

GOVERNANCE AND NOMINATING COMMITTEE

POLICIES ON DIRECTOR NOMINATION AND COMMUNICATION BY INTERESTED PARTIES WITH THE BOARD

A. Director Nomination

Criteria: Consistent with Fleetwood's Corporate Governance Guidelines, the Governance and Nominating Committee is responsible for reviewing with the Board, on an annual basis, the appropriate core competencies and individual characteristics required of Board members in the context of the then-current makeup of the Board.

Among the core competencies that the Board will seek in director candidates at given times are accounting or finance experience, business, manufacturing or management experience, industry knowledge, legal, governmental or educational experiences, or proven leadership or strategic planning skills. An assessment of individual characteristics will include the mix of issues of diversity, skills, experiences, perspectives, independence, personal character and judgment.

These factors, and any other qualifications considered useful by the Committee, are reviewed in the context of an assessment of the perceived needs of the Board at a particular point in time. As a result, the priorities and emphasis of the Committee and of the Board may change from time to time to take into account changes in business and other trends, and the portfolio of skills and experience of current and prospective Board members. Therefore, while focused on the achievement and the ability of potential candidates to make a positive contribution with respect to such factors, the Committee declines at this time to establish any specific minimum criteria or qualifications that a nominee must possess.

Nominations by the Existing Board: Consideration of new Board nominee candidates will typically involve a series of internal discussions among Board members and management to first determine whether there in fact exists a need to identify a new nominee.

As a general matter, the continuing service of qualified incumbents promotes stability and continuity in the Board Room, contributing to the Board's ability to work as a collegial body, while giving the Company the benefit of the familiarity and insight into the Company's affairs that its directors have accumulated during their tenure. Accordingly, the Company will have a practice of re-nominating incumbent directors who continue to satisfy the Committee's criteria for membership on the Board, whom the Committee believes continue to make important contributions to the Board and who consent to continue their service on the Board.

In considering the re-nomination of an incumbent, however, the Committee will also review its assessment of the performance of the director during the preceding term;

and determine whether there exist any special, countervailing considerations against re-nomination of the director.

The Committee will identify and evaluate new candidates for election to the Board where there is no qualified and available incumbent, including for the purpose of filling vacancies arising by reason of the resignation, retirement, removal, death or disability of an incumbent director or a decision of the directors to expand the size of the Board.

In general, candidates for nomination to the Board will be suggested by Board members or by employees. From time to time as necessary, in particular to fill particular defined needs, the Committee may employ a search firm or pay fees to other third parties in connection with seeking or evaluating Board nominee candidates.

As to each recommended candidate that the Committee believes merits consideration, the Committee will:

- assemble information concerning the background and qualifications of the candidate, including information concerning the candidate required to be disclosed in the Company's proxy statement under the rules of the SEC, and any relationship between the candidate and the person or persons recommending the candidate;
- determine if the candidate satisfies the core competencies and individual characteristics expected by the Committee of candidates for election as director;
- determine if the candidate possesses any of the specific qualities or skills that should be possessed by one or more members of the Board;
- determine whether given the totality of the circumstances a member of management might be a suitable or desirable nominee;
- consider the contribution that the candidate can be expected to make to the overall functioning of the Board; and
- consider the extent to which the membership of the candidate on the Board will promote diversity among the directors.

Nominations by Shareholders: The Committee may consider candidates proposed by shareholders. The Committee may evaluate candidates proposed by shareholders using the same criteria as for other candidates, except that the Committee may also consider, as one of the factors in its evaluation of shareholder recommended nominees, the size and duration of the interest of the recommending shareholder or shareholder group in the equity of the Company. The Committee may also consider the extent to which the recommending shareholder intends to continue holding its interest in the Company, including, in the case of nominees recommended for election at an annual meeting of shareholders, whether the recommending shareholder intends to continue holding its interest at least through the time of such annual meeting.

A shareholder seeking to recommend a prospective nominee for the Committee's consideration should submit the candidate's name and qualifications to the Corporate Secretary by mail to Leonard J. McGill, Corporate Secretary, Fleetwood Enterprises, Inc., 3125 Myers Street, P.O. Box 7638, Riverside, California 92513-7638.

A nominating recommendation must be accompanied by the following information concerning each recommending shareholder:

- The name and address, including telephone number, of the recommending shareholder;
- The number of the Company's shares owned by the recommending shareholder and the time period for which such shares have been held; and
- A statement from the shareholder as to whether the shareholder has a good faith intention to continue to hold the reported shares through the date of the Company's next annual meeting of shareholders.

A nominating recommendation must also be accompanied by the following information concerning the proposed nominee:

- name, age, business and residence addresses;
- any arrangements or understanding regarding the nomination;
- principal occupation or employment and five-year business experience;
- a description of all relationships between the proposed nominee and the recommending shareholder;
- a description of all relationships between the proposed nominee and any of our competitors, customers, suppliers, labor unions or other persons with special interests regarding us;
- the class and number of shares of stock beneficially owned by the nominee;
- the information that would be required under the rules of the SEC in a proxy statement soliciting proxies for the election of the nominee as a director; and
- a signed consent of the nominee to serve as a director, if elected.

A shareholder (or group of shareholders) wishing to submit a nominating recommendation for an annual meeting of shareholders must ensure that the Company receive it not less than 45 days nor more than 75 days prior to the first anniversary of the date on which the corporation first mailed its proxy materials for the preceding year's annual meeting of shareholders. If the date of the annual meeting is advanced more than 30 days before or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, however, the Company must receive the notice not later than the close of business on the later of (a) the 90th day before the annual meeting or (b) the 10th day following the day on which the Company first made public disclosure of the date of the annual meeting.

If a recommendation is submitted by a group of two or more shareholders, the information regarding recommending shareholders must be submitted with respect to each shareholder in the group.

B. Communications from Shareholders and Other Interested Parties to the Board

The Committee recommends that shareholders and other interested parties initiate any communications with the Board in writing and send them in care of the Corporate Secretary. Interested parties can send communications by e-mail to our Corporate Secretary at len.mcgill@fleetwood.com or by regular mail to Leonard J. McGill, Corporate Secretary, Fleetwood Enterprises, Inc., 3125 Myers Street, P.O. Box 7638, Riverside, California 92513-7638. This centralized process will assist the Board in reviewing and responding to shareholder and other interested party communications in an appropriate manner. The Committee recommends that the name of any specific intended Board recipient should be noted in the communication.

The Board shall instruct the Corporate Secretary to forward such correspondence only to the intended recipients; however, the Board should also instruct the Corporate Secretary, prior to forwarding any correspondence, to review such correspondence and, in his discretion, not to forward certain items if they are deemed of a commercial or frivolous nature or otherwise inappropriate for the Board's consideration. In such cases, some of that correspondence may be forwarded elsewhere in the Company for review and possible response.