

## **RUSH ENTERPRISES, INC.**

### **COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

#### **AMENDED AND RESTATED CHARTER**

This Amended and Restated Charter governs the Compensation Committee (the “Committee”) of the Board of Directors (the “Board”) of Rush Enterprises, Inc. (the “Company”).

#### **I. PURPOSE**

The Committee has been established for the purpose of reviewing and approving, on behalf of the Board, all compensation to be provided to the directors and executive officers of the Company, and supervising the administration of the Company’s incentive compensation plans and equity-based compensation awards to all employees.

#### **II. COMPOSITION**

The Committee shall have a minimum of three members appointed by the Board who shall serve until they are removed or replaced by a majority of the full Board or until their earlier resignation or retirement. Each member of the Committee shall be: (i) an “Independent Director” as defined by the rules and regulations of the Securities and Exchange Commission and the NASDAQ Stock Market, (ii) a “Non-Employee Director” as defined by Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and (iii) an “Outside Director” as defined by Section 162(m) of the Internal Revenue Code of 1986, as amended.

The Board shall designate a Chairperson of the Committee from the Committee members. The Chairperson shall, if present, preside at all meetings of the Committee and exercise and perform such other powers and duties as may be assigned to him or her by the Board or the Committee.

#### **III. MEETING REQUIREMENTS**

The Committee shall meet as necessary, but at least quarterly, to enable it to fulfill its responsibilities. The Committee shall meet at the call of its Chairperson, preferably in conjunction with regular Board meetings. The Committee may meet by telephone conference or by any other means permitted by law or the Company’s Bylaws. A majority of the members of the Committee shall constitute a quorum. The Committee shall act by the affirmative vote of a majority of the members of the Committee. Without a meeting, the Committee may act by unanimous written consent of all members. The Committee shall determine its own rules and procedures, including designation of a Chairperson *pro tempore*, in the absence of the Chairperson, and designation of a Secretary. The Secretary need not be a member of the Committee and shall attend Committee meetings and prepare minutes. The Committee shall keep written minutes of

its meetings, which shall be recorded or filed with the books and records of the Company. Any member of the Board shall be provided with copies of such Committee minutes if requested.

The Committee may ask members of management, employees, outside counsel or others whose advice and counsel are relevant to the issues then being considered by the Committee to attend any meetings and to provide such pertinent information as the Committee may request; provided, however, the Committee may meet in executive session at its discretion.

The Chairperson of the Committee shall be responsible for leadership of the Committee, including preparing the agenda, presiding over Committee meetings, making Committee assignments, and reporting the Committee's actions to the Board on a regular basis as requested by the Board.

#### **IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES**

1. The Committee may establish subcommittees of one or more members, and delegate its authority and responsibilities to such subcommittees, when appropriate and in accordance with applicable rules and regulations.
2. The Committee may, in its sole discretion, retain or obtain the advice of a compensation consultant, independent legal counsel or other adviser (collectively, an "Advisor"). The Committee is directly responsible for the appointment, compensation and oversight of the work of any Advisor retained by the Committee. The Company shall provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of reasonable compensation to any Advisor retained by the Committee.
3. The Committee may select or receive advice from an Advisor, other than in-house legal counsel, only after taking into consideration all factors relevant to such Advisor's independence from management, including the following:
  - i. the provision of other services to the Company by the person that employs the Advisor;
  - ii. the amount of fees received from the Company by the person that employs the Advisor, as a percentage of the total revenue of the person that employs the Advisor;
  - iii. the policies and procedures of the person that employs the Advisor that are designed to prevent conflicts of interest;
  - iv. any business or personal relationship of the Advisor with a member of the Committee;
  - v. any stock of the Company owned by the Advisor; and

- vi. any business or personal relationship of the Advisor or the person employing the Advisor with an executive officer of the Company.

The Committee may select, or receive advice from, any Advisor, including an Advisor that is not found to be independent, so long as that the Committee has first considered the foregoing independence factors in its selection process for the Advisor other than in-house legal counsel.

4. The Committee shall be responsible for reviewing, approving and modifying, as necessary, the Company's compensation and benefit philosophy to ensure that employees of the Company are rewarded appropriately for their contributions to the Company's growth and profitability.
5. The Committee shall be responsible for reviewing and approving, on behalf of the Board, all compensation to be provided to the Company's directors, including equity-based compensation awards.
6. The Committee shall be responsible for supervising the administration of the Company's employee stock option plans and employee stock purchase plan and making recommendations to the Board regarding the reservation of shares available for issuance under such plans.
7. The Committee shall be responsible for recommending to the Board for its determination the annual compensation arrangements (including, without limitation, salaries, bonuses, equity grants and benefits) for the Chief Executive Officer and all other executive officers. Notwithstanding the Committee's authority to invite members of Company management to attend Committee meetings, the Chief Executive Officer may not be present during the Committee's or Board's voting or deliberations concerning his compensation arrangements.
8. The Committee shall be responsible for supervising the administration of the Company's annual incentive plan, including determinations as to whether or not individual and Company performance objectives have been achieved.
9. The Committee shall be responsible for approving stock option and restricted stock grants and other equity-based awards to all persons who are members of the Board or executive officers within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended.
10. The Committee shall be responsible for supervising the administration of the Company's executive transition plan.
11. The Committee shall be responsible for evaluating and making recommendations to the Board regarding the performance of the Company's Chief Executive Officer and other executive officers.

12. The Committee shall be responsible for reviewing and discussing with Company management the compensation discussion and analysis required by the Securities and Exchange Commission to be included in the Company's proxy statement relating to its annual meeting of shareholders. Based on such review and discussion, the Committee shall determine whether to recommend to the Board that the compensation discussion and analysis be included in the Company's proxy statement relating to its annual meeting of shareholders.
13. The Committee shall be responsible for preparing a report, to be included in the Company's proxy statement relating to its annual meeting of shareholders.
14. The Committee shall complete an annual performance evaluation of itself consistent with practices established by the Nominating and Corporate Governance Committee.
15. The Committee may take such other actions as the Committee deems necessary or appropriate to satisfy its responsibilities set forth in this Charter or as otherwise delegated by the Board.
16. The Committee shall have such other responsibilities as may be delegated from time to time by the Board of Directors.

## **V. CHARTER**

The Committee shall also perform other activities related to this Charter as requested by the Board, including: (i) reviewing and assessing the adequacy of this Charter annually and requesting Board approval of any proposed changes; and (ii) ensuring that this Charter is published or otherwise made publicly available as required by rules and regulations established by the Securities and Exchange Commission and the NASDAQ Stock Market.

## **VI. MISCELLANEOUS**

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules, and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

As Amended on January 31, 2014