approved the revised Audit Committee Charter in December 2010, and shareholders can find it on our website located at <http://www.harley-davidson.com>.

The Board has determined that all members of the Audit Committee are independent and financially literate under the audit committee requirements of New York Stock Exchange rules. The Board has also determined that Messrs. Green, Linebarger and Miles are audit committee financial experts within the meaning of SEC rules. The section below under the heading **Audit Committee Report** discusses the functions of the Audit Committee and its activities during fiscal year 2010.

Human Resources Committee

Members: During 2010, the members of the Human Resources Committee were directors R. John Anderson (as of December 7, 2010), Martha F. Brooks, George H. Conrades (Chairperson), Sara L. Levinson and Jochen Zeitz.

Number of Meetings in 2010: 5

Human Resources Committee Purpose:

The Human Resources Committee Charter provides that the Human Resources Committee should:

- review the annual performance of the Chief Executive Officer (CEO) with input from the independent directors of the Board and make recommendations to the independent directors about the CEO s total compensation;
- review and approve the total compensation of our executive officers (other than the CEO) on an annual basis with input from the CEO;
- review overall compensation policies and plans for executive officers and other employees and, if necessary, recommend plans to shareholders;
- produce a report on compensation for inclusion in our proxy statement in accordance with applicable rules and regulations and review the Compensation Discussion and Analysis that we must include in our proxy statement;
- exercise the authority of the Board to adopt and amend compensation plans for executive officers and other employees and recommend plans to shareholders;
- evaluate company management performance overall and provide recommendations regarding management successors;

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- make recommendations regarding and monitor stock ownership levels of our executive officers and senior leaders as set forth in our Stock Ownership Guidelines;
- review potential conflicts of interest and any other potential Code of Business Conduct violations by any of our executive officers (other than the CEO);

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- review the disclosure of any waivers of such conflicts or other Code of Business Conduct violations for executive officers (other than the CEO);
- make determinations regarding shareholder advisory votes on compensation of named executive officers; and
- review our policies applicable to executive officers regarding trading and hedging involving company securities.

In December 2010, the Human Resources Committee reviewed the Human Resources Committee Charter and recommended proposed changes to the Board for approval. The Board approved the revised Human Resources Committee Charter in December 2010, and shareholders can find it on our website located at <http://www.harley-davidson.com>.

The Board of Directors has determined that all members of the Human Resources Committee are independent under the New York Stock Exchange rules.

The CEO had the responsibility for determining salary levels of other executives in 2010. Senior Leaders recommended salaries for other Senior Leaders that report to them, and the CEO approved the salaries for Senior Leaders at the vice president level and above before providing them to the Human Resources Committee for review during the February Human Resources Committee meeting. Beginning in 2011, we have adjusted this process so that the CEO recommends base salary changes for the Executive Leadership Team to the Human Resources Committee for final approval. The Human Resources Committee also has overall responsibility for reviewing total direct compensation (consisting of base salaries, short-term incentive compensation and long-term incentive compensation) for our employees who are at least at the vice president level. In addition, the Human Resources Committee reviews other aspects of compensation, such as deferred compensation plans, perquisite payments and health and welfare plans.

The Human Resources Committee is also responsible for reviewing the annual performance of the CEO with input from the independent directors of the Board who comprise the Nominating Committee. Based upon the review of the annual performance of the CEO and competitive market data, the Human Resources Committee develops a compensation package for the CEO and recommends the CEO's compensation package to the Nominating Committee for approval.

The Human Resources Committee has the authority to engage the services of outside advisors, experts and others to assist it in performing its responsibilities. The Human Resources Committee retained the services of Semler Brossy Consulting Group, LLC as its outside executive compensation advisor through June 2010. Beginning in August 2010, the Human Resources Committee engaged Meridian Compensation Partners, LLC. The representative of Meridian reports to the chairperson of the Human Resources Committee. On an annual basis, the Human Resources Committee reviews and approves the scope of Meridian's services regarding executive compensation, its performance and fees related to work Meridian performed for the Human Resources Committee. The Human Resources Committee retains the right to terminate Meridian's services at any time. Meridian's primary responsibilities to the Human Resources Committee include providing:

- Independent competitive market data and advice related to our CEO's compensation level and incentive design;

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- A review of our compensation levels, performance goals and incentive designs for the named executive officers; and
- Benchmark data on executive compensation.

Currently, Meridian does no work for us beyond its engagement by the Human Resources Committee and assisting the Nominating Committee with benchmarking director compensation.

The Human Resources Committee annually approves several Short-Term Incentive Plans (STIPs) to motivate and reward the performance of employees of the Motor Company, HDFS and Harley-Davidson. Our STIPs have broad-based participation and provide an opportunity to earn annual cash awards based upon performance during the course of our fiscal year relative to financial goals or other performance objectives. Prior to the beginning of each year, the Human Resources Committee reviews and approves Financial STIP and Leadership STIP performance measures and goals. The Human Resources Committee also reviews and approves target STIP opportunities for our Executive Leadership Team. Upon the completion of the fiscal year, the Human Resources Committee determines the extent to which actual performance satisfies the defined performance goals for each STIP.

The Human Resources Committee also determines whether supplemental incentive plans are necessary or appropriate. If the Human Resources Committee determines that a supplemental incentive plan is necessary or appropriate, then the Human Resources Committee approves the performance measures, the goals and the participants for the supplemental incentive plan. The Human Resources Committee did not approve any supplemental incentive plans during 2010.

In general, we grant equity-based long-term incentives annually in February. In the case of the CEO, the Human Resources Committee recommends an equity award for the CEO to the Nominating Committee for review and approval. The Human Resources Committee has authorized the CEO to make equity grants to employees in certain instances, including to help recruit a new employee or retain a current employee or to reward an employee for exceptional service or such other instance that the CEO believes is in our best interest. The CEO may grant awards of stock options and stock appreciation rights that involve not more than 100,000 shares of our common stock in the aggregate annually and not more than 25,000 shares of common stock to any one employee and/or a person engaged to become an employee. The CEO may also grant awards of restricted stock, restricted stock units and shares of our common stock that involve not more than 50,000 shares of our common stock in the aggregate annually and not more than 10,000 shares of common stock to any one employee and/or a person engaged to become an employee. The CEO may not grant equity awards to members of the Executive Leadership Team.

The Human Resources Committee has adopted a number of policies and agreements to further the goals of the executive compensation program and to strengthen the alignment of interests of executives with the long-term interests of shareholders. These include Stock Ownership Guidelines for executives that we describe beginning on page 54

We also provide benefits to our executives that are the same benefits received by salaried employees in general. They include medical and dental benefits, retirement plans, employee savings plans, death benefits and deferred compensation plans for eligible employees. Management reviews these programs periodically, generally with the aid of an outside consultant, and revises them when necessary. In addition, the Human Resources Committee periodically reviews aspects of these programs.

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Nominating and Corporate Governance Committee

Members: During 2010, the members of the Nominating Committee were directors Barry K. Allen, R. John Anderson (as of December 7, 2010), Richard I. Beattie (Chairperson), Martha F. Brooks, George H. Conrades, Judson C. Green, Sara L. Levinson, N. Thomas Linebarger, George L. Miles, Jr., James A. Norling and Jochen Zeitz.

Number of Meetings in 2010: 4

Nominating Committee Purpose:

The Nominating Committee Charter provides that the Nominating Committee should:

- identify and make recommendations to the Board on individuals qualified to serve as Board members consistent with the criteria that the Board has approved;
- identify and make recommendations to the Board on individuals qualified to serve as our CEO;
- review and recommend the renomination of current directors;
- review and recommend committee appointments;
- lead the Board in its annual review of the Board's and its committees' performance;
- approve goals and objectives for our CEO and review our CEO's annual performance;
- review and approve our CEO's total compensation as recommended by the Human Resources Committee;
- maintain our Code of Business Conduct;
- maintain a process for review of potential conflicts of interest;
- review potential conflicts of interest and other potential Code of Business Conduct violations by our CEO or directors;
- review the disclosure of any waivers of conflicts of interest or other Code of Business Conduct violations by our CEO or directors;

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- review and reassess annually our Corporate Governance Policy and recommend any proposed changes to the Board for approval;
- take a leadership role in shaping the corporate governance of the company;
- exercise the authority of the Board to adopt, administer and amend compensation plans for directors and recommend those plans to shareholders;

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- make recommendations regarding and monitor stock ownership levels of the members of the Board as set forth in our Stock Ownership Guidelines;
- review our policies applicable to directors regarding trading and hedging involving company securities; and
- perform other related tasks, such as studying and making recommendations to the Board concerning the size, committee structure or meeting frequency of the Board.

In December 2010, the Nominating Committee reviewed the Nominating Committee Charter and recommended proposed changes to the Board for approval. The Board approved the revised Nominating Committee Charter in December 2010, and shareholders can find it on our website located at <http://www.harley-davidson.com>.

The Board has determined that all members of the Nominating Committee are independent under New York Stock Exchange rules.

The Nominating Committee Charter outlines the criteria for identifying and recommending new candidates to serve on the Board. In considering any potential candidate for the Board, the Nominating Committee considers the following qualifications:

- principal employment;
- expertise relevant to the company's business;
- whether the potential candidate will add diversity to the Board, including whether the potential candidate brings complementary skills and viewpoints;
- time commitments, particularly the number of other boards on which the potential candidate may serve;
- independence and absence of conflicts of interest under New York Stock Exchange rules and other laws, regulations and rules;
- financial literacy and expertise; and
- personal qualities including strength of character, maturity of thought process and judgment, values and ability to work collegially.

The Nominating Committee's charter has long required the committee to consider diversity in its process of selecting director nominees. Specifically, the Nominating Committee evaluates each candidate for director on, among other things, the basis of the diversity that he or she would bring to the Board, including with respect to business and professional experiences, skills, ethnicity and gender. We believe this policy has been effective in the creation of a Board comprised of diverse members and that the composition of the current Board reflects the Nominating Committee's consideration of diversity in its evaluation and nomination process.

The Nominating Committee will consider candidates that shareholders recommend. Shareholders may recommend candidates for the Nominating Committee to consider by writing to the

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Nominating Committee in care of our Secretary, 3700 West Juneau Avenue, P.O. Box 653, Milwaukee, Wisconsin 53201-0653. The Nominating Committee's policy regarding director candidates that shareholders recommend and the process for evaluating the nominees are as follows:

- If a shareholder has complied with procedures to recommend director candidates that the Nominating Committee has established, then the Nominating Committee will consider director candidates that the shareholder has recommended for available seats on the Board.
- In making recommendations to the Board of one or more candidates to serve as a director, the Nominating Committee will examine each director candidate on a case-by-case basis regardless of who recommended the candidate. The Nominating Committee evaluates candidates in the same manner whether a shareholder or the Board has recommended the candidate.
- In general, for each candidate that any person or group brings to the attention of the Nominating Committee for consideration for nomination as a director, the chairperson of the Nominating Committee will first make a determination whether the Nominating Committee should consider the candidate at that time based on factors the chairperson deems relevant, including our current need for qualified candidates and the chairperson's view as to whether the candidate has sufficient qualifications for further consideration for nomination as a director.
- If the chairperson makes a determination that the Nominating Committee should consider the candidate, then the chairperson will report that determination to the Nominating Committee and communicate all relevant information to the Nominating Committee.
- Each Nominating Committee member is responsible for sending feedback on a candidate to the chairperson. The Nominating Committee may take any additional steps it deems necessary to determine whether to recommend the candidate to the full Board.

To enable the Nominating Committee to consider a shareholder recommendation in connection with the 2012 annual meeting of shareholders, we must receive the recommendation on or before November 25, 2011.

Submitting a shareholder recommendation to the Nominating Committee does not ensure that shareholders will have an opportunity to vote on the shareholder's candidate because the Nominating Committee may determine not to recommend the candidate to the full Board or the full Board may determine not to recommend the candidate to shareholders. Any shareholder who wants to ensure that shareholders will have an opportunity to vote on the shareholder's candidate may nominate the director candidate for the shareholders to vote on at the 2012 annual meeting of shareholders, in addition to recommending the candidate to the Nominating Committee, by giving written notice to our Secretary in advance of the 2012 annual meeting. To give that notice, a shareholder must comply with the terms and time periods of our Restated Articles of Incorporation. Our Restated Articles of Incorporation state that a shareholder must give written notice that complies with the Restated Articles of Incorporation to our Secretary not less than 60 days before the date in 2012 corresponding to the date we released this Proxy Statement to our shareholders. Because we anticipate mailing this Proxy Statement on March 25, 2011, we must receive notice of a nomination for a director candidate for shareholders to consider at the 2012 annual meeting of shareholders no later than January 24, 2012. Even if a shareholder delivers a timely notice and otherwise complies with the terms and time periods of our Articles of Incorporation, we will not be obligated to name the shareholder's candidate in our proxy materials.

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The Nominating Committee is responsible for establishing, reviewing and revising compensation we pay to our directors. The Nominating Committee, working with management and third party compensation consultants and reviewing benchmarked data from a comparator group of companies, determines director compensation that it believes is competitive with these companies. The Nominating Committee periodically reviews and revises, when necessary, the Director Compensation Policy, generally with the aid of a compensation consultant. The Nominating Committee most recently revised this policy in April 2009 to provide for reduced compensation for nonemployee members of the Board of Directors.

The following summarizes director committee membership as of the date of this Proxy Statement (*Indicates Chairperson):

Nominating and Corporate Governance

Committee

Barry K. Allen, Chairman
R. John Anderson
Richard I. Beattie*
Martha F. Brooks
George H. Conrades
Judson C. Green
Sara L. Levinson
N. Thomas Linebarger
George L. Miles, Jr.
James A. Norling
Jochen Zeitz

Audit Committee

Richard I. Beattie
Judson C. Green
N. Thomas Linebarger
George L. Miles, Jr.
James A. Norling*

Human Resources Committee

R. John Anderson
Martha F. Brooks
George H. Conrades*
Sara L. Levinson
Jochen Zeitz

Board Meetings, Attendance, Executive Sessions and Annual Meeting Attendance

In 2010, there were five regularly scheduled meetings of the Board, two of which were telephonic meetings, and two special meetings of the Board which were both telephonic meetings. All current directors attended at least 75% of the meetings of the Board and the committees on which they served during 2010, except Mr. Zeitz who attended 69% of the meetings. Mr. Zeitz resides in Europe and, as a result, has had some difficulty attending all Board and committee meetings.

The Board met in executive sessions during all regularly scheduled meetings (except some of the telephonic meetings), without management present, and plans to continue that practice going forward. On April 26, 2010, the Board elected Mr. Allen as Chairman of the Board. As independent Chairman of the Board, he presides over these executive sessions. Mr. Allen previously served as the presiding director of the Board since 2002.

Unless a director has a conflict in his or her schedule, we expect all directors to attend the Annual Meeting of Shareholders. All of our directors attended our 2010 annual meeting of shareholders and were available to answer any shareholder questions, except for Mr. Zeitz.

Leadership Structure

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Mr. Allen, who is one of our independent directors, currently serves as our Chairman of the Board. The Board has had a Chair who is not the Chief Executive Officer and not otherwise a company

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executive since 2005. The Board has determined that the most effective Board leadership structure for the company at the present time is for the Chief Executive Officer and Chair positions to be separate. The Board believes at this time that continuing to separate the CEO and Chairman roles will enable the CEO to focus on the business strategy and operations of the company, while Mr. Allen will provide the continuity of leadership of the Board necessary for the Board to fulfill its responsibilities. The Board retains the authority to modify this structure as and when appropriate to best address the company's unique circumstances and to advance the best interests of all shareholders.

The Board's Role in the Oversight of Risk

While the Board has the ultimate responsibility for oversight of the risk management process, various committees of the Board have a role in the oversight of risk management. In particular, the Audit Committee focuses on financial risk, including internal controls, and receives an assessment of the company's systems to monitor and manage business risk from our independent registered public accounting firm. Internal audit regularly reviews risk management processes and internal controls with the Audit Committee. The Audit Committee also receives a report at each regular Audit Committee meeting on legal and compliance matters. In addition, the Human Resources Committee reviews our compensation programs for compensation risk as we describe more fully on page 88.

Risk management is an integral part of our annual strategic planning process. The entire Board reviews the strategic risk management plan at least annually.

Shareholder Communication with the Board

Shareholders and other parties interested in communicating directly with the Chairman of the Board may do so by writing to the Chairman of the Board, Barry K. Allen, in care of our Secretary, 3700 West Juneau Avenue, P.O. Box 653, Milwaukee, Wisconsin 53201-0653. Communications may be made to the Chairperson of the Audit Committee, James A. Norling, by writing to Chairperson, Audit Committee in care of our Secretary, 3700 West Juneau Avenue, P.O. Box 653, Milwaukee, Wisconsin 53201-0653. The Board also has a process for shareholders to communicate with other directors. The Corporate Governance page of our website lists all current members of the Board. Shareholders and other parties interested in communicating with directors may do so by writing to that director in care of our Secretary, 3700 West Juneau Avenue, P.O. Box 653, Milwaukee, Wisconsin 53201-0653. We open and forward all mail to the director specified in the communication.

CERTAIN TRANSACTIONS

Policies and Procedures Governing Related Person Transactions

In December 2002, our Nominating Committee adopted a written policy regarding transactions with related persons. The committee amended this policy, which we refer to as our Conflict of Interest Process for Directors, Executive Officers and Other Employees, in December 2003.

Under the policy, the chair of the Nominating Committee reviews any potential conflict that arises and is reported for our CEO or a director. If the chair of the Nominating Committee determines that an actual conflict exists, then the entire Nominating Committee reviews the potential

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conflict of interest. If our Nominating Committee determines that an actual conflict exists, the committee decides whether to waive the conflict or require the CEO or director to remove the conflict. Any conflicts that are waived by our Nominating Committee are promptly disclosed to our shareholders.

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Our Vice President and General Counsel reviews any potential conflict that arises for any executive officer (other than our CEO and the Vice President and General Counsel). Our CEO reviews any potential conflict that arises for our Vice President and General Counsel. If the Vice President and General Counsel or CEO determines that an actual conflict exists, the chair of the Human Resources Committee reviews the potential conflict. If the chair of the Human Resources Committee determines that an actual conflict exists, the entire Human Resources Committee reviews the potential conflict of interest. If our Human Resources Committee determines that an actual conflict exists, the committee decides whether to waive the conflict or require the officer to remove the conflict. Any conflicts that are waived by our Human Resources Committee are promptly disclosed to our shareholders.

Our Vice President and General Counsel reviews any potential conflict that arises and is reported for any of our other employees. He determines whether an actual conflict exists and what, if any, steps need to be taken.

Certain Transactions

Mr. Conrades, a director, is the Executive Chairman of Akamai Technologies, Inc. We have continued a commercial relationship with Akamai that existed before Mr. Conrades joined the Board of Directors under which Akamai provides Internet content distribution services to the company. The relationship does not prevent Mr. Conrades from qualifying as an independent director under the Board's categorical independence standards. The Nominating Committee has considered this relationship under our Conflict of Interest Process for Directors and Executive Officers. The Nominating Committee has waived any conflict of interest that this relationship may represent on the basis that the relationship existed before Mr. Conrades joined the Board. In addition, the fees we paid to Akamai were negotiated on an arm's length basis and are well within the categorical independence standards that the Board has adopted that we describe beginning on page 38.

Mr. Linebarger, a director, is the President and Chief Operating Officer of Cummins, Inc. We have continued a commercial relationship with Cummins that existed before Mr. Linebarger joined the Board of Directors under which we have purchased exhaust parts and components from Cummins Emission Solutions, Cummins Filtration and Cummins Power, subsidiaries of Cummins. The relationship does not prevent Mr. Linebarger from qualifying as an independent director under the Board's categorical independence standards. The Nominating Committee has considered this relationship under our Conflict of Interest Process for Directors and Executive Officers. The Nominating Committee has waived any conflict of interest that this relationship may represent on the basis that the relationship existed before Mr. Linebarger joined the Board. In addition, the prices we pay to Cummins were negotiated on an arm's length basis and are well within the categorical independence standards that the Board has adopted that we describe beginning on page 38.

Mr. James is Chairman, Chief Executive Officer and an equity owner of Deeley Harley-Davidson Canada/Fred Deeley Imports Ltd. (Deeley Imports), the exclusive distributor of the company's motorcycles in Canada. The company in 2010 recorded revenue and financial services income from Deeley Imports of \$158.7 million and had an accounts receivable balance due from Deeley Imports of \$21.0 million as of December 31, 2010. We anticipate that we will do a similar amount of business with Deeley Imports in 2011. The Nominating Committee has considered this relationship under our Conflict of Interest Process for Directors and Executive Officers. The Nominating Committee has waived any conflict of interest that this relationship may represent on the basis that we provided the products and services that generated the revenue and income from Deeley

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Imports in the ordinary course of business at prices and on terms and conditions that we believe are the same as those that would result from arm's length negotiations between unrelated parties.

Mr. Wandell's brother is a regional sales representative for a division of Whelen Engineering Company, Inc. Whelen Engineering manufactures and sells globally a wide range of lighting and power supply products for automotive, motorcycle and aviation applications. The company has purchased lighting and warning siren motorcycle components for its police and fire/rescue division from Whelen Engineering for many years predating Mr. Wandell's employment with the company, which began in 2009. The company's total annual purchases from Whelen Engineering over the last five years were \$790,018 (2006), \$1,252,052 (2007), \$817,975 (2008), \$1,126,812 (2009) and \$751,181 (2010). At Mr. Wandell's direction, the company has implemented a process for the company's General Counsel to review the competitiveness of all purchases the company makes from Whelen Engineering. The chairman of the Nominating and Corporate Governance Committee has considered this relationship under the company's Conflict of Interests Process for Directors and Executive Officers. The chairman has determined that no actual conflict of interest exists as a result of the company's relationship with Whelen Engineering on the basis that Whelen Engineering has had a historical relationship with the company predating Mr. Wandell's employment with the company, the amount of the company's purchases from Whelen Engineering have continued at similar levels since Mr. Wandell's employment, and the company's purchases from Whelen Engineering are determined based on competitive bids.

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**COMMON STOCK OWNERSHIP OF CERTAIN
BENEFICIAL OWNERS AND MANAGEMENT**

The following table sets forth certain information as of March 10, 2011 with respect to the ownership of our common stock by each director, our NEOs, all directors and executive officers as a group and each person or group of persons that we know to own beneficially more than 5% of our stock.

Beneficial Ownership Table

Name of Beneficial Owner	Number of Shares(2)	Percent of Class	Amount and Nature of Beneficial Ownership(1) Shares Issuable
			Upon Exercise of Stock Options(3)
Barry K. Allen	46,842(4)	*	2,400
R. John Anderson	3,467	*	0
Richard I. Beattie	33,134	*	2,400
Martha F. Brooks	11,707(5)	*	0
George H. Conrades	83,510	*	1,800
Judson C. Green	17,486(6)	*	0
Lawrence G. Hund	36,638(7)	*	0
Donald A. James	428,214(8)	*	2,400
Paul J. Jones	17,236	*	0
Matthew Levatich	163,642	*	93,839
Sara L. Levinson	19,971	*	2,400
N. Thomas Linebarger	12,879	*	0
George L. Miles, Jr.	15,086	*	0
James A. Norling	24,541(9)	*	2,400
John A. Olin	122,897	*	90,273
Keith E. Wandell	345,901	*	121,877
Jochen Zeitz	11,400	*	0
All Directors and Executive Officers as a Group (21 Individuals)	1,557,715	*	430,069
BlackRock, Inc. (10)	14,015,134	5.96%	
Capital Research Global Investors (11)	17,967,500	7.64%	0
Davis Selected Advisers, L.P. (12)	24,912,970	10.60%	0

* The amount shown is less than 1% of the outstanding shares of our common stock.

(1) Except as otherwise noted, all persons have sole voting and investment power over the shares listed. In all cases, information regarding such power is based on information that the individual beneficial owners provide to us.

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(2) Includes shares of common stock issuable upon the exercise of stock options exercisable within 60 days of March 10, 2011 and shares of common stock held in our 401(k) Plan and our Dividend Reinvestment Plan, as of March 10, 2011. For the executive officers, the number of shares also includes shares of unvested restricted stock granted under the Harley-Davidson, Inc. 2004 Incentive Stock and/or the Harley-Davidson, Inc. 2009 Incentive Stock Plan, as of March 10, 2011, as follows: Mr. Hund 34,505, Mr. Jones, 17,121, Mr. Levatich 49,472, Mr. Olin 24,771 and Mr. Wandell - 210,855 shares, and All Directors and Executive Officers as a Group 372,506 shares.

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For the named executive officers, the number of shares of unvested restricted stock as of December 31, 2010 is set forth in the table below entitled Outstanding Equity Awards at December 31, 2010. Restricted stock granted in February 2011 was granted pursuant to the Harley-Davidson, Inc. 2009 Incentive Stock Plan, one-third of the shares of restricted stock vest on each of the first three anniversaries of the date of grant, and the shares are subject to forfeiture until vested.

(3) Includes only stock options exercisable within 60 days of March 10, 2011.

(4) The Barry K. Allen Revocable 1990 Living Trust held 22,156 shares of common stock for the primary benefit of Mr. Allen. Mr. Allen has shared voting and investment power over the shares held in the trust.

(5) Ms. Brooks disclaims beneficial ownership of 275 shares of common stock that are held by her adult son. A trust held 4,000 shares, and Ms. Brooks' husband serves as Trustee of this trust.

(6) The Green Family Trust held 6,570 shares of common stock for the primary benefit of Mr. Green and Joyce Green, his spouse. Both share voting and investment power over the shares held in the trust.

(7) Mr. Hund's spouse held 1,619 shares.

(8) Deeley Imports held 393,675 shares of common stock. Mr. James has sole voting power and shared investment power over the shares.

(9) Heritage Ventures, Ltd. held 8,000 shares of common stock. Mr. Norling has sole voting and investment power over the shares.

(10) We derived the information from a Schedule 13G that BlackRock Inc., an investment adviser, filed with the company and the SEC on February 4, 2011. As of December 31, 2010, BlackRock Inc. had sole voting power over 14,015,134 shares, shared voting power over zero shares, no voting power over 14,015,134 shares, sole investment power over 14,015,134 shares and shared investment power over zero shares. BlackRock Inc. is located at 40 East 52nd Street, New York, NY 10022.

(11) We derived the information from a Schedule 13G/A that Capital Research Global Investors, a division of Capital Research and Management Company, an investment company and investment adviser, filed with the company and the SEC on February 11, 2011. As of December 31, 2010, Capital Research Global Investors was deemed to be the beneficial owner of 17,967,500 shares as a result of Capital Research and Management Company acting as investment adviser to various investment companies registered under Section 8 of the Investment Company Act of 1940. As of December 31, 2009, Capital Research Global Investors had sole voting power over 15,967,500 shares, shared voting power over zero shares, sole investment power over 17,967,500 shares and shared investment power over zero shares. Capital Research Global Investors is located at 333 South Hope Street, Los Angeles, California 90071.

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(12) We derived the information from a Schedule 13G/A that Davis Selected Advisers, L.P., an investment adviser, filed with the company and the SEC on February 14, 2011. As of December 31, 2010, Davis Selected Advisers had sole voting power over 23,083,113 shares, shared voting power over zero shares, no voting power over 1,829,857 shares, sole investment power over 24,912,970 shares and shared investment power over zero shares. Davis Selected Advisers is located at 2949 East Elvira Road, Suite 101, Tucson, Arizona 85756.

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Stock Ownership Guidelines

The Board of Directors originally approved Stock Ownership Guidelines in 2002. The Board most recently revised the Stock Ownership Guidelines in February 2011. The revised Stock Ownership Guidelines apply to directors and approximately 40 of our top leaders. Under the revised Stock Ownership Guidelines, all directors must hold 15,000 shares of our common stock and certain members of the Senior Leadership Group must hold at least 15,000 to 200,000 shares of our common stock (including vested stock options and stock appreciation rights). Each director has until the later of September 2014 or five years after the date of election as a director if after September 2009 to accumulate the appropriate number of shares. The Senior Leadership Group members who must comply have until the later of September 2014 or five years from the date the Stock Ownership Guidelines become applicable to them to accumulate the appropriate number of shares. We describe the Stock Ownership Guidelines more fully beginning on page 69.

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SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and holders of more than 10% of our common stock to file with the SEC reports regarding their ownership and changes in ownership of our securities. Based on our review of the copies of Forms 3 and 4 (and any amendments) filed with the SEC and the written representations of our directors and executive officers, we believe that, during fiscal 2010 and to date in 2011, our directors, executive officers, and beneficial owners of more than 10% of our common stock complied with all Section 16(a) filing requirements.

Table of Contents**EXECUTIVE COMPENSATION****Compensation Discussion and Analysis***Executive Summary*

In 2010, we made substantial progress towards the long-term business strategy that we announced in 2009. This business strategy is centered on our four key pillars: growth, continuous improvement, leadership development and sustainability. During 2010, we substantially improved our financial performance when compared to 2009 including the creation of approximately \$2.4 billion in total shareholder return in the 2010 fiscal year.

	2010	2009	% Increase
Income from Continuing Operations (millions)	\$ 259.7	\$ 70.6	267%
Income from Continuing Operations (per share)	\$ 1.11	\$ 0.30	270%
Operating Income (millions)	\$ 560.6	\$ 195.5	187%
Stock Price Increase	\$ 34.67	\$ 25.20	38%

Management's positioning of our company during the economic downturn in fiscal 2009—cutting costs and through continuous improvement in manufacturing, product development and business operations—facilitated our achievement of these results.

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We believe we have structured our executive compensation programs in the best manner possible to support our company, to attain our business objectives, to support the type of corporate culture we desire and to deliver meaningful shareholder value. The following table provides an executive summary of our compensation programs:

Compensation Program/Element	General Description	Strategic Objective of Compensation Program/Element
Annual Base Salary	We set base salaries by starting with salaries midpoints, which are approximately at the competitive market median, and make adjustments based upon performance, experience and the potential for advancement.	Provides fixed compensation based on position, experience and tenure.
Financial Short-term Incentive Plans (STIPs)	Our Financial STIPs have broad-based participation and provide an opportunity to earn annual cash awards.	Provide incentive for short-term incentive goals and other performance objectives that the Board determines to be important at the beginning of the year.
Leadership STIP	The Leadership STIP provides our senior leaders the opportunity to earn incentive compensation above the amounts that they could earn under the Financial STIP or lose incentive compensation based upon their demonstration of leadership behaviors.	Encourages executives to achieve goals and objectives in accordance with specific leadership behaviors including courage; creativity; accountability; drive for results; respect for others, integrity, and diversity.
Long-term Incentives	Our long-term incentive program consists of stock options and restricted stock (both of which vest over three years) and a cash award (three-year cliff vesting).	Long-term incentives are a key component of total compensation and their purpose is to: (1) focus key employees on our long-term financial success and growth, (2) align the interests of key employees with those of shareholders and (3) encourage retention of key executives.
Other Benefits	We provide the following additional benefits to our senior leaders: medical, dental, retirement benefits, deferred compensation plans, life insurance-related benefits, employee savings plans and cash perquisites	We have designed the benefits to be competitive within typical market practices.

We discuss our compensation plans and philosophy in greater detail in this Compensation Discussion and Analysis.

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Introduction

This Compensation Discussion and Analysis addresses our compensation programs and policies for fiscal year 2010 and how they affected executives in our Senior Leadership Group (to whom we refer as our Senior Leaders), which we describe in more detail beginning on page 7. The Senior Leaders include the following Named Executive Officers (NEOs):

- President and Chief Executive Officer, Harley-Davidson, Inc.

- President and Chief Operating Officer, Harley-Davidson Motor Company

- Senior Vice President and Chief Financial Officer, Harley-Davidson, Inc.

- President, Harley-Davidson Financial Services

- Vice President, General Counsel & Secretary, Harley-Davidson, Inc.

We believe that our employees are a sustainable long-term competitive advantage for our organization. We compete to attract and retain executive and employee talent primarily with companies for whom engineering, manufacturing and the maintenance of a strong product brand and marketing focus are important parts of their businesses. The compensation programs and policies we have developed and implemented enable us to compete for these qualified and talented employees.

In 2010, these executive compensation programs and policies included the following:

- base salary;

- annual cash incentive compensation;

- long-term incentive awards;

- perquisite payments (cash payments made in lieu of receiving other benefits such as a car, motorcycle and payment of club dues), and other limited perquisites;

- retirement benefits;

- non-qualified deferred compensation plans; and

- life insurance-related benefits, including payments in lieu of post retirement life insurance.

Our Senior Leaders are also eligible to participate in other benefit plans that are generally available to our salaried employees. In certain special circumstances, such as newly-hired executives or for special retention or recognition, we provide compensation outside of these regular executive compensation programs. We discuss these special awards in this Compensation Discussion and Analysis where it affects our NEOs. Also, for Senior Leaders located outside the United States, we customize our compensation and benefits to meet local market, tax, regulatory and competitive practices.

Oversight of Executive Compensation

For 2010, the Human Resources Committee had overall responsibility for reviewing total direct compensation consisting of base salaries, short-term incentive compensation, long-term incentive compensation and perquisites for our vice presidents and above. In addition, the Human

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Resources Committee reviews other aspects of compensation, such as deferred compensation plans and health and welfare plans. Beginning in 2011, the Human Resources Committee has overall responsibility for approving the compensation of our Executive Leadership Team other than the Chief Executive Officer. Our Executive Leadership Team is a subset of our Senior Leaders comprised of our Executive Officers. For 2010 and continuing in 2011, the Nominating and Corporate Governance Committee approves the compensation of the Chief Executive Officer with input from the Human Resources Committee. During 2010, the Human Resources Committee consisted of the following directors: Martha F. Brooks, George H. Conrades (Chairperson), Sara L. Levinson, Jochen Zeitz and, commencing December 7, 2010, R. John Anderson.

We describe the responsibilities and functions of the Human Resources Committee more fully in the Corporate Governance Principles and Board Matters Human Resources Committee section beginning on page 41.

Use of Advisors

The Human Resources Committee has the authority to engage the services of outside advisors, experts and others to assist in performing its responsibilities. For 2009 and into 2010, the Human Resources Committee retained the services of Semler Brossy as its outside executive compensation advisor. After a thorough review process, the Human Resources Committee hired Meridian Compensation Partners, LLC as its new outside executive compensation advisor in August 2010. We describe the independent advisor's primary responsibilities and reporting obligations more fully in the Corporate Governance Principles and Board Matters Human Resources Committee section beginning on page 41. During 2010, neither advisor performed services for the company beyond its engagement with the Human Resources Committee.

With the assistance of its outside executive compensation advisor, the Human Resources Committee has looked to a group of comparator companies that it believes to be similar to Harley-Davidson in business characteristics and economics. These companies generally have had some characteristics that were similar to ours, such as being within a selected range of revenue and market capitalization and having engineering and manufacturing or the maintenance of a strong product brand and marketing focus as key attributes. Annually, the Human Resources Committee has reviewed compensation levels and reward practices of these comparator companies as disclosed in their respective proxy statements. In February 2010, the Human Resources Committee, based upon input from its outside executive compensation advisor, approved the use of the following organizations as our comparator group for compensation and reward practices (even though not all peer organizations demonstrate all selection attributes):

Avon Products, Inc.	The Hershey Company
BorgWarner, Inc.	Mattel, Inc.
Campbell Soup Co.	PACCAR Inc.
The Clorox Co.	Pentair
Cummins Inc.	Precision Castparts Corp.
Energizer Holdings, Inc.	Rockwell Collins, Inc.
Fortune Brands Inc.	The Stanley Works
Harman International Industries	Starbucks Corporation

In addition to the compensation data for these comparator companies, the outside executive compensation advisor provided the Human Resources Committee and management with its analysis of

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a broader set of data from leading compensation surveys as additional market reference points for various components of compensation for the NEOs. The additional compensation survey sources that we used for benchmarking purposes included Towers Perrin's Executive Compensation Database and Hewitt's Total Compensation Management Executive Compensation Survey. We have included lists of all of the companies in these surveys in the Corporate Governance section on our website at <http://files.shareholder.com/downloads/HDI/1144681638x0x358020/78f3066d-d431-4563-9d81-3aa8da4ceaa5/CompensationSurveyParticipants.pdf>. We have utilized general industry data from these surveys and, where available by survey, manufacturing industry data. We size-adjusted all survey data, using regression analysis to normalize to a revenue size of \$5.5 billion where regression relationships existed and using similarly-sized tabular data where regression relationships were not available. We benchmarked NEO compensation versus competitive medians based upon survey data and proxy statement data, weighted equally where appropriate matches were available. The Human Resources Committee believes that this survey data, together with the proxy statement data from the comparator group, accurately defines competitive market compensation levels for executive talent.

In December 2010, the Committee approved a revised peer group. Based on discussions with management and the outside executive compensation adviser, the Committee decided to utilize market data from two peer groups going forward as comparator groups for compensation and reward practices for 2011 pay decisions due to the uniqueness of Harley-Davidson. One group consists of companies for whom the maintenance of a strong product brand is a key attribute and a second group consists of companies for whom manufacturing and engineering are key attributes. The outside advisor communicated its view that companies that maintain a strong product brand have significantly different compensation philosophies and practices, so it was not appropriate to combine these companies with manufacturing companies in a single group.

Executive Compensation Philosophy

Our compensation philosophy emphasizes pay for performance. We target base salary midpoints for our Senior Leaders, including our NEOs, at approximately the market median, with actual pay levels varying around the midpoints based upon factors such as performance and experience as we discuss more fully below. We target short-term incentive opportunities and long-term awards at approximately the market median. The goal is to provide an opportunity for total direct compensation that is competitive and sufficient to attract, motivate and retain executives.

Our executive compensation philosophy is designed to:

- Provide a competitive compensation opportunity to allow us to attract, retain and appropriately motivate key talent.
- Provide a significant portion of pay based on performance (incentive compensation), so that actual compensation paid will vary up and down with our performance. The portion of pay based upon performance increases for more senior executive positions.
- Align executive and shareholder interests by linking incentive pay primarily to key quantitative financial results. We further enhance this alignment by using equity-based grants. The value that participating executives realize from such grants depends upon our share price.

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- Create alignment with executives and shareholders by rewarding executives for the achievement of strategic goals and business strategies that successfully drive our operations and provide strong financial results, thereby enhancing shareholder value.
- Differentiate executive pay to recognize critical skills, leadership contributions and (current and future potential) impact on the organization's success.
- Provide a total compensation opportunity that is at the market 50th percentile for a similar-sized business subject to differences by individual within a range of plus or minus 20%.

Components of the Executive Compensation Program

The compensation packages of our Senior Leaders, and more specifically for NEOs, consist of several elements. The primary elements include:

Base Salary. Base salaries provide Senior Leaders with a portion of total compensation that is fixed. We set base salaries by starting with salary midpoints which are approximately at the competitive market median. We then make adjustments on a subjective basis based upon an executive's individual performance and their accomplishment of key initiatives as determined by the assessment of their supervisor, the length and nature of the executive's experience, their competency in the position and the potential for advancement.

The CEO had the responsibility for determining salary levels of other executives in 2010. Senior Leaders recommended salaries for other Senior Leaders that report to them, and the CEO approved the salaries for Senior Leaders at the vice president level and above before providing them to the Human Resources Committee for review during the February Human Resources Committee meeting. Base salary increases generally become effective as of March 1. In February 2010, the Human Resources Committee reviewed the CEO's salary increase recommendations for other Senior Leaders at the vice president level and above, including the NEOs other than the CEO. Beginning in 2011, we have adjusted this process so that the CEO recommends base salary changes for the Executive Leadership Team to the Human Resources Committee for final approval.

The Human Resources Committee evaluates the performance of the CEO, with input from the independent directors on the Nominating and Corporate Governance Committee, and reviews external market compensation data in conjunction with the outside executive compensation adviser to formulate the CEO's salary. The adviser made a recommendation to the Human Resources Committee for its consideration. Based on the adviser's recommendation and a discussion of the CEO's overall total compensation package and his performance, the Human Resources Committee recommended the CEO's compensation for final approval by the Nominating Committee. The Human Resources Committee believes that the disparity that exists between the base salary level of the CEO as compared with other NEOs is supported by competitive market data and is appropriate based upon the level of accountability for his position.

Short-Term Incentive Plans (STIPs). Our STIPs have broad-based participation and provide an opportunity to earn annual cash awards based upon performance during the course of our fiscal year relative to financial goals or other performance objectives that we generally establish prior to the start of the year. We have given executives the opportunity to earn two types of annual incentive compensation. We have based one type on quantifiable, objective factors. We refer to this type of annual incentive compensation opportunity as our Financial STIPs. We have also given certain of our

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employees the opportunity to receive payments under an annual incentive plan that we have referred to as our Leadership STIP. We awarded the Financial STIPs for 2010 under our 2005 Harley-Davidson Inc. Short-Term Incentive Plan as it existed before shareholders approved the Harley-Davidson Inc. Incentive Plan at the 2010 annual meeting.

In December 2009, the Human Resources Committee reviewed and approved the 2010 performance measures and goals for the Financial STIPs, which consisted of the Corporate STIP, Motor Company STIP, and Harley-Davidson Financial Services (or HDFS) STIP plans. The Human Resources Committee also reviewed and approved the target STIP opportunities for all NEOs, all of whom participated in the Corporate STIP. Target award percentages for these opportunities ranged from 50% of base salary to 120% of base salary for NEOs.

The key financial measures that we used in our 2010 Corporate STIP relate to our financial results as presented in our consolidated financial statements and notes as follows:

Consolidated Net Income Margin: consolidated income from continuing operations excluding the after-tax loss on debt extinguishment and after-tax restructuring charges associated with the company's 2010 restructuring plan (which we describe and define in the Notes to the Financial Statements of our 2010 Annual Report on Form 10-K) divided by consolidated total revenue.

Consolidated Asset Productivity: consolidated total revenue divided by the sum of consolidated average property, plant and equipment, net and average consolidated Net Working Capital.

Net Working Capital: the sum of accounts receivable, net; inventories; other current assets (excluding deferred income taxes and restricted cash) less accounts payable and accrued liabilities (excluding dividends payable and reserves related to the 2010 restructuring plan).

For 2010, the Human Resources Committee approved a Corporate STIP formula based upon Consolidated Asset Productivity and achieving Consolidated Net Income Margin, weighted equally. The rationale for using Consolidated Asset Productivity in conjunction with Consolidated Net Income Margin was to provide incentives relating to both the balance sheet and the income statement. These measures take into account the level of net income and the return on investment, which involves the size and quality of earnings. The Human Resources Committee established performance goals under these measures that took into account that we were still operating during an economic downturn that led to decreased volume and we were carrying out restructuring plans while beginning to implement a new business strategy to drive growth and to enhance productivity and profitability through continuous improvement. The Human Resources Committee believed the goals it established based on Consolidated Net Income Margin and Consolidated Asset Productivity were appropriate and balanced and provided adequate incentive for participants to strive to achieve the respective corporate objectives for 2010.

Upon the completion of the fiscal year, the Human Resources Committee reviews the extent to which actual performance satisfies the defined performance goals for each Financial STIP. We typically pay STIP awards in February after the prior year's financial statement audit is complete and the Human Resources Committee reviews and approves earned amounts. The Human Resources Committee has the right to reduce awards that executives would otherwise earn under the Corporate STIP by an amount not to exceed 50%.

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Under the 2010 Corporate STIP, if we did not achieve positive net income from continuing operations, then we would not make any payouts, regardless of performance of the other financial measures. In addition, the minimum payout was zero (0) and the maximum payout was 200% of a participant's target STIP opportunity with a cap of \$3 million.

For the 2010 Corporate STIP, we set the Consolidated Asset Productivity target at 5.09 and the Consolidated Net Income Margin target at 4.8%. The Committee approved potential payout percentages ranging from zero to 200% for various levels of performance against these performance targets. A participant would not have received a payout if Consolidated Asset Productivity was less than 4.41 or if Consolidated Net Income Margin was less than 0.0%. A participant would have been eligible to receive the maximum potential payout if our performance met or exceeded Consolidated Asset Productivity of 5.56 and Consolidated Net Income Margin of 6.7%. Based on 2010 performance, participants in the Corporate STIP earned incentive payments equal to 200% of their target STIP opportunity. Consolidated Asset Productivity of 6.88 and Consolidated Net Income Margin of 7.11 exceeded the maximums.

Leadership STIP. Also in December 2009, the Human Resources Committee approved the Leadership STIP applicable in 2010. The Leadership STIP provided the opportunity to earn an incentive payment above amounts that a participant could earn under the 2010 Corporate STIP, Motor Company STIP or HDFS STIP. Target Leadership STIP opportunities ranged up to 30% of the participant's target Financial STIP opportunity. The CEO was able to earn a payment based upon his performance relative to strategic goals and objectives that the Human Resources Committee approved. A participant who was a Senior Leader other than the CEO was able to earn a payment based on individual performance relative to the following leadership behaviors: courage, creativity, accountability, drive for results, respect for others, integrity and diversity (recognizes and embraces the diverse nature of our markets, customers and employees). However, in the aggregate, the amounts paid under the relevant Financial STIP and the Leadership STIP plans could not exceed 200% of the participant's respective target Financial STIP opportunity. In addition, if a participant performed inadequately relative to these objectives, then the amount that the participant would have earned under the 2010 Financial STIP was subject to reduction by up to 30% of the participant's target Financial STIP opportunity.

The Human Resources Committee, with final approval by the Nominating Committee, reviewed the CEO's performance against his goals and objectives. Cross functional groups of peers and subordinates rated the Senior Leaders other than the CEO, including Messrs. Olin, Levatich, Hund and Jones, on the extent to which they demonstrated leadership behaviors, and a third party compiled those ratings. Based upon these ratings, the CEO reviewed the extent to which an executive attained the objectives in the Leadership STIP, and the Human Resources Committee approved any payouts for Senior Leaders. Based on performance under the Corporate STIP, NEOs were not able to receive an additional bonus under the Leadership STIP because they were already eligible to receive their maximum STIP payout. While inadequate performance could have resulted in a reduction of amounts earned under the Financial STIPs, that was not the case for any NEO.

2011 STIPs. In December 2010, the Human Resources Committee approved the 2011 Financial STIP plans for Corporate, the Motor Company and HDFS. The Human Resources Committee approved using the same measures that we used for the 2010 Financial STIPs, weighted in the same manner, with performance goals tied to the 2011 operating plan. Under each of these 2011 Financial STIP plans, the minimum payout will be zero (\$0) and the maximum payout is 200% of a

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participant's target Financial STIP opportunity with a cap of \$6 million. The Human Resources Committee determined that there was a reasonable likelihood that employees could achieve the goals and earn incentive compensation at the target performance level.

The Committee also approved the 2011 Leadership STIP Plan. For 2011, the target Leadership STIP opportunity for each executive will be 30% of the executive's target Corporate STIP, Motor Company STIP or HDFS STIP opportunity. For example, in the case of our CEO, his target Corporate STIP opportunity is 125% of base salary and his target Leadership STIP opportunity is 30% of his target Corporate STIP opportunity. Therefore, in the aggregate between both of the STIP plans applicable to him, the potential total payout for the CEO will range between 0 and 287.5% of his base salary (a maximum payout of 200% of his target Corporate STIP opportunity of 125% of base salary under the Corporate STIP, which equals 250% of base salary, and a maximum payout of 30% of 120% of base salary under the Leadership STIP, which equals 37.5% of base salary).

Other. In certain special circumstances, such as for newly-hired executives, we also provide compensation outside of these STIPs. For example, upon his hiring, Mr. Jones received a bonus of \$150,000 to compensate him for costs associated with his leaving his prior employer.

Long-term Incentives. The Human Resources Committee believes that long-term incentives are a key component of total compensation for participating executives. Their purpose is to: (i) enhance the growth and profitability of our company by focusing the Senior Leaders and other key employees on our long-term financial success and growth in value, providing balance and perspective to annual goals and incentives; and (ii) further align the interests of shareholders and employees. In addition, the Human Resources Committee believes that long-term incentives provide a valuable tool to retain and attract key employees. Using objective market data that our outside executive compensation advisor provides, and that we review annually, we assign each key position that is eligible to participate in the 2010 Incentive Stock Plan a target value of annual long-term incentive opportunity.

In February 2010, we provided long-term incentive equity compensation under our 2009 Incentive Stock Plan which gives the Human Resources Committee the flexibility to grant equity instruments, including stock options, stock appreciation rights, restricted stock and restricted stock units. In June 2010, we provided a long-term cash component under the Employee Incentive Plan.

Since 2005, the Human Resources Committee has provided long-term incentive awards through a mix of restricted stock and stock options. The Human Resources Committee determined that a mix of options and restricted shares was appropriate, considering executive motivation and retention as well as external competitive market compensation practices trending toward increased use of restricted stock. In 2010, based on a review of peer company practices and a desire to focus on strategic objectives, the Human Resources Committee considered and then chose to utilize a third means of providing long-term incentive compensation for certain Senior Leaders including all NEOs a cash-based long-term performance plan based on performance over a period of three years. Utilizing the cash-based incentive award tied to long-term performance did not result in an increase in the aggregate value of long-term incentive awards that each executive received. Rather, for each executive who received a long-term cash incentive opportunity, we allocated one-third of the executive's target value of annual long-term incentive opportunity to each of the three types of long-term incentive awards. The Human Resources Committee believed this mix of long-term awards encourages executives to focus on specific long-term corporate objectives while still building equity ownership and shareholder alignment.

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For 2010, the Human Resources Committee used a methodology to calculate an individual's potential aggregate long-term incentive award value that provided for an award value (which was expressed as a percentage of base pay) that was based approximately upon the market median. We considered approximately 600 employees eligible to receive long-term incentive awards, and each of these participants had a targeted long-term incentive award value (expressed as a percentage of their base pay) based upon their salary grade.

We describe the process and restrictions on granting long-term incentive awards more fully in the Corporate Governance Principles and Board Matters Human Resources Committee section beginning on page 41.

In February 2010, the Human Resources Committee reviewed competitive market data with the CEO (except in the case of his own individual awards) and Semler Brossy and approved a combination of stock options and restricted stock based on the methodology we discuss above for each Senior Leader and others eligible to receive long-term incentive awards. However, because the Human Resources Committee was considering utilizing a cash-based long-term performance plan as a third means of providing long-term incentive compensation for certain Senior Leaders including all NEOs (other than Mr. Jones, who was not yet an employee), these executives received equity awards in February 2010 having an aggregate value of two-thirds of the total award value of long-term incentives that they were eligible to receive in 2010 rather than 100% of that total value. We converted the value for each participant that resulted from the methodology into a grant of stock options and an award of restricted stock, valuing each on a full value basis. For this conversion, we valued stock options at an amount equal to the closing price of the stock on the date of grant divided by 3.2 and valued restricted stock at the market price based on the closing price of the stock on the date of grant. In the past, we had valued stock options using a lattice-based model for this purpose. In 2010, the Human Resources Committee concluded that it was more appropriate to use a fixed ratio as a proxy for that value for ease of administration and to provide a more stable and consistent approach to valuation for this purpose in light of stock price volatility. Based upon similar considerations, and with input from the outside executive compensation advisor, the Human Resources Committee recommended the amount of the CEO's long-term incentive award for the Nominating and Corporate Governance Committee to approve.

At the 2010 annual meeting, shareholders approved the Harley-Davidson, Inc. Employee Incentive Plan, which gave us the flexibility to grant long-term cash incentive awards. In June 2010, the Human Resources Committee and, in the case of the CEO, the Nominating Committee approved long-term cash incentive awards for certain Senior Leaders including all NEOs other than Mr. Jones