RUSH ENTERPRISES, INC.

CORPORATE GOVERNANCE GUIDELINES

(Amended and Restated as of February 18, 2019)

INTRODUCTION; ROLE OF THE BOARD

The Board of Directors (the "Board") of Rush Enterprises, Inc. (the "Company") has adopted the following corporate governance guidelines for the Company ("Guidelines"). These Guidelines reflect the Board's commitment to oversee the effectiveness of policy and decision-making both at the Board and management level and to provide general direction to the management of the Company.

In addition to the other Board or committee responsibilities outlined below, the responsibilities of the Board, and where delegated by the Board, of its committees, include:

- Reviewing, monitoring and approving the overall operating, financial and strategic plans, operating goals and performance of the Company;
- Evaluating the performance of the Chief Executive Officer and other senior executives on an annual basis;
- Succession planning for the Chief Executive Officer and other senior executives;
- Overseeing legal and ethical compliance, including reviewing and evaluating the Company's environmental and social responsibilities in connection with the Company's strategic plans, operating goals and creation of shareholder value;
- Overseeing the Company's processes for assessing and managing risks;
- Overseeing the integrity of the Company's financial statements and the Company's financial reporting processes;
- Nominating directors, appointing committee members and shaping effective corporate governance; and
- Reviewing and approving significant corporate actions.

The Company's senior executives, under the direction of the Chief Executive Officer, are responsible for the operations of the Company; implementation of the strategic, financial, and management policies of the Company; identification, assessment and management of risk and risk mitigation strategies; preparation of financial statements and other reports that accurately reflect requisite information about the Company and timely reports which inform the Board about the foregoing matters.

The Board and management both recognize that shareholders' long-term interests are advanced by responsibly addressing the concerns of other stakeholders essential to the Company's success, including its employees, customers, original equipment manufacturers, suppliers, the government and the public.

These Guidelines should be interpreted in the context of applicable laws and the Company's Articles of Incorporation, Bylaws and other corporate governance documents and are intended to serve as a flexible framework within which the Board may conduct its business and not as a set of legally binding obligations. These Guidelines are subject to modification from time to time, as the Board or the Nominating and Governance Committee of the Board (the "Governance Committee") may deem appropriate or as required by applicable law.

SELECTION AND COMPOSITION OF THE BOARD

Size of the Board

The charter and bylaws of the Company currently provide that the Board shall consist of not less than one director, with the exact number to be determined from time to time by resolution of the directors. We believe the Board should neither be too small to maintain the needed expertise and independence nor too large to be efficiently functional. Our general expectation is that our Board will consist of between five and seven directors although we will periodically review the appropriate size and mix of the Board in light of our stated objectives below.

Selection of New Directors

The Board has delegated to the Governance Committee the task of identifying, reviewing, and nominating director candidates for election by the shareholders.

Board Membership Criteria

It is the policy of our Board that directors should possess the highest personal and professional ethics, integrity and values, and be committed to representing the long-term interests of the shareholders. It is also the policy of our Board that the composition of the Board at all times adheres to the standards of independence promulgated by the NASDAQ Stock Market and the applicable rules of the Securities and Exchange Commission. Each member of the Board is subject to election annually by the shareholders. We encourage each member of our Board to dedicate the time and resources sufficient to ensure the diligent performance of his or her duties on our behalf, including attending all Board and applicable committee meetings. To that end, our Board members are prohibited from serving on the board of directors of more than four (4) public companies.

Our Board is intended to encompass a range of skills and experience sufficient to provide sound and prudent guidance with respect to the operations and interests of the Company. The Chief Executive Officer and Governance Committee periodically review with the Board the particular characteristics or attributes that they believe would be most beneficial to the Company at that point in time. The Board believes that diversity, in terms of a candidate's gender, race, ethnicity, differences in backgrounds, experiences, and personal characteristics, is important to the effectiveness of the Board's oversight of the Company. Accordingly, the Board is committed to seeking out highly-qualified diverse candidates in each search for new directors that the Board undertakes. Whether such search is conducted internally or with the help of a third-party consultant, the Board will consider a candidate's race, gender, and ethnicity and such other factors as the Board deems appropriate. In addition to diversity, desirable Board candidate characteristics and attributes include:

- *Ethics.* Directors should be persons of good reputation and character who conduct themselves in accordance with high personal and professional ethical standards, including the policies set forth in the Company's Rush Driving Principles, its code of conduct.
- *Business and Professional Activities.* Directors should maintain a professional life active enough to keep them in contact with the markets, the business and technical environments in which the Company is active.

- *Experience, Qualifications and Skills.* Directors should have the experience, qualifications and skills relevant for effective management and oversight of the Company's senior executives, which, acquired through education, training, experience, self-study or other means, may include experience at senior executive levels in comparable companies, public service, professional service firms, educational institutions or other organizations.
- *Time.* Directors should have the time and willingness to carry out their duties and responsibilities effectively, including time to study informational and background material and to prepare for meetings. Directors should attempt to arrange their schedules to allow them to attend all scheduled Board and committee meetings.
- *Absence of Conflicts of Interest.* Each director should not, by reason of any other position, activity or relationship, be subject to any conflict of interest that would impair the director's ability to fulfill the responsibilities of a member of the Board.

Voting on Directors

In accordance with Texas law and the Company's Certificate of Incorporation and Bylaws, each as amended and as currently in effect, directors are elected by a plurality vote, meaning that the directors receiving the highest number of votes "for" their election are elected to serve as directors, irrespective of the number of "withhold authority" votes or "against" votes received in respect of their election. To address the situation in which a nominee for the Board is elected to the Board in an uncontested election despite receiving more votes "withheld" from or "against" their election than votes "for" his or her election (a "Majority Withheld Vote"), the Board has adopted the following policy that is applicable solely to uncontested elections. For purposes of the policy, an "uncontested election" is any election of directors in which the number of nominees for election does not exceed the number of directors to be elected.

By accepting a nomination for election and agreeing to serve as a director in any uncontested election of directors, each nominee agrees that if he or she receives a Majority Withheld Vote in any such election, such director shall promptly tender to the Board an offer of his or her resignation as a director following certification of the shareholder vote by the inspector(s) of election at the meeting for such uncontested election, shall comply with this policy and shall be bound by the determination with respect to such offer of resignation made pursuant to this policy. Any director who offers his or her resignation pursuant to this policy will not participate in any discussions, deliberations or actions by either the Governance Committee or the Board with respect to his or her own resignation offer, but will otherwise continue to serve as a director unless and until such resignation is accepted and effective.

The Governance Committee will duly consider and recommend to the Board whether to accept or reject the resignation offer received from each director who received a Majority Withhold Vote. If other directors who are members of the Governance Committee receive a Majority Withheld Vote in the same uncontested election of directors, so that a quorum of the Governance Committee cannot be achieved, then the other independent directors on the Board (excluding those who received a Majority Withheld Vote in such election) will consider and decide what action to take regarding the resignation of each director who received a Majority Withheld Vote. If at least three independent directors on the Board did not receive a Majority Withheld Vote in the same election, then all independent directors on the Board shall participate in deliberations and actions regarding director resignations except that no director can participate in the vote on his or her own resignation.

Following the recommendation of the Governance Committee (or the independent members of the Board, in the situation described above), the independent members of the Board will make a determination of the action to take with respect to the offer of resignation not later than the 90th day immediately following the date of the written certification of the shareholder vote by said inspector(s) of election.

The Governance Committee and the Board will evaluate any such tendered offer of resignation, in accordance with their fiduciary duties to, and in furtherance of the best interests of, the Company and its shareholders. The Board may accept or reject the offer of resignation, or it may decide to pursue additional actions, including, without limitation, the following:

- allowing the director to remain on the Board and continue to serve but not be nominated for reelection to the Board at the next election of directors;
- deferring the acceptance of the resignation until the director vacancy the resignation will create can be filled by the Board with a replacement director who meets all the necessary qualifications and criteria for directors (in accordance with the Company's Bylaws and the applicable provisions of the these Guidelines) and satisfying other legal and regulatory requirements with respect to the composition of the Board (including, for example, "independence" requirements established by Securities and Exchange Commission regulations or securities exchange listing requirements);
- deferring the acceptance of the resignation if it is determined that the underlying cause of the Majority Withheld Vote can be cured by the director or otherwise within a specified period of time (for example, the Majority Withhold Vote was due to such director serving on too many boards of directors, and such director then resigns from one or more other company boards); or
- deferring the acceptance of the resignation for other reasons determined by the Board to be in the best interests of the Company in the exercise of its fiduciary duties and business judgment.

The Board's decision will be disclosed in a Form 8-K furnished by the Company to the Securities and Exchange Commission within four business days after the decision. If the Board has decided to reject the tendered resignation, or to pursue any additional action other than accepting the tendered resignation (as described above or otherwise), then the Form 8-K will disclose the Board's reasons for doing so.

Director Independence

The Board believes that at least a majority of the members of our Board should be independent. The Governance Committee is responsible for assessing compliance with this policy on an annual basis. An "independent" director is one who satisfies the independence definitions of the NASDAQ Stock Market and the applicable rules of the Securities and Exchange Commission.

Retirement Age for Directors

All directors elected or appointed after February 21, 2008, must submit a letter of resignation to the Board to be effective on acceptance by the Board each year after they reach the age of 72. Such letters of resignation will be considered by the Board, but the Board may choose not to accept any such letter of resignation if it believes that it is in the best interest of the Company for the director that submitted the letter of resignation to continue to serve on the Board and the director wishes to continue to serve on the Board.

Directors Changing Their Present Job Responsibilities

Upon a change in a director's business position or responsibilities, including retirement from the position on which a director's original nomination was based or nomination for membership on another public company's board of directors, the director must notify the Governance Committee. The Governance Committee shall review the appropriateness of the director remaining on the Board given the changed circumstances. If the Governance Committee concludes that it would be inappropriate for the affected director to remain on the Board, then the Governance Committee shall ask the affected director to resign from the Board. The affected director is expected to act in accordance with the Governance Committee's recommendation following such review.

BOARD LEADERSHIP

The Board will periodically appoint a Chairman. Both members of the Board who are not officers of the Company ("Non-Management Directors") and management directors, including the Chief Executive Officer, are eligible for appointment as the Chairman. If the Chairman is not a Non-Management Director, the Board will designate a Non-Management Director to preside at the meetings of Non-Management Directors depending on the topics to be discussed at such meetings.

BOARD COMPENSATION

The Compensation Committee will recommend to the Board compensation programs for Non-Management Directors, committee chairpersons, and committee members, consistent with the NASDAQ Stock Market requirements for independent directors and including consideration of cash and equity components of this compensation. The Board will determine the form and amount of Non-Management Director compensation.

Any director that is an officer of the Company will not receive any additional compensation for serving as a director.

BOARD PERFORMANCE

Evaluation of Board Performances

The Governance Committee is responsible for annually reporting to the Board on the overall performance of the Board and each of its standing committees. If the Governance Committee desires, it may be assisted by an outside consultant in making its assessment of the overall performance of the Board and its standing committees. The report should be delivered to, and should be discussed with, the full Board shortly after completion of the report.

The report should include an evaluation of, among other things, (i) the composition and independence of the Board, (ii) the Board's access to and review of information from management, (iii) responsiveness of the Board to shareholder concerns, and (iv) maintenance and implementation of these Guidelines.

The Governance Committee should evaluate the contribution of the Board and each committee as a whole, and should specifically review areas in which the Board, the Governance Committee and management believe a better contribution could be made. The purpose of the evaluation is to increase the effectiveness of the Board and each committee, not to criticize individual directors.

DIRECTOR RESPONSIBILITIES; COMMUNICATIONS WITH INTERESTED PARTIES

General Responsibilities

The general responsibility of each director is to exercise his or her business judgment to act in what he or she reasonably believes to be the best interests of the Company and its shareholders. In discharging that responsibility, directors are entitled to rely on the honesty and integrity of the Company's senior management and its outside advisors and auditors.

Directors are expected to, among other things: (i) attend Board meetings and meetings of committees on which they serve and ask specific questions when appropriate; (ii) promptly disclose any existing or proposed direct or indirect relationships that could affect a director's independence; (iii) devote sufficient time and attention to prepare for Board and committee meetings and meet as frequently as necessary to discharge their responsibilities; (iv) understand the principle risks associated with the Company's business on an ongoing basis; and (v) periodically review appropriate policies and procedures for providing orientation sessions for newly elected directors and recommending, on an as needed basis, continuing director education programs for Board or committee members.

In the absence of unavoidable conflict, all directors are expected to attend the annual meeting of shareholders.

Interaction with Institutional Investors, Press, Customers, Etc.

The Board believes that management speaks for the Company. The Non-Management Directors may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that these members would do so with the knowledge of management and, in most instances, at the request of management.

MEETINGS OF THE BOARD

Scheduling and Selection of Agenda Items for Board Meetings

The Chairman of the Board, in consultation with other directors, will determine the frequency and length of the meetings of the Board. The Board believes that regular meetings held at least once per quarter are desirable for the performance of their responsibilities. In addition to regularly scheduled meetings, additional unscheduled meetings may be called at any time upon appropriate notice to address any special needs.

The Chairman of the Board, with the assistance of representatives of the Company, will establish the agenda for each Board meeting and distribute it in advance to the directors. Each director is free to suggest the inclusion of items on an agenda, to raise at any meeting subjects that are not on the agenda for that meeting or to request the presence of or a report by any member of management.

Board Material and Presentations

Information and data that is important to the understanding of the business and matters to be considered at the Board meeting should be distributed in advance to the directors. As a general rule, materials on specific subjects should be sent to the directors sufficiently in advance to enable directors to be prepared to discuss questions that they may have about the material.

The Board encourages management to schedule managers to present at Board meetings who (i) can provide additional insight into the specific matters being discussed because of personal involvement in these areas or (ii) have future potential that management believes should be given exposure to the Board.

Participation in Board Meetings

We encourage our directors to prepare for, attend and participate in all Board and applicable committee meetings. Each director is expected to ensure that other existing and planned future committees do not materially interfere with their service as a director.

Access to Management

Each director is encouraged to keep informed of the affairs of the Company between Board meetings through direct contact with members of senior management, and each director will have complete access to any such member of senior management.

Meetings of the Non-Management Directors

It is the policy of the Board to have a separate meeting session for the Non-Management Directors at least two times per year following regularly scheduled Board meetings to review matters concerning the relationship of the Board with the management directors, other members of senior management and such other matters as it deems appropriate. The Non-Management Directors shall not take any formal actions at these meetings, although they may subsequently recommend matters for full consideration by the Board.

COMMITTEES OF THE BOARD OF DIRECTORS

Number of Committees

The Board's committees are the Audit Committee, Compensation Committee and Governance Committee. The Board may, from time to time, establish additional committees to facilitate and assist in the execution of its responsibilities. Board committees shall generally address issues that, because of their complexity and technical nature, level of detail and time requirements or because of proper corporate governance principles, cannot be adequately addressed at larger Board meetings.

Each committee shall have a written charter that shall be periodically reviewed by that committee.

Assignment and Term of Service of Committee Members

The Board is responsible for the appointment of committee members and committee chairmen, taking into account the desires of individual members, the recommendations of the Governance Committee and the comments of management directors. In making such appointments, the Board shall consider the rotation of committee membership and chairmanship at appropriate intervals, although the Board does not believe that rotation should be mandated as a policy.

Frequency and Length of Committee Meetings and Committee Agenda

The committee chairman, in consultation with the other committee members, will determine the frequency and length of committee meetings and, in consultation with the Chief Executive Officer and appropriate members of senior management, develop the agenda for committee meetings.

STOCK OWNERSHIP GUIDELINES

The Board believes that the Company's "Executive Officers" (as defined below) and Non-Management Directors should own and hold common stock of the Company to further align their interests and actions with the interests of the Company's shareholders. Therefore, the Board adopted the stock ownership guidelines (the "Ownership Guidelines") detailed below, effective February 24, 2015.

Executive Officer Stock Ownership Guidelines

For purposes of the Ownership Guidelines, Executive Officers are those officers of the Company that are required to file reports with the Securities and Exchange Commission pursuant to Section 16 of the Securities Exchange Act of 1934, as amended. Executive Officers are expected to own and hold the following amount of shares of Company stock:

Chief Executive Officer	Shares equal to 5 times the value of his or her base salary
Other Executive Officers	Shares equal to 2 times the value of his or her base salary

The Ownership Guidelines should be achieved by each Executive Officer within five (5) years of the adoption of the Ownership Guidelines or within five (5) years of first appointment as an Executive Officer or within five (5) years of appointment or promotion to Chief Executive Officer. Until the appropriate guideline is achieved, each Executive Officer is encouraged to retain at least seventy-five percent (75%) of net shares obtained through the Company's stock incentive plans.

Non-Management Director Stock Ownership Guidelines

Non-Management Directors are each expected to own and hold shares of Company stock equal to five (5) times the value of his or her annual cash retainer. This stock ownership level should be achieved by each Non-Management Director within five years of the adoption of the Ownership Guidelines or within five years of first appointment to the Board. Until the guideline is achieved, each Non-Management Director is encouraged to retain at least seventy-five percent (75%) of net shares obtained through the Company's stock incentive plans.

Compliance with the Ownership Guidelines

For purposes of determining the required equity ownership amounts described above for each Executive Officer and Non-Management Director, the number of shares that must be owned will be set as a specific number of shares using the 12-month average daily closing price of each class of the Company's common stock, as of December 31 of each year; provided, however, that in the event that the 12-month average daily closing price of any class of the Company's common stock declined more than thirty percent (30%) as compared to the 12-month average closing price of any class of the Company's common stock in the immediately prior year, then the value for the prior year shall be applied to the current year.

Stock that counts toward satisfaction of the Ownership Guidelines include shares of any class of the Company's common stock: (i) owned outright by the Executive Officer or Non-Management Director and his or her immediate family members who share the same household, whether held individually or jointly; (ii) obtained upon the lapsing of restrictions on restricted stock awards; (iii) issuable upon the vesting of restricted stock units or deemed held in the Company's Deferred Compensation Plan; (iv) acquired upon stock option exercise; (v) purchased in the open market, including via the Company's Employee Stock Purchase Program; (vi) held in any entity, such as a family limited partnership, in proportion to the ownership proportion such Executive Officer or Non-Management Director has in such entity; and (vii) held in trust for the benefit of such Executive Officer or Non-Management Director. However, due to the complexities of trust accounts, requests to include shares held in trust should be submitted to the Secretary, and the Chief Executive Officer will make the final decision as to whether to include those shares. Any open market purchase of common stock must be made in an open trading window and with advance notice to and in coordination with the Secretary.

Net shares are the number of shares from the sale of stock options, the lapsing of restrictions on restricted stock, or the vesting of restricted stock units, minus the number of shares the Executive Officer or the Non-Management Director sells to cover the exercise price of stock options or has withheld to pay taxes.

If at any point an Executive Officer that is sixty-five (65) years of age or over wishes to dispose of such number of shares of Company stock that he or she would fall outside of the Ownership Guidelines for the sole purpose of estate planning, such person may submit a written request to the Chairman of the Board setting forth the details of such proposed disposition. The Chairman will review the request and make a final decision.

In addition, there may be instances where the Ownership Guidelines would place a severe hardship on an Executive Officer or Non-Management Director, although it is expected that these instances will be rare. The Chairman of the Board will make the final decision as to developing an alternative stock ownership guideline for an Executive Officer or Non-Management Director that reflects the intention of the Ownership Guidelines and his or her personal circumstances.

Each Executive Officer and Non-Management Director will be notified each year where they stand with regard to the Ownership Guidelines.