

## **MARTEN TRANSPORT, LTD. CORPORATE GOVERNANCE STANDARDS**

The Board of Directors, or the Board, of Marten Transport, Ltd., or the Company, has established the following guidelines for the conduct and operation of meetings and deliberations of the Board. These guidelines will be reviewed periodically by the Board and may be amended or modified from time to time.

- ❖ **Director Responsibilities:** The fundamental role of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and to meet as frequently as necessary to properly discharge their responsibilities. In addition, all directors are expected to attend the Company's Annual Meeting of Shareholders. The Board's general practice shall be to schedule a meeting of the Board on the same day as the Annual Meeting in order to facilitate attendance of all directors at the Company's Annual Meeting.
  
- ❖ **Conduct of Board Meetings:** The conduct of meetings of the Board will be governed as follows:
  - **Selection of Agenda Items for Board Meeting.** The Chairman of the Board, in consultation with other executive officers, will establish the agenda for each Board meeting. Each Board member shall be free to suggest the inclusion of items on the agenda. Additionally, each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board is expected to review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.
  
  - **Board Materials Distributed in Advance.** Information and data concerning the Company's operations and its financial affairs is important to the Board's understanding and decision-making process. Accordingly, there will be distributed in advance of each meeting of the Board appropriate written material relating to substantive agenda items. Management will make every attempt to see that this material is as concise as possible while still providing the desired information. Highly sensitive subjects may be discussed at the meeting without advance distribution of written materials.
  
  - **Management and Advisor Presentations.** The Board encourages the participation of the Company's executive officers in a portion of each Board meeting. The Board believes they can provide additional insight into certain of the items being discussed because of personal involvement in these areas, as well as being given exposure to the Board members. Board meetings may also be attended from time to time by outside advisors, to the extent such advisors' participation is deemed necessary and appropriate by the Company's management, to assist the Board in understanding the material presented to the Board.

- ❖ **Executive sessions of Independent Directors:** The independent directors of the Board will meet separately as a group on a regular basis, and at least two times each year. A director (the “Lead Independent Director”) will be selected by the independent directors (in accordance with paragraph entitled “Selection of Lead Independent Director” below) and will assume the responsibility of chairing the regularly scheduled meetings of independent directors and bear such further responsibilities that the independent directors as a whole might designate from time to time. The identity of the Lead Independent Director will be disclosed in the annual Proxy Statement.
- ❖ **Director Access to Executive Officers and Employees:** Each member of the Board shall have full and free access to officers and employees of the Company. Board members will use their judgment to be sure that any such contact is not distracting to the operation of the Company and that such contact be coordinated, to the extent reasonably practicable, with the President or Chief Operating Officer.
- ❖ **Composition of the Board:**
  - **Size of the Board.** It is the sense of the Board to have a minimum of five (5) and a maximum of eight (8) members. Should outstanding candidate(s) become available, the Board will evaluate its size.
  - **Mix of Inside and Outside Directors.** There must be a majority of independent directors on the Board.
  - **Board Definition of What Constitutes Independence for Outside Directors.** An independent director is one who is independent of management and who meets the independence requirements set forth in the federal securities laws and under the rules and regulations established by the Securities Exchange Commission and the Nasdaq Stock Market, as may be amended from time to time. The Board will affirmatively make and disclose in the annual Proxy Statement its determination that each Board member whom it has identified as independent has no material relationship, directly or indirectly, with the Company.
  - **Board Membership Criteria.** The Nominating (Corporate Governance) Committee is responsible for reviewing with the Board on a periodic basis, as necessary, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board.
  - **Selection of New Director Candidates.** The Board itself should be responsible, in fact as well as procedure, for selecting its own members, determining and reviewing their qualifications. The Board delegates the screening process involved to the Nominating/Corporate Governance Committee. The Committee shall provide new directors with access to internal and external orientation programs to ensure that they have sufficient information about the Company and their duties.

- ❖ **Director Compensation:** The Compensation Committee should report once a year to the Board any suggested changes in Board compensation, but with full discussion and concurrence by the full Board.
- ❖ **Annual Performance Evaluation:** The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Chairman of the Board, or the Lead Independent Director if designated by the Board, will receive comments from all directors and report annually to the Board with an assessment of the Board's performance. This will be discussed with the full Board following the end of the fiscal year. The assessment will focus on the Board's and the committees' contributions to the Company and specifically focus on areas in which the Board or management believes the Board could improve.
- ❖ **Committees of the Board:** The committee structure of the Board shall at least consist of an Audit Committee, a Compensation Committee and a Nominating (Corporate Governance) Committee. The Board shall convene other committees, such as a Special Committee, as it deems appropriate.
  - **Frequency and Length of Committee Meetings.** The committee chairperson, in consultation with the committee members, will determine the frequency and length of the meetings of the committee in adherence to the committee charter.
  - **Committee Agenda.** The chairperson of the committee, in consultation with the appropriate members of management and staff and outside advisors (independent auditors, legal counsel etc.), if appropriate, will develop the committee's agenda.
  - **Committee Charter.** Each committee, unless otherwise directed by the Board, shall develop a charter for approval by the full Board. The charter will set forth the purpose, policies, organization and responsibilities of the committees. The charters of the Audit Committee, the Compensation Committee and the Nominating (Corporate Governance) Committee shall be subject to periodic review by the Board.
  - **Committee Membership.** The Audit Committee, the Compensation Committee, and the Nominating (Corporate Governance) Committee shall each consist of three or more directors, each of whom shall satisfy the independence requirements set forth in the federal securities laws and under the rules and regulations established by the Securities Exchange Commission and the Nasdaq Stock Market, as may be amended from time to time. In addition, at least one member of the Audit Committee shall be an "audit committee financial expert" for purposes of the regulations promulgated pursuant to the Sarbanes-Oxley Act of 2002. Committee members will be appointed by the Board of Directors.
- ❖ **Selection of Lead Director:** If the Chairman of the Board is the Chief Executive Officer or President, and/or not an independent Board member, the Board will consider the election of an independent Board member as the Lead Independent Director.

- ❖ **Directors Who Change Their Present Job Responsibility:** It is the sense of the Board that individual directors who materially change the responsibility they held when they were elected to the Board should volunteer to resign from the Board. It is not the sense of the Board that in every instance the directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board to review the continued appropriateness of Board membership under these circumstances.
- ❖ **Succession Planning:** There should be available, on a continuing basis, the Chairman of the Board and President's recommendation as to his successor should he be unexpectedly disabled or otherwise unable for any reason to perform his duties. There should be an annual report by the Chairman of the Board and President to the Board on succession planning.
- ❖ **Board Interaction with Investors, the Press, Customers Etc.:** The Board believes that management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. However, it is expected that Board members would do so only with the knowledge of management, and in most instances, at the request of management. In particular, any discussions with the media (e.g., press, TV, etc.) concerning the Company should be first channeled through the Chairman of the Board and President, whenever practicable. The Company's directors should not accept any gift of value that indicates an intent to influence improperly the normal business relationship between the Company and any supplier, customer or competitor.
- ❖ **Evaluation of the Chairman of the Board and President:** The Compensation Committee will conduct an annual review of the Chairman of the Board and President's performance, as set forth in its charter and provide a report of such review to the full Board of Directors.
- ❖ **Communication with Directors:**  
In order to facilitate communication by a shareholder with a member of the Board, a shareholder may send communications to the Company's Chief Financial Officer, 129 Marten Street, Mondovi, WI 54755, with an instruction to forward the communication to the particular director. The Company's Chief Financial Officer shall promptly forward all such shareholder communications to the particular director.