



**COVENANT TRANSPORTATION GROUP, INC.**

**CORPORATE GOVERNANCE GUIDELINES**

**Adopted as of March 13, 2019**

The Board of Directors (the “Board”) of Covenant Transportation Group, Inc. (the “Company”) has adopted these governance guidelines (the “Guidelines”). The Guidelines, in conjunction with the Company’s articles of incorporation, bylaws, and the charters of the Board committees, form the framework of governance of the Company. The governance structure of the Company is designed to be a working structure for principled actions, effective decision-making and appropriate monitoring of both compliance and performance.

**I. The Role of the Board of Directors**

The Board is responsible for overseeing our overall corporate governance and the competent and ethical management and operation of the Company. The Board has overall responsibility for risk oversight, which involves evaluating any material risks concerning the Company, as well as management's decisions and efforts to identify, manage, and monitor such risks. This oversight also includes understanding and determining what constitutes an appropriate level and tolerance of risk for the Company. The Board addresses this responsibility as part of its periodic Board meetings. The Board has delegated oversight responsibility to each of the Board committees according to its respective area of responsibility and assigned the assessment of the Board's review of enterprise risk to the Nominating and Corporate Governance Committee (the “Nominating Committee”), financial risk to the Audit Committee, and compensation-related risk to the Compensation Committee. In its risk oversight role, the Board considers and confers with management about risk administration. Typically, management identifies, measures, and analyzes risks inherent to our business, operations, and industry. Management then reports to the appropriate Board committee, which then evaluates management's risk assessment and reports to the Board. Additionally, the Board will conduct an annual risk assessment.

**II. Director Qualifications**

Director nominees are chosen by the entire Board, after considering the recommendations of the Nominating Committee. The members of the Nominating Committee review the qualifications of various persons to determine whether they are qualified director nominee candidates for membership on the Board. The Nominating Committee will review all such candidate recommendations, including those properly submitted by stockholders, in accordance with the requirements of the Nominating Committee’s charter, Securities and Exchange Commission (“SEC”) regulations, and Nasdaq Stock Market (the “Nasdaq”) listing standards. Upon identifying and selecting qualified director nominee candidates, the Nominating Committee then submits its



director nominee selections to the Board for consideration. The Nominating Committee will consider all factors it considers appropriate, which may include, but are not limited to, an individual's experience, accomplishments, education, understanding of the Company's business and the industry in which the Company operates, specific skills, general business acumen, and personal and professional integrity. Exhibit A (Criteria for Board of Directors) of the Nominating Committee charter also sets forth various factors and criteria used for selecting director nominees (such factors and criteria are not absolute prerequisites for any such nominee).

### III. Director Independence

It is the policy of the Company that the Board consist of at least a majority of independent directors who either meet or exceed the independence requirements of Nasdaq. The Board will consider all relevant facts and circumstances in making a determination of independence for each director and may consider, as appropriate, imposing independence requirements more stringent than those required by Nasdaq.

### IV. Director Service on Other Public Company Boards

Directors are expected to comply with the Company's overboarding policy, which prohibits the Chief Executive Officer ("CEO") from serving on more than three public company boards, including the Board, and prohibits the other board members from serving on more than five public company boards, including the Board.

### V. Ethics and Conflicts of Interest

The Board expects its directors, as well as officers and employees, to act ethically. Directors are expected to adhere to the Company's Code of Conduct and Ethics.

### VI. Director Orientation and Continuing Education

The Company will provide new directors with materials, briefings and additional educational opportunities to permit them to become familiar with the Company and to enable them to perform their duties. Directors also are encouraged to visit the Company's facilities and meet with Company employees throughout their tenure on the Board. In addition, directors are encouraged to attend accredited director education programs at the Company's expense. New directors will also receive an orientation from leaders within in the Company to familiarize the new directors with the Company and the Company's business.



## VII. Term of Office

Each director shall hold office until his or her successor is duly elected or until his or her earlier death or resignation or removal in the manner provided in the Company's bylaws. Directors are elected annually. There are no limits on the number of terms that a director may serve. The Board believes the Company benefits from the contributions of directors who have developed, over time, increasing insight into the Company. The Nominating Committee reviews periodically the appropriateness of each director's continued service.

## VIII. Majority Vote Policy

The Board's majority vote policy requires that, for directors to be elected (or reelected) to serve on the Board, they must receive support from holders of a majority of shares voted. A director who is subject to an uncontested election at any stockholder meeting shall promptly tender his or her resignation for consideration by the Nominating Committee, if such director receives a greater number of votes "withheld" from or voted "against" his or her election than are voted "for" such election, excluding abstentions. The Nominating Committee will promptly consider the tendered resignation and will recommend to the Board whether to accept the tendered resignation or to take some other action, such as rejecting the support from the holders of a majority of shares voted in the election of directors. In making this recommendation, the Nominating Committee will consider all factors deemed relevant by its members including, without limitation, the underlying reasons why stockholders voted against the director (if ascertainable), the length of service and qualifications of the director whose resignation has been tendered, the director's contributions to the Company, whether by accepting such resignation the Company will no longer be in compliance with any applicable laws, rules, regulations, or governing documents, and whether or not accepting the resignation is in the best interests of the Company and its stockholders. The Board will act on the Nominating Committee's recommendation no later than at its first regularly scheduled meeting following certification of the stockholder vote, but in any case, no later than 120 days following the certification of the stockholder vote. In considering the Nominating Committee's recommendation, the Board will consider the factors considered by the Nominating Committee and such additional information and factors the Board believes to be relevant. The Company will promptly publicly disclose the Board's decision and process in a periodic or current report filed with or furnished to the SEC. Any director who tenders his or her resignation pursuant to the majority vote policy will not participate in the Nominating Committee recommendation or Board consideration regarding whether or not to accept the tendered resignation. However, such director shall remain active and engaged in all other committee and Board activities, deliberations, and decisions during the Nominating Committee and Board process.



## IX. Directors Who Change Their Present Job Responsibilities

Each director who retires or substantially changes his or her principal occupation or business association from the position he or she held when last elected to the Board shall tender his or her resignation to the Company at the time of such. The Board does not believe that a non-employee director in this circumstance necessarily should be required to leave the Board. Instead, the Board believes that the Nominating Committee should review each situation and make a recommendation to the Board as to the continued appropriateness of Board membership under the new circumstances.

## X. Director Responsibilities

The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be the best interests of the Company and its stockholders. In fulfilling that responsibility, directors reasonably may rely on the honesty and integrity of the Company's senior management and expert legal, accounting, financial and other advisors.

*Annual Meeting Attendance:* All directors are expected to attend the Company's annual meeting of stockholders.

*Scheduling of Board Meetings and Attendance:* The Board will meet at least four times per year. Directors are expected to prepare for, attend and participate in all Board and applicable committee meetings, and to spend the time needed to meet as often as necessary to discharge their obligations properly.

*Agenda:* Prior to each quarterly meeting the independent directors, with the assistance of outside SEC counsel, the independent directors will set, to the extent foreseeable and practicable, a schedule of agenda items they want to be discussed during the quarterly meeting. Any director may suggest items to be included on the agenda or raise subjects at a Board meeting that are not on the agenda for that meeting. An agenda for each Board meeting, along with information and data that is important to the Board's understanding of the business to be conducted at the Board meeting, should be distributed to directors in advance of the meeting so that Board meeting time may be focused on questions that the Board has about the materials. Certain matters may be discussed at the meeting without advance distribution of written materials, as appropriate.

## XI. Chairman of the Board and CEO

The Board regularly evaluates whether or not the roles of Chairman of the Board and CEO should be separate and, if they are to be separate, whether the Chairman of the Board should be selected from the non-employee directors or be an employee of the Company. The Board believes these issues should be considered as part of the Board's broader oversight and succession planning



process.

### XIII. Lead Independent Director and Executive Sessions

The Lead Independent Director will (i) preside at all meetings of the Board at which the Chairman of the Board is not present, including executive sessions of the independent directors, (ii) serve as liaison between the Chairman of the Board and the independent directors, (iii) provide input on meeting agendas for the Board, (iv) approve Board meeting schedules to assure that there is sufficient time for discussion of all agenda items, (v) have the authority to call meetings of the independent directors, and (vi) if requested by major stockholders, ensure that he or she is available for consultation and direct communication. The Board expects to hold executive sessions without the presence of management, including the CEO, at least four times per year. In general, the Board reserves time following each quarterly meeting to allow the independent directors to meet in executive session.

### XIV. Communication with Stakeholders

The Board believes that management speaks for the Company. Individual directors occasionally may meet or otherwise communicate with various constituencies that are involved with the Company, but it is expected that directors would do this with the knowledge of management and, in most instances, absent unusual circumstances or as contemplated by the committee charters, at the request of management. The Company also maintains stockholder communications procedures.

### XV. Board Committees

*Standing Committees:* The Board currently has a Nominating Committee, an Audit Committee, and a Compensation Committee. From time to time, the Board may form new committees as it deems appropriate.

*Independence and Qualifications of Standing Committee Members:* All of the members of the standing committees will meet the then-effective criteria for independence established by Nasdaq and, in the case of the Audit Committee, the independence requirements for audit committee members set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended. The members of these committees also will meet the other membership criteria specified in the respective charters for these committees. At least one member of the Audit Committee will have sufficient knowledge, experience, and training concerning accounting and financial matters so as to be financially sophisticated under Nasdaq Rule 5605(c)(2)(A) and qualify as an "audit committee financial expert" within the meaning of Item 407(d)(5)(ii) of SEC Regulation S-K.

*Standing Committee Member Assignments and Rotation:* The Nominating Committee makes



recommendations to the Board concerning the structure and composition of the Board committees. The Board will designate the chair, committee members and, where applicable, alternate standing committee members, by the vote of a majority of the directors. From time to time, there will be occasions on which the Board may want to rotate standing committee members, but the Board does not believe that it should establish a formal policy of rotation.

*Standing Committee Charters:* Each standing committee will have its own charter. The charter will set forth the purpose, authority and responsibilities of the standing committee in addition to the qualifications for standing committee membership.

*Meeting and Agenda:* The chair of each standing committee will determine, in consultation with the appropriate standing committee members and members of management, and in accordance with the standing committee's charter, the frequency and length of standing committee meetings and the standing committee's agenda.

#### XVI. Director Access to Officers and Employees

Directors are encouraged to talk directly with any officer or employee of the Company. Senior officers may be invited to attend Board meetings from time to time to provide additional insight into the items being discussed.

#### XVII. Director Compensation

The Compensation Committee will review the form and amount of director compensation annually and recommend any changes to the Board. Non-employee directors are expected to receive a substantial portion of their annual retainer in the form of equity. Non-employee directors may only sell shares received from their annual equity retainer if, after the sale, they maintain a minimum of five times their annual cash retainer in value of the Company's Class A common stock. Employee directors are not paid additional compensation for their services as directors.

#### XVIII. Board and Lead Independent Director Annual Assessment

The Nominating Committee is responsible for developing and implementing a director annual written evaluation program to measure the individual and collective performance of directors and the fulfillment of their responsibilities to our stockholders, including an assessment of the Board's compliance with applicable corporate governance requirements and identification of areas in which the Board might improve its performance. The assessment will also include performance of the Audit Committee, Compensation Committee, and Nominating Committee. The Nominating Committee should conduct, and review with the Board, an annual written evaluation of the performance of the Lead Independent Director.



**XIX. CEO Annual Assessment and Succession Planning**

The Compensation Committee should conduct, and review with the Board, an annual written evaluation of the performance of the CEO. The Compensation Committee is expected to use this review in the course of its deliberations when considering the compensation of the CEO. The Board also reviews the CEO performance evaluation to ensure that the CEO is providing effective leadership of the Company. As part of the annual evaluation, the Board and the CEO should conduct an annual review of management development and succession planning for senior management, including the CEO.

**XX. Conflicts of Interest**

If a director's personal interests potentially conflict with the interests of the Company, the director should disclose this conflict to the Board, disclose the nature and effect of such potential conflict, and recuse himself or herself from voting on or discussing the matter.

**XXI. Confidentiality**

The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

**XXII. Public Announcement Policy**

In order to ensure appropriate review of press releases and other public announcements, the Company's policy is not to issue any press release or similar public announcement without the approval of the Company's outside SEC counsel or the Chief Financial Officer, unless under exigent circumstances where the delay required to obtain such approvals could result in significant harm to the Company or a violation of law or listing rules.

**XXIII. Reporting Procedures for Accounting Matters**

The Company maintains Reporting Procedures for Accounting Matters setting forth procedures for (a) the receipt, retention, and treatment of complaints, reports, and concerns regarding financial statement disclosures, accounting, internal accounting controls, or auditing matters (collectively, "Accounting Matters"), and (b) the confidential, anonymous submission of complaints, reports, and concerns by employees and other persons regarding Accounting Matters.

**XXIV. Executive Stock Ownership, Retention, and Anti-Hedging and Anti-Pledging Policy**



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The Company maintains an Executive Stock Ownership, Retention, and Anti-Hedging and Anti-Pledging Policy (a) setting forth required stock ownership levels for certain executive officers and (b) prohibiting hedging and pledging by certain executive officers. There is no hardship exemption in such policy.