

PACCAR Inc

NOMINATING and GOVERNANCE COMMITTEE CHARTER

I. STATEMENT OF PURPOSE

The purpose of the committee is to discharge the responsibilities of the Board of Directors to (1) review and recommend candidates for appointment or election to the Board of Directors, and (2) to periodically review and make recommendations to the Board on corporate governance issues.

II. ORGANIZATION

A. Charter. At least annually, the Committee shall review this Charter and any proposed changes shall be submitted to the Board of Directors for review and action.

B. Members. The members of the Committee shall be approved by the Board of Directors and shall number at least three (3). The Board of Directors shall also designate one (1) of the members to be chairman. The Committee shall be constituted to meet the independence requirements of NASDAQ and applicable law.

C. Meetings. The Committee shall meet at its convenience but shall endeavor to schedule meetings in conjunction with meetings of the Board of Directors, when possible. A quorum of the Committee shall be a majority of the members. Any decision or action of the Committee reduced to writing and signed by all the members shall be as effective as if it had been made at a meeting duly called and held.

III. RESPONSIBILITIES

A. Selection. Establish written criteria for selection of new directors to serve on the Board. In addition to any criteria required by law or stock exchange rule, the criteria shall include individuals of high moral character and integrity who have the desired experience and skills, who are free from any conflict of interest, and who are diligent in fulfilling the responsibilities of director.

B. Recommendation of Directors Candidates. In consultation with the Executive Chairman, identify qualified director candidates and recommend them to the members of the Board for approval. The Committee shall periodically report to the Board on its activities, including arrangements made with any consultants and the status of candidate searches.

C. Corporate Governance. The Committee shall monitor developments in effective corporate governance, including the Company's response to stockholder proposals, and periodically make recommended changes to the Board for its consideration and adoption as appropriate.

D. Director Compensation. The Committee shall review and make recommendations to the Board on the form and amount of compensation for the Company's non-employee directors.

IV. OTHER POWERS AND DUTIES

A. Consultants. The Committee may, in its sole discretion, employ consultants or search firms to assist in the selection and evaluation of director candidates. The Committee shall have the sole authority to approve the fees and other retention terms with respect to such firms or consultants.

B. Structure and Procedures. The Committee shall establish such rules and operating procedures as may from time to time be necessary or appropriate for the conduct of the business of the Committee including the authority to delegate to subcommittees.

C. Evaluation. The Committee shall oversee an annual evaluation of the Board's performance and shall conduct an annual evaluation of the Committee's performance and report the results of both to the full Board.

D. Other Duties. The Committee shall perform such other duties as the Board of Directors shall prescribe.