

## **CELADON GROUP, INC. CORPORATE GOVERNANCE GUIDELINES**

The Board of Directors (the “Board”) has adopted these Corporate Governance Guidelines (the “Guidelines”) to further its goal of providing effective governance of the Company's business and affairs for the long-term benefit of the Company's shareholders. These Guidelines are reviewed periodically by the Nominating and Corporate Governance Committee (“Corporate Governance Committee”) and revised as appropriate to ensure the effective functioning of the Board and high quality corporate governance.

Director Responsibilities and Functions of the Board. The fundamental responsibility of the Board is to promote the best interests of the Company and its shareholders by overseeing the management of the Company's business and affairs. In doing so, Board members have two basic legal obligations to the Company and its shareholders: (a) a duty of care, which generally requires that Board members exercise appropriate diligence in making decisions and in overseeing management of the Company, and (b) a duty of loyalty, which generally requires that Board members make decisions based on the best interests of the Company and its shareholders. The Board also performs a number of specific functions, including:

- Selecting, evaluating and compensating the Company's Chief Executive Officer (“CEO”) and overseeing CEO succession planning;
- Providing counsel on and oversight of the selection, evaluation, retention and compensation of qualified senior executives;
- Reviewing, approving and monitoring important financial and business strategies and corporate actions;
- Advising management on significant issues facing the Company;
- Nominating through the Corporate Governance Committee qualified directors for service on the Board; and
- Ensuring processes are in place for maintaining effective corporate governance practices.

Board Meetings. It is expected that each director will make every effort to attend each Board meeting, and each meeting of any committee on which he or she sits, as well as each annual meeting of the Company's shareholders. An agenda for each Board meeting and briefing materials will, to the extent practicable in light of the timing of the matters that require Board attention, be distributed to each director prior to the meeting.

Director Qualification Standards. The following standards have been adopted by the Board:

- Independent Directors. The Board shall have a majority of independent directors, as that term is defined in Section 303A Corporate Governance Standards of the NYSE listing standards and applicable law. No director will be considered independent if he or she has a material relationship with the Company, as determined by the Board. The Board affirmatively determines annually, based on the recommendations and findings of the Compensation Committee, the independence of each director.

Chairman of the Board (“Chairman”). The Board will annually elect one director to serve as the Chairman. The Chairman may also be the CEO or any other officer of the Company. The Board does not have a policy on whether the roles of Chairman and the CEO should be separate or combined. This allows the Board flexibility to determine whether the two roles should be separated or combined based upon the Company’s needs and the Board’s assessment of the Company’s leadership from time to time.

Lead Outside Director. The Company’s Independent Directors will designate one of the Independent Directors on the Board to serve as a Lead Outside Director (the “Lead Outside Director”). The Lead Outside Director’s duties will include:

- Presiding at all executive sessions of the Independent Directors;
- Presiding at any meeting of the Board at which the Chairman is not present;
- Coordinating the activities of the Independent Directors;
- Preparing Board meeting agendas in consultation with the Chairman and CEO and coordinating Board meeting schedules;
- Consulting with respect to, and where practicable receiving in advance, information sent to the Board; and
- Responding directly to stockholder and other interested parties questions and comments that are directed to the Lead Outside Director or to the Independent Directors as a group.

Limitation on Number of Other Directorships. Service as a member of the Company’s Board is significant in terms of both time and responsibility. Accordingly, each Board member is encouraged to limit the number of other boards on which he or she serves and be mindful of his or her other existing and planned future commitments, so that such other directorships and commitments do not materially interfere with his or her service as an effective and active member of the Company’s Board. Specifically, a member of the Board may serve on no more than five (5) corporate boards, including

the Company's Board. The CEO may serve on no more than two (2) other corporate boards, excluding the Company's Board.

Size of Board. The Company's Bylaws provide that the Board shall consist of not fewer than two or more than ten members (with the exact number to be determined by the Board.)

Director Tenure and Retirement. The Company does not have established term limits or a set retirement age for directors. The Company's policy regarding director tenure and retirement is determined on a case-by-case basis depending upon various factors, including, but not limited to, the age and experience of the director and his or her history of service on the Board.

Director Succession. The Board has a duty to the Company's shareholders to identify the most qualified candidates to serve as Board members. The Board is responsible for recommending director candidates for election by the shareholders and for electing directors to fill vacancies or newly created directorships. The Board has delegated the screening and evaluation process for director candidates to the Corporate Governance Committee, which will identify, evaluate and recruit highly qualified director candidates and recommend them to the Board.

Selection of Director Candidates. The Board's Corporate Governance Committee is responsible for reviewing with the Board, on a periodic basis, the requisite skills and characteristics of potential new Board members in the context of the current make-up of the Board. This assessment will include members' qualification as independent, as well as consideration of the candidate's broad-based business skills and experiences, prominence and reputation in their profession, concern for the interests of the shareholders, other commitments and responsibilities, personal integrity and judgment and such other matters as the Corporate Governance Committee deems appropriate. The following sets forth the Company's Corporate Governance Committee's selection criteria for director candidates. The following are used as guidelines and are not absolute prerequisites for selecting director candidates.

- All director candidates should be committed to the Company's basic beliefs as set forth in the Company's Code of Business Conduct and Ethics and its Insider Trading Policy and shall be individuals of integrity, intelligence and strength of character and should support and enhance the Company's core values, culture, and operating model;
- Non-employee director candidates should be "independent," as defined under the applicable rules and regulations of the stock market or exchange on which the Company's shares are listed, and any other applicable laws, rules, and regulations governing independence (including the Sarbanes-Oxley Act of 2002), and the Company's Guidelines;

- Director candidates should also maintain the independence necessary for an unbiased evaluation of management performance;
- Director candidates should be able to effectively carry out responsibilities of oversight of the Company's strategy;
- Directors should have a working knowledge of corporate governance issues and the changing role of boards, together with a firm commitment to attend and participate in Board meetings and related Board activities;
- Directors should have demonstrated management and/or business skills or experience that will contribute substantially to the management of the Company; and.
- Directors should ideally have either public company experience, a financial background, or experience in the transportation industry or a related industry.

Director Orientation and Continuing Education. The Corporate Governance Committee will develop and oversee an orientation program for new Board members. New non-employee directors will be provided with a variety of materials to familiarize themselves with the Company, its management structure and operations and any key legal, financial, risk management and operational issues, as well as the policies, procedures and responsibilities of the Board and its committees. New non-employee directors also meet with members of the Company's senior management and other nonemployee directors as part of their orientation. In addition, the Company periodically provides materials to the directors on subjects that would assist them in discharging their duties.

Executive Sessions of the Board. The non-management directors of the Company will meet in executive session without management at each regularly scheduled meeting of the Board of Directors and at any other time a non-management director requests. The Lead Outside Director will preside at the executive sessions. Any third party desiring to contact the non-management directors of the Company may do so by contacting the Lead Outside Director.

Director Access to Management and Independent Advisors. The Board has full access to any officer of the Company, any representative of the Company's advisors, and to any of the Company's outside legal counsel and other advisors.

Director Compensation. The Board, upon the recommendation of the Compensation Committee, will establish the form and amount of compensation to be paid to non-management Board members. Board members who are also employees of the Company receive no additional compensation for serving on the Board. The Compensation Committee reviews director compensation annually, including information obtained from one or more third-party reports or surveys in order to compare the Company's Board compensation practices with those of other public companies of comparable size. In making its recommendation to the Board, the

Compensation Committee will consider that Board members' independence may be jeopardized if Board compensation exceeds appropriate levels, if the Company makes substantial charitable contributions to organizations with which a Board member is affiliated, or if the Company enters into material consulting arrangements with a Board member or organization with which a Board member is affiliated.

Management Succession. The Board, in consultation with the Chairman and CEO, will make an annual report to the Board on succession planning. The Board will work with the Chairman and CEO to evaluate potential successors to the Chairman and CEO, President, and other key members of executive management. The Chairman and CEO will at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

Annual Performance Evaluation of the Board . The Corporate Governance Committee is responsible for developing and recommending to the Board an annual self-evaluation process of the Board designed to assure that Board members contribute to the Company's corporate governance and to its performance. The Corporate Governance Committee will develop, approve and implement a director evaluation program to measure the individual and collective performance of the Board and the fulfillment of their responsibilities to the Company's shareholders, including an assessment of the Board's compliance with general corporate governance guidelines and identification of areas in which the Board could improve its performance.

As amended, updated and approved: October 27, 2015