

Arkansas Best Corporation

Corporate Governance Guidelines

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Arkansas Best Corporation Corporate Governance Guidelines

I. Introduction

The Board of Directors of Arkansas Best Corporation (the “Company”), acting on the recommendation of its Nominating/Corporate Governance Committee, has developed and adopted a set of corporate governance guidelines (the “Guidelines”) to promote the functioning of the Board and its committees and to set forth a common set of expectations as to how the Board should perform its functions.

II. Board of Directors

A. Board Composition

The composition of the Board should balance the following goals:

- The size of the Board is specified in the Company’s Bylaws and should facilitate substantive discussions of the whole Board in which each director can participate meaningfully, divided into three classes of directors of as nearly equal size as possible. Beginning in 2012, the Board will be declassified and Directors will be elected annually;
- The composition of the Board should encompass a broad range of skills, expertise, industry knowledge, diversity of opinion and contacts relevant to the Company’s business;
- A majority of the Board shall consist of Independent Directors as defined in Appendix A.
- The Nominating/Corporate Governance Committee reviews and assesses directors’ independence.
- The Lead Independent Director shall be appointed by the Board and preside over executive sessions of Independent Directors, if the Chairman is not “independent” or if otherwise necessary.

B. Selection of Chairman of the Board and Chief Executive Officer

The Board is free to select its Chairman and the Company’s Chief Executive Officer in the manner it considers in the best interests of the Company at any given point in time. These positions may be filled by one individual or by two different individuals.

C. Selection of Directors

Nominations. The Nominating/Corporate Governance Committee is responsible for selecting, or recommending for the Board’s selection, the slate of director nominees for election to the Company’s Board of Directors and for selection of nominees for director between annual meetings of stockholders.

Criteria. A majority of the Independent Directors, or the Nominating/Corporate Governance Committee, shall determine new nominees for the position of Independent Director who satisfy the requirements of the NASDAQ Stock Market, Inc. and shall consider other criteria including:

- Any special training or skill, experience with businesses and other organizations of comparable size and scope;
- Experience with businesses or organizations that are particularly relevant to the Company's current or future business plans;
- Financial expertise;
- The candidate's experience compared to the experience of the other directors;
- Sufficient time to devote to the responsibilities of a director;
- Freedom from conflicts of interest or legal issues; and
- The extent to which, in the Nominating/Corporate Governance Committee's opinion, the candidate would be a desirable addition to the Board.

The Nominating/Corporate Governance Committee shall periodically review the criteria and modify them as appropriate.

Invitation. The invitation to join the Board should be extended by the Board itself via the Chairman of the Board and CEO of the Company, together with an independent director, when deemed appropriate.

Orientation and Continuing Education. Management, working with the Board, will provide an orientation process for new Directors, including background material on the Company, its business plan and its risk profile, and meetings with senior management. Periodically, management educational sessions for Directors on matters relevant to the Company, its business plan and risk profile. The Board encourages each Director to participate in continuing education programs. The Nominating/Corporate Governance Committee and other Directors may make recommendations to Directors regarding needs for Continuing Education on subjects that would assist them in discharging their duties including leading-edge corporation governance issues.

D. Election Term

The Board does not believe it should establish term limits. The absence of term limits allows the Company to retain directors who have been able to develop, over a period of time, increasing insight into the Company and its operation.

E. Retirement of Directors

On April 1, 2012, any Director who has reached the age of 75 shall submit his or her resignation from the Board effective on the date of the 2012 annual meeting of shareholders. Thereafter a Director reaching 75 years of age shall submit his or her resignation from the Board effective on the date of the annual meeting of shareholders following his or her 75th birthday.

F. Expectations for Directors

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with Delaware law. In performing their duties, the primary responsibility of the directors is to exercise business judgment in the best interests of the Company and its shareholders. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. *Commitment and Attendance.* All independent and management directors should make every effort to attend meetings of the Board and meetings of committees of which they are members. Members may attend by telephone infrequently when necessary. It is the Company's policy that all directors attend each annual meeting of its stockholders, except when illness or other personal matters prevent such attendance.

2. *Participation in Meetings.* Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he or she serves. Upon request, management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

3. *Loyalty and Ethics.* In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interests of a director.

The Company has adopted a Code of Conduct, including a compliance program to enforce the Code. Certain portions of the Code deal with activities of directors, particularly with respect to transactions in the securities of the Company, potential conflicts of interest, the taking of corporate opportunities for personal use, and competing with the Company. Directors should be familiar with the Code's provisions in these areas and should consult with the Company's counsel in the event of any issues.

4. *Conflicts of Interest and Related Party Transactions.* If a director develops an actual or potential conflict of interest with the Company, he should immediately notify the Vice President - General Counsel and Corporate Secretary or his designee of all material facts and circumstances.

5. *Other Directorships.* The Company values the experience directors bring from other boards on which they serve, but recognizes that those boards may also present demands on a director's time and availability and may present conflicts or legal issues. Directors should advise the Chair of the Nominating/Corporate Governance Committee and the

CEO before accepting membership on other boards of directors or other significant commitments involving affiliation with other businesses or governmental units.

6. *Contact with Management.* All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.

Further, the Board encourages management to, from time to time, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

7. *Reliance on Management and Outside Advice.* In performing its functions, the Board is entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. The Board shall have the authority to retain and approve the fees and retention terms of its outside advisors.

8. *Contact with Other Constituencies.* It is important that the Company speak to employees, institutional investors, analysts, press, customers and other outside constituencies, with a single voice, and that management serve as the primary spokesperson.

Any reports of concerns regarding accounting, internal auditing controls, or other irregularities or concerns whether financial or otherwise are required to be brought to the attention of the Chairman of the Audit Committee and certain executive officers, including the General Counsel. These reports are confidential and may be anonymous if made using the anonymous reporting hotline overseen by the Audit Committee. The General Counsel will provide reports concerning hotline submissions and other concerns at regularly scheduled Board meetings or sooner, if necessary.

9. *Stockholder Communication with the Board.* Company stockholders may communicate with the Company's Board of Directors, or any individual member of the Board, by sending the communication as follows: Board of Directors (or Individual Member's Name), c/o Corporate Secretary, P.O. Box 10048, Fort Smith, AR 72917-0048.

All communications to the Board, or an individual member, will be opened and reviewed by the Corporate Secretary prior to forwarding to the Board or individual Board member. This review will facilitate a timely review of any matters contained in the communication if, for any reason the Board member is unavailable to timely review the communication.

10. *Trading in Company Securities.* Directors will comply with all applicable stock trading regulations - Securities and Exchange Commission, Nasdaq Stock Market, and

State of Delaware - regarding their transactions in Company stock as well as the Company's Insider Trading Policy.

11. *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.

12. *Company Stock Ownership*. In the interest of aligning the interests of the Company's Directors, executives and shareholders, Directors are subject to the Stock Ownership Policy for Directors and Executives. The Policy requires Directors to own a minimum number of shares as specified in the Policy in order to receive Company stock granted under any Company award agreement.

III. Meetings

A. Board Meetings

The Board currently plans at least five meetings each year, with further meetings to occur (or action to be taken by unanimous consent) at the discretion of the Board. The meetings will usually consist of committee meetings and the Board meeting.

The agenda for each Board meeting will be prepared by the Office of the Corporate Secretary in consultation with the Chairman of the Board, the CEO (if separate) and the Lead Independent Director, if applicable. Management will seek to provide all directors with an agenda and appropriate materials in advance of meetings, although the Board recognizes that this will not always be consistent with the timing of transactions and the operations of the business and that in certain cases it may not be possible. Each Board member may suggest the inclusion of additional items on the agenda.

The Board will also review, from time to time, the Company's long-term strategic direction.

Materials presented to the Board or its committees should be as concise as possible, while still providing the desired information needed for the directors to make an informed judgment.

B. Executive Sessions

To ensure free and open discussion and communication among the independent directors of the Board, the independent directors will have at least two regularly scheduled executive sessions each year, and more frequently as necessary or desirable, in conjunction with regularly scheduled meetings of the Board, at which only independent directors are present. The Chairman (if eligible) or, otherwise, the Lead Independent Director or a director of his selection will preside at the executive sessions.

IV. Committees of the Board

A. Standing Committees

The Company shall have at least the committees required by the rules of the NASDAQ Stock Market, Inc. Currently the Audit Committee is required, and the Compensation Committee and a nominations committee which the Company calls the Nominating/Corporate Governance Committee, must conform to the requirements of those rules. Each of these three committees must have a written charter satisfying the rules of the NASDAQ Stock Market, Inc. The Audit Committee must also satisfy the requirements of SEC Rule 10A-3.

All directors, whether members of a committee or not, are invited to make suggestions to a committee chair for additions to the agenda of his or her committee or to request that an item from a committee agenda be considered by the Board. Each committee chair will give a periodic report of his or her committee's activities on the Board.

Except as permitted by Nasdaq Rule 4350(c), each of the Nominations/Corporate Governance, the Audit Committee and the Compensation Committee shall be composed of directors who are not officers or employees of the Company or its subsidiaries (and have not been officers or employees within the previous three years), who do not have relationships which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director, and who are otherwise "independent" under the rules of Nasdaq Stock Market, Inc. The required qualifications for the members of each committee shall be set out in the respective committees' charter. A director may serve on more than one committee for which he or she qualifies.

B. Management Succession

The Nominating/Corporate Governance Committee makes recommendations to the Board regarding succession planning for the Chief Executive Officer.

C. Executive Compensation

1. *Evaluating and Approving Salary for the CEO.* The Board, acting through a majority of the independent directors meeting in executive session, or through action of the Compensation Committee comprised solely of independent directors meeting in executive session, evaluates the performance of the CEO and the Company against the Company's goals and objectives and determines the compensation of the CEO. This determination is subject to the Company's "Granting of Equity Based Compensation Policy" and "Stock Ownership Policy for Directors and Executives".

2. *Evaluating and Approving Compensation of Management.* The Compensation Committee comprised solely of the independent directors evaluates and determines the proposals for overall compensation policies applicable to, and compensation for,

executive officers. This determination is subject to the Company's "Granting of Equity Based Compensation Policy" and "Stock Ownership Policy for Directors and Executives". In the event that certain conditions lead to restatement of a financial statement, an executive officer is also subject to the "Guidelines for Recoupment of Incentive Compensation."

The primary objectives of the Company's executive compensation program are to:

- Attract and retain highly qualified executives;
- Motivate the Company's leaders to work together as a team to deliver superior business performance;
- Balance rewards between short-term results and the long-term strategic decisions needed to ensure sustained business performance over time; and
- Ensure that the interests and risk tolerance of the Company's leaders are closely aligned with those of the Company's stockholders.

D. Board Compensation

The Nominating/Corporate Governance Committee comprised solely of the independent directors evaluates and recommends to the Board, proposals for overall compensation policies applicable to, and compensation for, directors. Directors who are also employees of the Company receive no additional compensation for serving on the Board. This determination is subject to the Company's "Granting of Equity Based Compensation Policy" and "Stock Ownership Policy for Directors and Executives." In the event that certain conditions lead to restatement of a financial statement, a director is also subject to the "Guidelines for Recoupment of Incentive Compensation."

The primary objectives of the Company's non-employee director compensation program are to:

- Balance rewards between cash compensation and the long-term strategic decisions needed to ensure sustained business performance over time; and
- Ensure that the interests of the Company's Non-Employee Directors are closely aligned with those of the Company's stockholders.

Appendix A

Director Independence

The term “independent” is defined in accordance with the independence requirements of the Nasdaq Stock Market, the Securities and Exchange Commission and Internal Revenue Code. A director is deemed to be independent if he or she is not currently and has not been for a period of three (3) years been an executive officer or employee of the Company or its subsidiaries or any other individual having a relationship, which, in the opinion of the Company’s Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a Company Director.

Pursuant to Nasdaq Regulation 5605(a)(2), the following persons shall not be considered independent:

- (A) Employee provision. a director who is, or at any time during the past three years was, employed by the Company or subsidiary of the Company;
- (B) Payments provision. a director who “accepted” or who has a “Family Member” who “accepted” any compensation from the Company in excess of \$120,000 during any period of 12 consecutive months within the three years preceding the determination of independence, with these exceptions:
 - (i) Compensation for board or board committee service;
 - (ii) Compensation paid to a Family Member who is an employee (other than an executive officer) of the company; or
 - (iii) Benefits under a tax-qualified retirement plan, or non-discretionary compensation.

“Family Member” includes a person’s spouse, parents, children and siblings, whether by blood, marriage or adoption, or anyone residing in such person’s home.

“Accepted” includes the acceptance of payments by an Other Entity in which the Director or any Family Member is a partner, a member or an officer such as a managing director occupying a comparable position or executive officer, and that provides accounting, consulting, legal, investment banking, financial advisory or other services or goods to the Company or its subsidiaries.

- (C) Family of executive officer provision. a director who is a Family Member of an individual who is, or at any time during the past three years was, employed by the Company as an executive officer;
- (D) Business relationship provision. a director who is, or has a Family Member who is, a partner in, or a controlling shareholder or an executive officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient’s consolidated gross revenues for that year, or \$200,000, whichever is more, other than a few limited situations;

- (E) Interlocking directorate provision. a director of the issuer who is, or has a Family Member who is, employed as an executive officer of another entity where at any time during the past three years any of the executive officers of the issuer serve on a compensation committee of such other entity; or
- (F) Auditor relationship provision. a director who is, or has a Family Member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the company's audit at any time during the past three years.

Summary of SEC additional Audit Committee Independence Requirements:

Audit Committee Independence Rule [Exchange Act Section 10A-3(b)(1)(ii) "independence" requirements] – A member of an audit committee...may not other than in his or her capacity as a member of the audit committee, the Board or any other Board committee:

- (A) Accept directly or indirectly any consulting, advisory, or other compensatory fee from the issuer or any subsidiary...; or
- (B) Be an "affiliated" person of the issuer or any subsidiary of the issuer.

"Affiliate" Definition [10A-3(e)(1)] –

- (i) The term "affiliate" means a person that directly, or indirectly, controls, or is controlled by, or is under the control with, the specified person.
- (ii) [Safe Harbor Rule] – A director will not be deemed an affiliate of the Company if: (1) he owns 10% or less, beneficially, directly or indirectly of any class of the issuer's voting equity securities; and (2) he is not an executive officer of the Company.

Under Section 162(m) of the Internal Revenue Code, as amended, a director is an outside director if the director:

- is not a current employee of the Company;
- is not a former employee of the Company who receives compensation for prior services (other than benefits under a tax-qualified retirement plan) during the taxable year;
- has not been an officer of the Company; and
- does not receive remuneration from the Company, either directly or indirectly, in any capacity other than as a director.

Under SEC Rule 16b-3, a director who has a "Related Party Transaction" pursuant to SEC Regulation S-K Item 404(a), is deemed to be an "employee director" and thus, not independent for purposes of approving compensation.

A "Related Party Transaction" is defined as:

- A transaction, relationship, arrangement or series of related transactions;
- In which the Company is one participant; and

- A Company board director, director nominee, executive officer or immediate family member is also a participant and who had, has or will have a direct or indirect material interest;
- In which the transaction amount exceeds \$120,000; and
- Which occurred during or since the last fiscal year (or is currently proposed)

Approved by the
Arkansas Best Corporation Board of Directors
and its Nominating/Corporate Governance Committee
as of July 22, 2011.