

USA TRUCK INC  
Form DEF 14A  
April 04, 2017  
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under §240.14a-12

USA TRUCK, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

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| (1) Title of each class of securities to which transaction applies:   | <u>N/A</u> |
| (2) Aggregate number of securities to which transaction applies:  | <u>N/A</u> |
| (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined): | <u>N/A</u> |
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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

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| (1) Amount previously paid:                       | <u>N/A</u> |
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| (3) Filing Party:                                 | <u>N/A</u> |
| (4) Date Filed:                                   | <u>N/A</u> |
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**USA TRUCK, INC.**

**3200 Industrial Park Road**

**Van Buren, Arkansas 72956**

**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

**To be held on May 10, 2017**

To the Stockholders of USA Truck, Inc.:

Notice is hereby given that the Annual Meeting of Stockholders (“Annual Meeting”) of USA Truck, Inc. (the “Company,” “we,” “us,” or “our”) will be held at our corporate offices at 3200 Industrial Park Road, Van Buren, Arkansas 72956, on Wednesday, May 10, 2017, at 10:00 a.m., local time, for the following purposes:

1. Election of two (2) Class I directors for a term of office expiring at the 2020 Annual Meeting.
2. Advisory approval of the Company’s executive compensation.
3. Advisory and non-binding vote on the frequency of future advisory votes on the Company’s executive compensation.

Renewal of the material terms of the performance-based goals under the USA Truck, Inc. 2014 Omnibus Incentive  
4. Plan (the “Incentive Plan”) to allow certain grants and awards to continue to qualify as performance-based compensation under Internal Revenue Code Section 162(m).

5. Approval of the first amendment to the Incentive Plan (the “First Amendment to the Incentive Plan”).

Only holders of record of our Common Stock at the close of business on March 16, 2017, are entitled to notice of and to vote at the Annual Meeting and any adjournments thereof.

The Company's Proxy Statement is submitted herewith. The Annual Report for the year ended December 31, 2016, is being mailed to stockholders contemporaneously with the mailing of this Notice and Proxy Statement. Except to the extent it is incorporated by specific reference, the enclosed copy of our 2016 Annual Report is not incorporated into this Proxy Statement and is not deemed to be a part of the proxy solicitation material.

**Important Notice Regarding the Availability of Proxy Materials for  
the Meeting of Stockholders to Be Held on May 10, 2017**

We have elected to provide access to our proxy materials both by: (i) sending you this full set of proxy materials, including a proxy card; and (ii) notifying you of the availability of our proxy materials on the Internet. **This Notice of Meeting, Proxy Statement and our Annual Report to Stockholders for the fiscal year ended December 31, 2016, are available online and may be accessed at <http://www.cstproxy.com/usa-truck/2017>.** We do not use "cookies" or other software that identifies visitors accessing these materials on this website. *We encourage you to access and review all of the important information contained in the proxy materials before voting.*

By Order of the Board of Directors  
David F. Marano  
Secretary

Van Buren, Arkansas  
April 4, 2017

**YOUR VOTE IS IMPORTANT.**

**To ensure your representation at the annual meeting, you are requested to promptly date, sign and return the accompanying proxy in the enclosed envelope. You may also vote on the Internet by following the electronic voting instructions found on the proxy card you receive or by telephone using a touch-tone telephone and calling the number contained on the proxy card you receive. Returning your proxy now will not interfere with your right to attend the annual meeting or to vote your shares personally at the annual meeting, if you wish to do so. The prompt return of your proxy may save us additional expenses of solicitation.**

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**USA TRUCK, INC.**

**3200 Industrial Park Road**

**Van Buren, Arkansas 72956**

**PROXY STATEMENT**

**FOR ANNUAL MEETING OF STOCKHOLDERS**

**To be held on May 10, 2017**

**GENERAL INFORMATION**

This Proxy Statement is furnished in connection with the solicitation of proxies by and on behalf of the Board of Directors of USA Truck, Inc., a Delaware corporation (the "Company," "USA Truck," "we," "our" or "us"), for use at the Annual Meeting of the Company to be held at the time and place and for the purposes set forth in the foregoing notice. Our mailing address is 3200 Industrial Park Road, Van Buren, Arkansas 72956, and our telephone number is (479) 471-2500.

The cost of soliciting proxies will be borne by the Company. In addition to solicitation by mail, certain of our officers and employees, who will receive no special compensation therefor, may solicit proxies in person or by telephone, telegraph, facsimile or other means. We will reimburse banks, brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of our Common Stock.

The approximate date on which this Proxy Statement and the accompanying proxy are first being mailed to stockholders is April 4, 2017.

**Revocability of Proxy**

Any stockholder executing a proxy retains the right to revoke it at any time prior to exercise at the Annual Meeting. A proxy may be revoked by delivery of written notice of revocation to David F. Marano, Secretary of the Company, by execution and delivery to the Company of a later proxy or by voting the shares in person at the Annual Meeting. If not revoked, all shares represented at the Annual Meeting by properly executed proxies will be voted as directed therein. If no direction is given, such shares will be voted for election of all nominees for director, for approval, in an advisory and non-binding vote, of the compensation of our Named Executive Officers, for “one year” in an advisory and non-binding vote on the frequency of future advisory votes on the Company’s executive compensation, for the renewal of the material terms of the Incentive Plan to allow certain grants and awards to continue to qualify as performance-based compensation under Internal Revenue Code Section 162(m), for approval of the First Amendment to the Incentive Plan, and at the discretion of the person(s) named as proxy(ies) therein on any other matters that may properly come before the Annual Meeting or any adjournments thereof.

### **Outstanding Stock and Voting Rights**

The Board of Directors has fixed the close of business on March 16, 2017, as the record date for determining the stockholders having the right to notice of, and to vote at, the Annual Meeting. As of the record date, March 16, 2017, 8,222,078 shares of Common Stock were outstanding and entitled to vote at the meeting. Each stockholder will be entitled to one vote for each share of Common Stock owned of record on the record date. The stock transfer books of the Company will not be closed. Stockholders are not entitled to cumulative voting with respect to the election of directors. The holders of a majority of the outstanding shares of Common Stock entitled to vote, present in person or represented by proxy, are necessary to constitute a quorum.

### **Required Affirmative Vote and Voting Procedures**

Our bylaws provide that the nominees who receive a plurality of the votes cast by stockholders present or represented by proxy at an Annual Meeting, and entitled to vote on the election of directors, will be elected as directors of the Company. Thus, any abstentions or broker non-votes will have no effect on the election of directors. However, at any stockholder meeting at which a director is subject to an uncontested election, any nominee for director who receives a greater number of votes “withheld” from or voted “against” his or her nomination than are voted “for” such election, excluding abstentions, shall promptly tender his or her resignation for consideration by the Nominating and Corporate Governance Committee pursuant to the Company’s majority vote policy. See “Corporate Governance – The Board of Directors and Its Committees – Committees of the Board of Directors – Nominating and Corporate Governance Committee – Additional Corporate Governance Policies” for additional information regarding our majority vote policy. Approval of any other matter submitted to stockholders each requires the affirmative vote of a majority of votes cast by stockholders entitled to vote and represented in person or by proxy at the Annual Meeting. Abstentions and broker non-votes will not be counted for purposes of determining the number of votes cast with respect to a proposed corporate action. Accordingly, abstentions and broker non-votes will have no effect on the approval of any other matter submitted to stockholders.



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If you are a holder of record of our Common Stock, you may vote your shares either (i) over the telephone by calling a toll-free number, (ii) by using the Internet, or (iii) by mailing your proxy card. Owners who hold their shares in street name will need to obtain a voting instruction form from the institution that holds their stock and must follow the voting instructions given by that institution.

The above-mentioned telephone and Internet-voting procedures have been designed to authenticate your identity, to allow you to give instructions, and to confirm that those instructions have been recorded properly. If you choose to vote by telephone or by using the Internet, please refer to the specific instructions on the proxy card. If you wish to vote using the proxy card, complete, sign and date your proxy card and return it to us before the meeting.

**PROPOSAL ONE: ELECTION OF DIRECTORS**

Our Restated and Amended Certificate of Incorporation provides that there shall be eight directors, subject to increases or decreases in such number by vote of the Board of Directors in accordance with the bylaws, classified into three classes, and that members of the three classes shall be elected to staggered terms of three years each. The Board presently consists of eight persons.

The current term of office of the two Class I directors will expire at the 2017 Annual Meeting and both of those directors have been nominated for re-election at the Annual Meeting for a term expiring at the 2020 Annual Meeting:

**Class I**

**Term Expiring 2020**

Major General (Ret.) Barbara J. Faulkenberry

M. Susan Chambers

Proxies may not be voted at the 2017 Annual Meeting for more than two nominees for election as directors. Each of the nominees has consented to serve if elected and, if elected, will serve until the 2020 Annual Meeting or until her successor is duly elected and qualified.

Class II and Class III directors are currently serving terms expiring in 2018 and 2019, respectively. Class II directors are James D. Reed, Thomas M. Glaser and Gary R. Enzor. Class III directors are Robert A. Peiser, Robert E. Creager

and Alexander D. Greene.

All duly submitted and unrevoked proxies will be voted FOR the nominees listed above, unless otherwise instructed. It is expected that the nominees will be available for election, but if for any unforeseen reason any nominee should decline or be unavailable for election, the persons designated as proxies will have full discretionary authority to vote for another person designated by the Nominating and Corporate Governance Committee.

### **Vote Required for Approval**

Assuming the presence of a quorum at the Annual Meeting, the nominees who receive a plurality of the votes cast by stockholders present or represented by proxy at the Annual Meeting, and entitled to vote on the election of directors, will be elected as directors. Any director subject to an uncontested election who is elected by a plurality and receives a greater number of votes “withheld” from or voted “against” his or her election than are voted “for” such election (excluding abstentions) shall be subject to the majority vote policy described under “Corporate Governance – The Board of Directors and Its Committees – Committees of the Board of Directors – Nominating and Corporate Governance Committee – Additional Corporate Governance Policies.”

### **Class I Director Nominees**

*Major General (Ret.) Barbara J. Faulkenberry.* General Faulkenberry, 57, has served as a director since January 2016. General Faulkenberry has chaired the Technology Committee since it was formed in May 2016. Prior to her retirement from the military in 2014, General Faulkenberry served as the Vice Commander, 18th Air Force, Scott Air Force Base, IL. Since then, General Faulkenberry has held positions as an advisor for Momentum Aerospace Group, a Trustee for the Air Force Academy’s Falcon Foundation and a director of two non-profit organizations. She is a National Association of Corporate Directors (“NACD”) Board Leadership Fellow and participated in the NACD Cyber Summit, both of which contribute to best practices in corporate governance and cyber security. General Faulkenberry brings to the Company senior leadership experience in the areas of logistics, operations, strategic planning, risk management, cyber defense, international negotiations, governmental affairs, information technology and leadership development, which we believe qualifies her to serve as a member of our Board of Directors.

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*M. Susan Chambers.* Mrs. Chambers, 59, has served as a director since March 2016. Ms. Chambers has chaired the Executive Compensation Committee since November 2016. Since July 2015, Mrs. Chambers has served as principal of Chambers Consulting LLC. Mrs. Chambers served as the Chief Human Resource Officer for Wal-Mart Stores, Inc. from 2006 to her retirement in July 2015. Prior to 2006, Mrs. Chambers served in various positions at Wal-Mart Stores, Inc. since 1999, including Vice President of Application Development – Merchandising and Supply Chain Systems and Senior Vice President of Risk Management, Retirement and Benefits. Mrs. Chambers previously served as a director of a private banking institution. We believe that Mrs. Chambers’ extensive experience in human resource, supply chain and risk management qualifies her to serve on our Board of Directors.

**THE Board unanimously recommends A vote “FOR” THE ELECTION OF THE TWO NOMINEES NAMED ABOVE.**

**CONTINUING DIRECTORS**

**Class II Directors**

*James D. Reed.* Mr. Reed, 44, has served as President, Chief Executive Officer (“CEO”) and a director since January 2017. From November 2016 through January 2017, Mr. Reed served as Executive Vice President and Chief Financial Officer of the Company. From June 2012 through October 2016, Mr. Reed served as Chief Financial Officer at Interstate Distributor Co., a provider of line and heavy-haul, refrigerated and intermodal transportation services throughout the continental United States and Canada. From June 2011 through June 2012, Mr. Reed served as Senior Director, Finance at the Isilon Storage Division of EMC, a computer hardware and software company selling clustered file system hardware and software for digital content and other unstructured data to a variety of industries. He began his career with Intel Corp. in 1997. Mr. Reed holds a Bachelor of Arts in History and a Master of Business Administration from Brigham Young University. We believe Mr. Reed’s extensive management and leadership experience, his thorough knowledge of the transportation and trucking industry and his role as President and CEO of the Company, which allows the Board of Directors to interface directly with senior management, qualifies him to serve as a member of our Board of Directors.

*Thomas M. Glaser.* Mr. Glaser, 67, has served as a director since May 2014. Mr. Glaser has worked as an independent consultant to the truckload industry since 2010, and served as our President and CEO from July 2015 to January 2016, and our Interim Chief Operating Officer (“COO”) from April 2015 to July 2015 and January 2013 to June 2013. Mr. Glaser served as President and CEO of Arnold Transportation Services, Inc., a dry van freight services provider, from January 2008 to 2010, as well as a board member of Priority Transportation, Inc., from 2008 to 2010. Previously, Mr. Glaser held several positions at Celadon Group, Inc., from 2001 to 2007, most recently serving as President and COO. We believe Mr. Glaser’s considerable experience as a senior executive in the transportation industry qualifies him to serve as a member of our Board of Directors. Mr. Glaser was originally appointed to our Board of Directors pursuant to the Cooperation Agreement dated May 22, 2014, among the Company, Baker Street Capital Management, LLC and certain affiliates and Stone House Capital Management LLC and certain affiliates. Mr. Glaser was a nominee for

director at our 2015 annual meeting pursuant to the Cooperation Agreement dated February 25, 2015, among the Company, Baker Street Capital Management, LLC, and certain affiliates and the Cooperation Agreement dated February 25, 2015, among the Company, Stone House Capital Management, LLC, and certain affiliates.

*Gary R. Enzor.* Mr. Enzor, 54, has served as a director since September 2014. Mr. Enzor has chaired the Nominating and Corporate Governance Committee since May 2015. He is Chairman and CEO of Quality Distribution, Inc., a chemical bulk logistics services provider. Mr. Enzor has served as Chairman of Quality Distribution, Inc., since August 2013, has served as CEO since 2007, and as President since 2005. Mr. Enzor joined Quality Distribution, Inc. in 2004 as Executive Vice President and COO, prior to which Mr. Enzor served as Executive Vice President and Chief Financial Officer of Swift Transportation Company since 2002. Before joining Swift Transportation Company, Mr. Enzor held executive positions with Honeywell, Dell Computer and AlliedSignal, Inc. (now Honeywell International, Inc.). We believe Mr. Enzor's considerable experience in and thorough knowledge of the transportation and trucking industry qualifies him to serve as a member of our Board of Directors. Mr. Enzor was a nominee for director at our 2015 annual meeting pursuant to the Cooperation Agreement dated February 25, 2015, among the Company, Baker Street Capital Management, LLC, and certain affiliates and the Cooperation Agreement dated February 25, 2015, among the Company, Stone House Capital Management, LLC, and certain affiliates.

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**Class III Directors**

*Robert A. Peiser.* Mr. Peiser, 68, has served as a director since February 2012. Mr. Peiser was appointed Vice Chairman of the Board in August 2012 and Chairman of the Board in November 2012. He is engaged in active service on public as well as private corporate and non-profit boards. Mr. Peiser also serves on the Board of SunCoke Energy, Inc., a public company providing raw material processing and handling to the steel and power industries, since March 2016. Previous public board service includes Standard Register Company (October 2013 to November 2015); Primary Energy Recycling Corp. (June 2013 to December 2014); Team Industrial Services, Inc. (July 2007 to September 2012); Solutia, Inc. (February 2008 to July 2012); and Signature Group Holdings, Inc. (June 2010 to May 2011). From 2008 to 2010, Mr. Peiser served as the CEO and Chairman of the Board of Omniflight Helicopters, Inc., an air medical services provider. Previously, Mr. Peiser served as President, CEO and a director of Imperial Sugar Company, a refiner and marketer of sugar products, from 2002 to 2008. We believe Mr. Peiser's qualifications to serve on our Board of Directors include his broad-based executive, director and management experience with companies in transition in a variety of domestic and international industries. He is also a past Chairman of the Texas TriCities Chapter of the NACD. We believe his work with the NACD contributes to his being a valuable resource to our Board in the area of corporate governance best practices.

*Robert E. Creager.* Mr. Creager, 68, has served as a director since November 2012. Mr. Creager has chaired the Audit Committee since 2014, has been designated as our audit committee financial expert within the meaning of Item 407(d)(5)(ii) of Regulation S-K and meets the financial sophistication requirements set forth in Rule 5605(c)(2)(A) of The NASDAQ Stock Market's listing standards. Mr. Creager is a certified public accountant and has 39 years of public accounting and industry experience. Mr. Creager also serves as Chairman of the Audit Committee of Houston International Insurance Group, a property and casualty insurer, and is an officer and director of the Texas TriCities Chapter of the NACD, as well as a governance fellow of the NACD. We believe his work with the NACD contributes to his being a valuable resource to our Board in the area of corporate governance best practices. From June 2014 until its sale in September 2016, Mr. Creager served as Chairman of the Audit Committee of Mattress Firm Holding Corp., a publicly held mattress retailer, and from April 2011 to January 2013, Mr. Creager served as Chairman of the Audit Committee of GeoMet, Inc., an independent natural gas exploration, development and production company. His experience includes 27 years as an Assurance Partner and a former Audit Practice Leader of the Houston office of PricewaterhouseCoopers LLP. We believe Mr. Creager's qualifications to serve on our Board of Directors include his extensive financial experience and his service on other audit committees.

*Alexander D. Greene.* Mr. Greene, 58, has served as a director since May 2014. He is engaged in active service on public as well as private corporate boards. Mr. Greene currently serves as a director of Ambac Financial Group, Inc., a publicly held provider of financial guarantees and other financial services, and Modular Space Corporation, a privately held provider of office trailers, portable storage units and modular buildings. Mr. Greene served as a Managing Partner and head of U.S. Private Equity with Brookfield Asset Management, a global asset management firm, from 2005 through 2014. Prior to Brookfield Asset Management, Mr. Greene was a Managing Director and co-head of Carlyle Strategic Partners at The Carlyle Group from 2003 to 2005. Previous board service includes Overseas Shipholding Group, Inc., a public company engaged in transporting crude oil, refined products, and liquid natural gas; Civeo Corporation, a provider of remote workforce accommodations to the oil and gas and mining



industries; CWC Energy Sources Corp., a provider of contract drilling and well services to oil and gas companies in Western Canada; Longview Fibre Paper & Packaging, a manufacturer of specialty paper and packaging products; and the Tourette Syndrome Association. Mr. Greene brings to the Board of Directors over 30 years of experience leading private equity, corporate finance, restructuring and advisory transactions and experience serving on public and private boards, which we believe qualifies Mr. Greene to serve as a member of our Board of Directors.

There is no family relationship between any director or executive officer and any other director or executive officer of the Company. None of the corporations or organizations referenced in the director biographies above is a parent, subsidiary or other affiliate of the Company unless otherwise noted. Except as otherwise noted for Messrs. Enzor and Glaser, there are no arrangements or understandings between any of the director nominees and any other person pursuant to which any of the director nominees was selected as a nominee.

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**CORPORATE GOVERNANCE**

**The Board of Directors and its Committees**

**Board of Directors**

*Meetings*

In 2016, the Board of Directors held twenty-nine meetings, and met in executive session at least quarterly. During 2016, the Board had a standing Executive Committee, Executive Compensation Committee, Audit Committee and Nominating and Corporate Governance Committee. The Board also formed a Technology Committee during 2016 to address matters relating to information technology. Each current member of the Board attended at least 75% of the aggregate of all meetings of the Board and of all committees on which he or she served. We encourage the members of our Board of Directors to attend our Annual Meetings. All of our then-current directors attended the 2016 annual meeting.

*Director Independence*

In determining the independence of its directors, the Board relies on the standards set forth in U.S. Securities and Exchange Commission (“SEC”) regulations and The NASDAQ Stock Market’s Listing Standards, including NASDAQ Rule 5605(a)(2). To be considered independent under such standard, an outside director may not have a direct or indirect material relationship with us. A material relationship is one which impairs or inhibits, or has the potential to impair or inhibit, a director’s exercise of critical and disinterested judgment on behalf of us and our stockholders. In determining whether a material relationship exists, the Board considers, among other things, whether a director is a current or former employee of ours. Annually, our counsel reviews the Board’s approach to determining director independence and recommends changes as appropriate.

Consistent with these considerations, the Board has determined that, during 2016, all of our directors, with the exception of Mr. Thomas M. Glaser, who served as our President and CEO during January 2016 and Mr. John R. Rogers, who served as our President and CEO and a director from January 2016 through the date of his resignation in January 2017, were independent directors.

## ***Risk Oversight***

Our Board of Directors oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term operational performance and enhance stockholder value. A fundamental part of risk management is not only understanding the risks we face and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for us. The involvement of the full Board of Directors in evaluating our business strategy is a key part of its assessment of management's appetite for risk and also a determining factor of what constitutes an appropriate level of risk for us. The full Board of Directors participates in this annual assessment as we believe that risk oversight is most effective when the full knowledge, experience and skills of all directors are brought to bear on the complex subject of risk management.

In this process, risk is assessed throughout the business, focusing on the following primary areas of risk: financial risk, legal and compliance risk, technology, safety and security risk and operational and strategic risk. Within these primary areas of risk, our Board of Directors, with the input of management, has identified specific areas of risk that are pertinent to our business. Our Board of Directors receives reports and has discussions with management with respect to such areas. The Board of Directors makes assignments to certain members of management to provide reports and to answer to the Board of Directors with respect to such areas. Furthermore, our Board of Directors engages in discussions at the Board level and with management in an attempt to identify currently unknown risks.

While the full Board of Directors has the ultimate oversight responsibility for the risk management process, various committees of the Board also have responsibility for risk management. For example, the Audit Committee reviews internal controls over financial reporting and, in connection therewith, receives a risk assessment report from our internal auditors. Additionally, in setting compensation, the Executive Compensation Committee strives to create incentives that encourage a level of risk-taking behavior consistent with our overall business strategy. The Technology Committee oversees management's cyber security practices, as well as information technology and cyber risk. Finally, the Nominating and Corporate Governance Committee oversees enterprise risk. The Board's role in risk oversight has not affected the leadership structure of our Board of Directors.

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***Board Leadership Structure***

We separate the roles of CEO and Chairman of the Board in recognition of the differences between the two roles. The CEO is responsible for the execution of our strategic direction and our day-to-day leadership and performance, while the Chairman of the Board provides guidance to the CEO, participates in setting the agenda for Board meetings and presides over meetings of the Board. Under our bylaws, we have provided for a formal office of CEO and established certain duties of the CEO that were previously reserved to the President and Chairman of the Board.

We have no current plans to separate the CEO and President roles, and our bylaws recite that the CEO shall be the President unless a separate CEO and President shall be appointed.

**Committees of the Board of Directors**

***Executive Compensation Committee***

The purpose of the Executive Compensation Committee is to oversee matters pertaining to compensation of our executive officers. The Executive Compensation Committee is also responsible for administering the grants of equity and other awards to executive officers and other employees under the Incentive Plan. Our Executive Compensation Committee's process for making executive compensation decisions is explained in more detail in "Executive Compensation – Compensation Discussion and Analysis – Procedures for Determining Compensation."

The charter for the Executive Compensation Committee sets forth the purpose and responsibilities of the Executive Compensation Committee in greater detail. The Executive Compensation Committee reviews and reassesses the adequacy of its charter on an annual basis and recommends changes to the Board when appropriate. A copy of the Executive Compensation Committee's charter, as of March 8, 2017, is available at our website, <http://www.usa-truck.com>, under the "Corporate Governance" tab of the "Investor Relations" menu.

The Executive Compensation Committee met eight times during 2016. The Executive Compensation Committee is comprised of M. Susan Chambers (Chairwoman), Robert A. Peiser, Alexander D. Greene and Gary R. Enzor, each of whom is an independent director. In determining the independence of our Executive Compensation Committee members, the Board considered several relevant factors, including, but not limited to, each director's source of compensation and affiliations. Specifically, each member of the Executive Compensation Committee (i) is independent under The NASDAQ Stock Market's Listing Standards, including NASDAQ Rules 5605(a)(2) and

5605(d)(2)(A), (ii) meets the criteria set forth in Rule 10C-1(b)(1) under the Securities and Exchange Act of 1934, as amended (the “Exchange Act”), (iii) is an “outside director” as defined in Section 162(m) of the Internal Revenue Code, as amended (the “Code”), and U.S. Treasury Regulation Section 1.162-27; (iv) did not directly or indirectly accept any consulting, advisory or other compensation fee from the Company, and (v) as determined by our Board, is not affiliated with the Company, any Company subsidiary or any affiliate of a Company subsidiary, and does not have any other relationship or accept any compensation from the Company, which would impair each respective member’s judgment as a member of the Executive Compensation Committee.

During 2013, the Executive Compensation Committee selected an independent compensation consultant, Compensation Strategies, Inc. (“CSI”). CSI has provided analysis and recommendations that inform the Executive Compensation Committee’s decisions with respect to executive and director compensation for 2016 and 2017, including evaluating market pay data, providing analysis and input on program structure and providing updates on market trends and the regulatory environment as it relates to executive compensation. Pursuant to SEC rules and The NASDAQ Stock Market’s Listing Standards, the Executive Compensation Committee has assessed the independence of CSI, and concluded that no conflict of interest exists that would prevent CSI from independently advising the Executive Compensation Committee. In connection with this assessment, the Executive Compensation Committee considered, among others, the following factors: (i) the provision of other services to us by CSI, (ii) the amount of fees we paid to CSI as a percentage of CSI’s total revenue, (iii) CSI’s policies and procedures that are designed to prevent conflicts of interest, (iv) the absence of any business or personal relationship of CSI or the individual compensation advisors employed by CSI with any of our executive officers, (v) the absence of any business or personal relationship of the individual compensation advisors with any member of the Executive Compensation Committee and (vi) the absence of any of our stock owned by CSI or the individual compensation advisors employed by CSI. CSI does not perform other services for us, and will not do so without the prior consent of the Executive Compensation Committee. The Executive Compensation Committee has the sole authority to approve the terms of CSI’s engagement. CSI’s role in establishing the compensation of our Named Executive Officers, to the extent material, is addressed under “Executive Compensation – Compensation Discussion and Analysis.”

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In performing its duties, the Executive Compensation Committee, as required by the applicable rules and regulations promulgated by the SEC, issues a report recommending to the Board that our Compensation Discussion and Analysis be included in this Proxy Statement. The *Report of the Executive Compensation Committee* for 2016 follows.

*The Report of the Executive Compensation Committee shall not be deemed to be “soliciting material” or to otherwise be considered “filed” with the SEC, nor shall this report be subject to Regulation 14A or Regulation 14C (other than as indicated) or to the liabilities set forth in Section 18 of the Exchange Act. This Report of the Executive Compensation Committee also shall not be deemed to be incorporated by reference into any prior or subsequent filing with the SEC made by us under the Securities Act or the Exchange Act, notwithstanding any general statement contained in any such filings incorporated into this Proxy Statement by reference, except to the extent we incorporate such report by specific reference or treat it as soliciting material.*

***Report of the Executive Compensation Committee***

The Executive Compensation Committee of the Board of Directors of USA Truck, Inc. has reviewed and discussed with management the Compensation Discussion and Analysis (as required by Item 402(b) of Regulation S-K of the SEC) contained in this Proxy Statement for the Annual Meeting to be held on May 10, 2017.

Based on that review and discussion, the Executive Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement and incorporated by reference into the Company’s Annual Report on Form 10-K for the year ended December 31, 2016.

Executive Compensation Committee:  
M. Susan Chambers (Chairwoman)  
Robert E. Peiser  
Alexander D. Greene  
Gary R. Enzor

***Executive Compensation Committee Interlocks and Insider Participation***

The Executive Compensation Committee is comprised of M. Susan Chambers (Chairwoman), Robert A. Peiser, Alexander D. Greene and Gary R. Enzor. Robert E. Creager and, prior to his retirement from the Board following the 2016 Annual Meeting, Richard B. Beauchamp also served on the Executive Compensation Committee at times during 2016. All of the members who served on the Executive Compensation Committee during 2016 were independent as

defined by defined by Rule 5605(a)(2) of The NASDAQ Stock Market's Listing Standards.

No member of the Executive Compensation Committee was an officer or employee of the Company at any time during 2016 or as of the date of this Proxy Statement, nor is any member of the Executive Compensation Committee a former officer of the Company. In 2016, no member of the Executive Compensation Committee had any relationship or transaction with the Company that would require disclosure as a "related person transaction" under Item 404 of Regulation S-K in this Proxy Statement under the section entitled "Certain Transactions."

No director serving on the Executive Compensation Committee was, at any time during or before 2016, an officer or employee of the Company or any of its subsidiaries. In addition, during 2016, none of our executive officers served as a member of the board of directors or compensation committee (or other board committees performing equivalent functions) of another entity, one of whose executive officers served on our Executive Compensation Committee or otherwise served on our Board.

See "Certain Transactions" for a description of certain transactions between us and our other directors, executive officers or their affiliates and "Executive Compensation – Director Compensation" for a description of compensation of the members of the Executive Compensation Committee.

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*Audit Committee*

The Audit Committee has primary responsibility for assisting and directing the Board in fulfilling its oversight responsibilities with respect to our auditing, accounting and financial reporting processes. The Audit Committee's primary responsibilities include:

monitoring our financial reporting processes and systems of internal controls over financial reporting;

monitoring the independence and performance of our independent registered public accounting firm, and managing the relationship between us and our independent registered public accounting firm; and

providing an avenue of communication among the Board, the independent registered public accounting firm and our management.

The Audit Committee has exclusive power to engage, terminate and set the compensation of our independent registered public accounting firm. The Audit Committee also evaluates and makes recommendations to the full Board with respect to all related-party transactions and other transactions representing actual or potential conflicts of interest, and reviews all such transactions at least annually. The Board has adopted a written charter for the Audit Committee, which sets forth the purpose and responsibilities of the Audit Committee in greater detail. A copy of the Audit Committee's charter, as of March 8, 2017, is available at our website, <http://www.usa-truck.com>, under the "Corporate Governance" tab of the "Investor Relations" menu.

The Audit Committee met eight times during 2016. The Audit Committee is comprised of Robert E. Creager (Chairman), Alexander D. Greene and Robert A. Peiser. Prior to their respective retirements from the Board, Richard B. Beauchamp, William H. Hanna and James D. Simpson III, also served on the Audit Committee at times during 2016. The Board has determined that each of Robert E. Creager, Alexander D. Greene and Robert A. Peiser qualifies as an audit committee financial expert, as defined in Item 407(d)(5)(ii) of Regulation S-K, and meets the independence and financial sophistication requirements set forth in Rule 5605(c)(2)(A) of The NASDAQ Stock Market's Listing Standards, and has designated Robert E. Creager as its audit committee financial expert.

All of the members who served on the Audit Committee during 2016 were independent as defined by Rule 5605(a)(2) of The NASDAQ Stock Market's Listing Standards and meet the independence and other requirements set forth for audit committee members in Rule 5605(c)(2)(A) of those Listing Standards. See "Report of the Audit Committee."

In performing its duties, the Audit Committee, as required by applicable rules of the SEC, issues a report recommending to the Board of Directors that our audited financial statements be included in our annual report on



Form 10-K, and determines certain other matters, including the independence of our independent registered public accounting firm. The Audit Committee Report for 2016 is set forth below.

*The Audit Committee Report shall not be deemed to be “soliciting material” or to otherwise be considered “filed” with the SEC, nor shall this report be subject to Regulation 14A or Regulation 14C (other than as indicated) or to the liabilities set forth in Section 18 of the Exchange Act. This Audit Committee Report also shall not be deemed to be incorporated by reference into any prior or subsequent filing with the SEC made by us under the Securities Act or the Exchange Act, notwithstanding any general statement contained in any such filings incorporating this Proxy Statement by reference, except to the extent we incorporate such report by specific reference or treat it as soliciting material.*

### ***Report of the Audit Committee***

The primary purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities relating to the quality and integrity of the Company’s financial reports and financial reporting processes and systems of internal controls over financial reporting. The Audit Committee does not prepare financial statements or perform audits, and its members are not auditors or certifiers of the Company’s financial statements. Rather, the Company’s management has primary responsibility for the Company’s financial statements and the overall reporting process, including maintenance of the Company’s system of internal controls. The Audit Committee is responsible for the appointment, evaluation, compensation, retention and oversight of the work of the Company’s independent registered accounting firm, Grant Thornton LLP (“Grant Thornton”). Grant Thornton is responsible for conducting an independent audit of the Company’s financial statements and the Company’s internal controls over financial reporting in accordance with the standards of the Public Company Accounting Oversight Board (“PCAOB”) and issuing reports thereon.

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In performing its duties, the Audit Committee has reviewed and discussed with management and the Company's registered independent public accounting firm the Company's financial statements, management's assessment of internal controls over financial reporting, and the effectiveness of internal controls over financial reporting and, in issuing this report, has relied upon the responses and information provided to the Audit Committee by management and such accounting firm. For the fiscal year ended December 31, 2016, the Audit Committee (i) reviewed and discussed the audited financial statements, management's assessment of internal controls over financial reporting, and the effectiveness of internal controls over financial reporting with management and Grant Thornton; (ii) discussed with the independent registered public accounting firm the matters required to be discussed by Auditing Standard No. 1301, Communications with Audit Committees issued by the PCAOB; (iii) received and reviewed the written disclosures and the letter from Grant Thornton required by applicable requirements of the PCAOB regarding Grant Thornton's communications with the Audit Committee concerning independence; and (iv) discussed with Grant Thornton its independence. The Audit Committee also met in periodic executive sessions with representatives of Grant Thornton, management, and the Company's internal audit personnel during 2016.

Based on the foregoing reviews and meetings, the Audit Committee recommended to the Board that the audited financial statements be included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2016, for filing with the SEC.

Audit Committee:  
Robert E. Creager (Chairman)  
Alexander D. Greene  
Robert A. Peiser

***Nominating and Corporate Governance Committee***

The Nominating and Corporate Governance Committee is responsible for (i) recommending to the full Board corporate governance guidelines applicable to us, (ii) leading the Board in its annual review of the Board's performance, (iii) identifying individuals qualified to become Board members consistent with criteria approved by the Nominating and Corporate Governance Committee of the Board, (iv) overseeing enterprise risk and (v) performing such other functions as are customarily performed by nominating and corporate governance committees. The members of the Nominating and Corporate Governance Committee are Gary R. Enzor (Chairman), Robert E. Creager, Barbara J. Faulkenberry and M. Susan Chambers. Alexander D. Greene and, prior to their respective retirements from the Board, William H. Hanna and James D. Simpson, III also served on the Nominating and Corporate Governance Committee at times during 2016. All of the directors who served on the Nominating and Corporate Governance Committee during 2016 were independent as defined by Rule 5605(a)(2) of The NASDAQ Stock Market's Listing Standards. The Board has adopted a written charter for the Nominating and Corporate Governance Committee, which sets forth the purpose and responsibilities of the Nominating and Corporate Governance Committee in greater detail. The Nominating and Corporate Governance Committee reviews and reassesses the adequacy of its charter on an annual basis and recommends changes to the Board when appropriate. A copy of the Nominating and Corporate Governance Committee's charter, as of March 8, 2017, is available at our website, <http://www.usa-truck.com>, under the

“Corporate Governance” tab of the “Investor Relations” menu.

The Nominating and Corporate Governance Committee met four times during 2016. In order to be considered a director nominee, a person’s (including an incumbent director’s) nomination must be approved by both a majority vote of the Nominating and Corporate Governance Committee and the vote of a majority of all directors.

Whenever a determination has been made that it is necessary to nominate one or more persons, in addition to incumbent directors, the Nominating and Corporate Governance Committee will have primary authority for identifying persons who meet our required qualifications and who otherwise have the experience and abilities necessary to serve as effective members of the Board. The Nominating and Corporate Governance Committee may delegate this identification function to one or more of its members. In performing this function, the Nominating and Corporate Governance Committee may rely on such resources as it deems appropriate, including, without limitation, recommendations from our management, from our incumbent directors, from third parties or from stockholders. In addition, the Nominating and Corporate Governance Committee may, at our expense, engage the services of professional search firms or other consultants or advisers and may pay them such fees as the Nominating and Corporate Governance Committee shall determine to be reasonable and appropriate.

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Each nominee should be committed to our basic beliefs as set forth in our Code of Business Conduct and Ethics and shall be an individual of integrity, intelligence and strength of character. In addition, each nominee should have, among other attributes:

a reputation both personal and professional, consistent with our image and reputation;

relevant expertise and experience, including educational or professional backgrounds and should be able to offer advice and guidance to our management based on that expertise and experience;

a working knowledge of corporate governance issues and the changing role of boards;

demonstrated management and/or business skills or experience that will contribute substantially to the management of the Company;

a general understanding of marketing, finance and other disciplines relevant to the success of a publicly traded company in today's business environment; and

an understanding of our business and the general trucking or transportation industry, or the willingness and ability to develop such an understanding.

Finally, in identifying and selecting persons for consideration as nominees, the Nominating and Corporate Governance Committee will consider the rules and regulations of the SEC and The NASDAQ Stock Market Listing Standards (or such other stock exchange or stock market on which our securities may be listed or traded from time to time) regarding the composition of the Board and the qualifications of its members.

The Nominating and Corporate Governance Committee may take such actions as it deems appropriate to evaluate whether each person who has been recommended or proposed for approval as a nominee meets the qualifications, as described above, and set forth in the Nominating and Corporate Governance Committee charter, and otherwise has the experience and abilities necessary to be an effective member of the Board. These procedures may include at least one personal interview of the candidate by the Nominating and Corporate Governance Committee, discussions with qualified representatives of companies or firms by which the candidate is or has previously been employed or on whose boards of directors the candidate is serving or has previously served, or with such other persons as the Nominating and Corporate Governance Committee deems appropriate to rely upon as references for the candidate, and completion of a questionnaire regarding the candidate's prior employment and service on boards of directors, criminal convictions or sanctions and other matters deemed appropriate by the Nominating and Corporate Governance Committee.

As set forth in detail in the Nominating and Corporate Governance Committee charter, it is generally the policy of the Nominating and Corporate Governance Committee to consider stockholder recommendations of proposed director nominees other than through our proxy access nomination procedures if such recommendations are timely received

and otherwise comply with the requirements set forth in our bylaws and applicable SEC rules. The Nominating and Corporate Governance Committee will evaluate any stockholder recommendations pursuant to the same procedures that it follows in connection with consideration of recommendations received from any other source. Stockholders must submit such recommendations in the manner and by the dates specified for stockholder nominations in our bylaws. To be timely under our bylaws, recommendations must be received in writing at our principal executive offices, 3200 Industrial Park Road, Van Buren, Arkansas 72956, not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding Annual Meeting. For the 2018 Annual Meeting, stockholder recommendations must be received by us no earlier than January 10, 2018 and no later than February 9, 2018. In addition, pursuant to our bylaws, any recommendation of a director submitted by a stockholder must include the following information:

the proposed nominee's name, age, business address and residence address;

the proposed nominee's principal occupation or employment;

the class and number of shares of our stock owned beneficially or of record by the proposed nominee and his or her affiliates and additional information concerning nature of ownership and any risk mitigation arrangements;

such other information as is required to be disclosed in solicitations of proxies with respect to nominees for election as directors pursuant to Regulation 14A under the Exchange Act;

the nominating stockholder's (and any beneficial holder's) name and record address;

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the class and number of shares of our stock owned beneficially or of record by the nominating stockholder and his, her or its affiliates, and any beneficial owner and additional information concerning nature of ownership and any risk mitigation arrangements;

a description of any agreements, arrangements or understandings between the nominating stockholder and the nominee pursuant to which the nomination is being made, and any material interest of the nominating stockholder in the nomination;

a representation that the nominating stockholder intends to appear in person or by proxy at the annual meeting to nominate the nominee; and

any other information required by Regulation 14A.

***Technology Committee***

In May 2016, the Board formed a Technology Committee. The Technology Committee is responsible for assisting with the identification and implementation of new technology in our Trucking and USAT Logistics divisions, as well as overseeing our technology and cyber opportunities and risks. The Technology Committee's responsibilities also include reviewing technology planning, strategy, trends, priorities and disaster preparedness, as well as overseeing our cybersecurity program and effective protection of our intellectual property.

The Board has adopted a written charter for the Technology Committee, which sets forth the purpose and responsibilities of the Technology Committee in greater detail. A copy of the Technology committee's charter, as of March 8, 2017, is available at our website, <http://usa-truck.com>, under the "Corporate Governance" tab of the "Investor Relations" menu.

The Technology Committee met three times during 2016. The Technology Committee is comprised of Barbara J. Faulkenberry (Chairwoman), M. Susan Chambers and Thomas M. Glaser. Prior to his retirement, William H. Hanna also served on the Technology Committee during 2016.

***Executive Committee***

During 2016, the Board had a standing Executive Committee comprised of our non-employee directors. The Executive Committee did not meet in 2016.

## **Criteria and Diversity**

In considering whether to recommend any candidate for inclusion in the Board's slate of recommended director nominees, including candidates recommended by stockholders, the Nominating and Corporate Governance Committee will apply criteria, including the candidate's integrity, business acumen, age, experience, commitment, diligence, conflicts of interest and the ability to act in the interests of all stockholders. In addition, no non-employee director nominee should serve as a director of more than four public companies, including the Company, and no director nominee who is also the CEO of the Company should serve as a director of more than one public company, excluding the Company. Please see Exhibit A to the Nominating and Corporate Governance Committee charter for additional details regarding criteria for our director nominees.

The value of diversity on the Board will be considered by the Nominating and Corporate Governance Committee in the director identification and nomination process. The two most recent additions to our Board, other than our President and CEO in January 2017, are women. The Nominating and Corporate Governance Committee seeks nominees with a broad diversity of experience, professions, skills, geographic representation and backgrounds. The Nominating and Corporate Governance Committee does not assign specific weights to particular criteria and no particular criterion is necessarily applicable to all prospective nominees. We believe that the backgrounds and qualifications of the directors, considered as a group, should provide a significant composite mix of experience, knowledge and abilities that will allow the Board to fulfill its responsibilities. We assess the effectiveness of our policies and practices on Board diversity in connection with assessing the effectiveness of our Board as a whole. Nominees are not discriminated against on the basis of race, religion, national origin, sexual orientation, disability or any other basis proscribed by law.

In order to be considered by the Board, any candidate proposed by one or more stockholders will be required to submit appropriate biographical and other information equivalent to that required of all other director candidates.

## **Additional Corporate Governance Policies**

We are committed to having sound corporate governance principles, which are essential to maintaining our integrity in the marketplace. The Board has adopted additional guidelines for membership on the Board, including:

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**Retirement Policy:** no person will be appointed or stand for election as a director after his or her seventy-fifth birthday, unless waived by a majority vote of the Board.

**Majority Vote Policy:** 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 and Corporate Governance 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.

**Change in Principal Occupation Policy:** a non-employee director must submit his or her resignation to the Nominating and Corporate Governance Committee if such director’s principal occupation or business association changes substantially during his or her tenure as a director, so that the Nominating and Corporate Governance Committee can consider the appropriateness of continued Board membership under the circumstances.

**Outside Board Membership Policy:** Board members must advise the Nominating and Corporate Governance Committee before accepting membership on other public boards of directors, any public audit committee or other significant committee assignment, and before establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments, a change in the director’s relationship to the Company, or a conflict of interest.

**Director Overboarding:** No non-employee director nominee should serve as a director of more than four public companies, including the Company, and no director nominee who is also the CEO of the Company should serve as a director of more than one public company, excluding the Company.

The Board has also directed that the Nominating and Corporate Governance Committee be responsible for administering these guidelines and reporting to the Board no less than annually regarding compliance with these guidelines. Please see Exhibit B to the Nominating and Corporate Governance Committee charter for additional details regarding the foregoing guidelines.

Over the past year, the Board has reviewed our corporate governance policies and practices to identify areas of improvement. To supplement our policies regarding board membership discussed above and our inclusion of double trigger change-in-control provisions in equity awards granted after July 2016, the Board proactively adopted (i) in November 2016, the USA Truck, Inc. Recoupment Policy (the “Clawback Policy”) and the USA Truck, Inc. Executive and Director Stock Ownership, Retention and Anti-Hedging and Pledging Policy (the “Stock Ownership and Anti-Hedging and Pledging Policy”) and (ii) in March 2017, amendments to our bylaws to implement proxy access for director nominees (“Proxy Access”).

**Clawback Policy:**

in the event of a material financial restatement or the imposition of a material financial penalty after the effective date of the Clawback Policy, we will require, to the fullest extent permitted by applicable law, that an employee who was subject to the reporting requirements of Section 16 of the Exchange Act forfeit or reimburse us for any incentive-based compensation (including cash- and equity-based incentive compensation) paid or granted to such employee at any time during the performance period relating to the applicable incentive-based compensation, in the



sole and absolute discretion of the Board, as further provided in the Clawback Policy; and

there is a look-back period of three completed fiscal years immediately preceding the date on which the Company is required to prepare a material financial restatement.

**Stock Ownership and Anti-Hedging and Pledging Policy:**

our executive officers (including our CEO, CFO and other Named Executive Officers (as defined herein)) and non-employee directors are required to build certain stock ownership over time through equity grants, expressed as multiples of annual base salary or cash retainer for Board service, as applicable;

such individuals are required to retain post-tax shares from each award on exercise, vesting or earn-out, until such individual complies with the stock ownership levels required by the Stock Ownership and Anti-Hedging and Pledging Policy; and

hedging transactions in our Common Stock are prohibited (including, but not limited to, short-selling, options, puts and calls, as well as derivatives such as swaps, forwards and futures), and pledging our Common Stock as collateral for loans or purchasing our Common Stock on margin is also prohibited.

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### **Proxy Access:**

eligible stockholders with an ownership threshold of 3% who have held their shares for at least three years and who otherwise meet the requirements set forth in our bylaws may have their nominees, consisting of the greater of 25% or two nominees to our Board, included in our proxy materials;

unlimited aggregation by stockholders to reach the 3% ownership threshold; and

notice of nominations must be received not less than 120 days nor more than 150 days prior to the anniversary date of the immediately preceding annual meeting of stockholders.

### **Other Board and Corporate Governance Matters**

We are committed to conducting our business in accordance with the highest ethical standards. As part of that commitment, the Board has adopted a Code of Business Conduct and Ethics (“Code of Ethics”) applicable to all directors, officers and employees, which sets forth the conduct and ethics expected of all our affiliates and employees, a copy of which is available at our website, <http://www.usa-truck.com>, under the “Corporate Governance” tab of the “Investor Relations” menu. In addition, any amendments to, or waivers of, any provision of the Code of Ethics that apply to our principal executive, financial and accounting officers or persons performing similar functions, will be posted at that same location on our website. The Nominating and Corporate Governance Committee is responsible for, in part, recommending to the full Board corporate governance guidelines applicable to us and leading the Board in its annual review of the Board’s performance.

We adopted a Policy Statement and Procedures for Reporting of Violations and Complaints (“Whistleblower Policy”), a copy of which is available at our website, <http://www.usa-truck.com>, under the “Corporate Governance” tab of the “Investor Relations” menu. The Whistleblower Policy is intended to create a workplace environment that encourages open and honest communication and to hold the Company and our personnel, including senior management, accountable for adhering to our ethical standards. The Whistleblower Policy establishes procedures for any person to report violations, by us or any of our personnel, of our Code of Ethics or any laws, rules or regulations without fear of retaliation. The Whistleblower Policy also contains special procedures for submission, by employees, of confidential, anonymous complaints involving our accounting practices and internal accounting controls.

We also adopted a Shareholder Communications with Directors Policy, which describes the manner in which stockholders can send communications to the Board and sets forth our policy regarding Board members’ attendance at Annual Meetings. This Policy is available at our website, <http://www.usa-truck.com> under the “Corporate Governance” tab of the “Investor Relations” menu.

### **EXECUTIVE OFFICERS**

The names and other biographical data for our current executive officers (other than Mr. Reed) are set forth below. Biographical information for Mr. Reed is set forth under the heading “Continuing Directors – Class II Directors” above.

*James A. Craig.* Mr. Craig, 57, has served as our Executive Vice President – Chief Commercial Officer and President – USAT Logistics since January 2017. Prior to that, he served as our President – USAT Logistics since February 2016. Previously, Mr. Craig served as Chief Marketing Officer of BNSF Logistics, LLC, a global logistics service provider, from 2012 to 2016. From 1993 to 2011, Mr. Craig held a series of executive positions, including Senior Vice President, Corporate Sales and Marketing, for Yusen Logistics, a global logistics, freight, forwarding and supply chain service provider. Mr. Craig holds a Bachelor of Business Administration in Marketing from Western Washington University.

*Troy A. Robertson.* Mr. Robertson, 43, has served as our Vice President and General Counsel since October 2015. Mr. Robertson manages all legal affairs of the Company and has oversight responsibility for Risk Management. Prior to joining the Company, Mr. Robertson held various leadership positions, ultimately serving as Chief Counsel of Con-way Truckload. He joined Contract Freighters, Inc. (“CFI”) in 2000 as a Management Trainee, and during his tenure there held leadership positions in Marketing Resources, Risk Management, Employee Benefits and Safety/Claims. He was named General Counsel of CFI in 2006 and remained Chief Counsel for the remainder of his tenure with CFI’s successor company, Con-way Truckload Inc., following Con-way’s acquisition of CFI. Prior to CFI, Mr. Robertson was with Yellow Freight System.

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*Joseph M. Kaiser.* Mr. Kaiser, 40, has served as our Vice President and Chief Accounting Officer since February 2016 and as our Principal Financial Officer (“PFO”) since January 2017. Mr. Kaiser has also served as our PFO from August 2016 through November 2016. Mr. Kaiser previously served as our Vice President and Corporate Controller from July 2014 to February 2016. Prior to joining the Company, Mr. Kaiser served in a number of leadership positions at Swift Transportation Company, a publicly traded truckload carrier, from March 2012 through July 2014, ultimately serving as Director of Financial Reporting. Mr. Kaiser served as Corporate Accounting Manager of American Land Lease, Inc., a real estate investment trust that owned and managed residential land lease communities, from 2010 through March 2012. Mr. Kaiser served in various audit capacities at Deloitte & Touche LLP from 2007 to 2010, for both public and privately held companies. Mr. Kaiser is a certified public accountant.

All of our executive officers are appointed annually by the Board for such term as may be prescribed by the Board and until such person’s successor shall have been appointed and shall qualify, or until such person’s death, resignation, or removal in the manner provided under our bylaws. None of the corporations or organizations referenced in the executive biographies above is a parent, subsidiary, or other affiliate of the Company unless otherwise noted.

### **Section 16(a) Beneficial Ownership Reporting Compliance**

Section 16(a) of the Exchange Act requires our officers and directors, and persons who own more than 10% of a registered class of our equity securities, to file reports of ownership and changes in ownership with the SEC. Officers, directors, and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based solely upon a review of the copies of such forms and amendments thereto, we believe that none of our officers, directors, and greater than 10% beneficial owners failed to file on a timely basis the reports required by Section 16(a), with the exception one inadvertent late report regarding an award of restricted stock for Mr. Tewari, and one inadvertent late report in connection with Mrs. Chambers’ appointment to the Board.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

In this section, we explain to our stockholders how our executive compensation programs, policies and decisions are formulated, applied and operated with respect to our Named Executive Officers (as designated below). We also discuss and analyze our executive compensation programs, including each component of compensation awarded under the programs, and the corresponding compensation amounts for each Named Executive Officer.

This section should be read in conjunction with the sections entitled “Executive Compensation – Summary Compensation Table” (and related tabular and narrative discussions) and “Corporate Governance – The Board of Directors and its Committees – Committees of the Board of Directors – Executive Compensation Committee” contained in this Proxy Statement. As noted in that section, our Executive Compensation Committee, which is comprised only of directors who satisfy applicable SEC and NASDAQ independence requirements and the “outside director” requirements under Section 162(m) of the Code, oversees and administers our executive compensation policies and practices.

### **Key Executive Compensation Program Changes**

During 2016, the Company adopted the following practices and policies with respect to our executive compensation programs:

inclusion of a double trigger provision in equity awards granted after July 2016, which provides for the payment, or acceleration of payment, of compensation following a change-in-control only when the recipient is terminated without “cause” or is subject to a “constructive termination” during the twelve months following a change-in-control; adoption of a Clawback Policy, which allows us to recoup incentive-based compensation (including cash- and equity-based incentive compensation) paid or granted to an employee prior to a material financial restatement or the imposition of a material financial penalty, subject to certain limitations, as further provided in our Clawback Policy; and

adoption of a Stock Ownership and Anti-Hedging and Pledging Policy, which, among other things, (i) requires our executive officers and non-employee directors to build certain stock ownership over time through equity grants, expressed as multiples of annual base salary or cash retainer for Board service, as applicable, (ii) requires such individuals to retain post-tax shares from each award on exercise, vesting or earn-out, until such individual complies with the stock ownership levels required by the Stock Ownership and Anti-Hedging and Pledging Policy and (iii) prohibits hedging transactions in our Common Stock and pledging our Common Stock as collateral for loans or purchasing our Common Stock on margin, all as further provided in our Stock Ownership and Anti-Hedging and Pledging Policy.

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In addition to the foregoing, the proposed First Amendment to the Incentive Plan would disallow the following with respect to awards under the Incentive Plan:

tax gross-ups of any kind;

payment of dividends on unvested awards; and

vesting periods of less than twelve months.

**Overview**

Our Executive Compensation Committee is responsible for decisions regarding the compensation of our Named Executive Officers, and for ensuring that those decisions are consistent with our compensation philosophy and objectives. Our compensation policies and practices relating to the compensation of the officers listed in the table below, who are sometimes collectively referred to as the “Named Executive Officers,” are explained in more detail below. For 2016, our Named Executive Officers were:

<b>Named Executive Officer</b>	<b>Title</b>
John R. Rogers	Former President and Chief Executive Officer <sup>(1)</sup>
James D. Reed	Executive Vice President and Chief Financial Officer <sup>(2)</sup>
Joseph M. Kaiser	Vice President and Chief Accounting Officer <sup>(3)</sup>
James A. Craig	Executive Vice President, Chief Commercial Officer and President – USAT Logistics <sup>(4)</sup>
Troy A. Robertson	Vice President and General Counsel
Thomas M. Glaser	Former President and Chief Executive Officer <sup>(5)</sup>
Michael K. Borrows	Former Executive Vice President and Chief Financial Officer <sup>(6)</sup>
N. Martin Tewari	Former President – Trucking <sup>(7)</sup>

(1) Mr. Rogers held this position from January 2016 to January 2017.

(2) Beginning in January 2017, Mr. Reed assumed the role of President and Chief Executive Officer.

(3) Mr. Kaiser also served as our Principal Financial Officer from August 2016 to November 2016 and from January 2017 to present.

(4) Beginning in January 2017, Mr. Craig assumed the role of Executive Vice President and Chief Commercial Officer in addition to his role as President – USAT Logistics.

(5)Mr. Glaser held this position from July 2015 to January 2016.

(6)Mr. Borrows held this position from September 2014 to May 2016.

(7)Mr. Tewari held this position from September 2015 to March 2017.

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**Philosophy and Objectives**

**Objective**

**How Achieved**

A majority of performance-based cash and equity compensation is dependent upon achievement of corporate and individual goals

Caps on cash awards are built into our plan design

Align compensation with our business objectives and the interests of our stockholders

The equity compensation component, which recently has consisted of restricted stock with performance-based and time-based vesting requirements, is designed to align our management compensation with longer-term increases in stockholder value and expose the holder to the risk of downward stock prices and volatility

Balance short-term and long-term goals for performance-based compensation

The Board adopted a clawback policy that requires certain executive officers to forfeit or reimburse us for any performance-based compensation in the event of a material financial restatement or the imposition of material financial penalty

Balance the mix of fixed and performance-based compensation, with the performance-based compensation encouraging high levels of performance

Encourage and reward high levels of performance

The Committee determined that increasing the weighting of the Company goals to 100% in 2017 from 70% in 2016 for Mr. Craig, and to 80% in 2017 from 70% in 2016 for Messrs. Robertson and Kaiser, further incentivizes alignment with consolidated performance

Balance the mix of fixed and performance-based compensation without overweighting annual cash incentives, which may encourage strategies and risks that may not correlate with our long-term best interests

Mitigate potential risk relating to short-term incentives

Mitigate potential risks through caps on cash awards, which are built into our plan design

Recognize and reward the achievement of corporate and

A majority of performance-based cash and equity compensation is dependent upon achievement of corporate and individual goals, as described below



individual goals

We, with input from our independent compensation consultant, review publicly available data regarding all elements of compensation paid by trucking companies with similar size or operations to ensure we are competitive, as described below

Attract and retain executive officers who contribute to our long-term success

Attract qualified candidates with cash signing incentives and encourage retention with time- and performance-based equity incentives

Emphasize equity-based compensation that is linked to achievement of specified performance goals, and which is also subject to multi-year vesting requirements to promote long-term ownership

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**Procedures for Determining Compensation**

The Executive Compensation Committee is responsible for making and approving changes in the total compensation of our Named Executive Officers, including the mix of compensation elements. In making decisions regarding the compensation of our Named Executive Officers, the Executive Compensation Committee evaluates our performance as well as the performance of individual executive officers. The Executive Compensation Committee recognizes the need for our executive compensation structure to be competitive and to aid in the recruitment and retention of key executives. In addition, our executive compensation needs to reflect the continued focus of the new management team that is critical to the successful execution of our operating plans.

In making decisions regarding total compensation, the Executive Compensation Committee considers whether the total compensation is:

fair and reasonable to us and to the Named Executive Officer;

internally appropriate based upon our culture and the compensation of our other employees;

within a reasonable range of the compensation afforded by other opportunities; and

comparable to market with respect to base salary, target bonus, long-term incentive grant value and total compensation.

The Executive Compensation Committee also bases its decisions regarding compensation upon its assessment of the Named Executive Officer's leadership, integrity, individual performance, years of experience, skill set, level of commitment and responsibility required in the position, contributions to our financial performance, creation of stockholder value and current and past compensation. In determining the mix of compensation elements, the Executive Compensation Committee considers the effect of each element in relation to total compensation. The Executive Compensation Committee specifically considers whether each particular element provides an appropriate incentive and reward for performance that may enhance long-term stockholder value. In determining whether to increase or decrease an element of compensation, we rely upon the business experience of the members of the Executive Compensation Committee, the Executive Compensation Committee's general understanding of compensation levels at public companies, the historical compensation levels of our Named Executive Officers and, with respect to Named Executive Officers other than the CEO, we consider the recommendations of the CEO. In determining compensation, the Executive Compensation Committee also considers the advice of the independent compensation consultant it engaged in 2013, CSI. The Executive Compensation Committee does not typically consider amounts that may be realized by our executive officers from prior compensation awards, such as appreciation in the value of stock previously acquired pursuant to restricted stock or other equity-based awards, when making decisions regarding current compensation.

The Executive Compensation Committee has the authority under its charter to engage the services of outside consultants for assistance. In addition to the considerations discussed above, the Executive Compensation Committee also considers the advice and recommendations of CSI, which has provided analysis and recommendations that inform the Executive Compensation Committee's decisions, including the following services with respect to compensation decisions since CSI's engagement:

attendance at meetings of the Executive Compensation Committee, as requested by the Executive Compensation Committee;

advice on market trends, regulatory issues and developments and how they may impact our executive and director compensation programs;

review of compensation strategy and executive and director compensation programs for alignment with our strategic business objectives;

advice on the design of executive and director compensation programs to ensure the linkage between pay and performance;

market data analyses;

advice to the Executive Compensation Committee and the Board on setting compensation for executive officers and directors; and

such other activities as requested by the Executive Compensation Committee.

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**Benchmarking Compensation**

In 2016, the Executive Compensation Committee did not adopt a peer group or formally benchmark salary or total executive compensation against the executive compensation of any other particular company or competitive group of companies. Since its engagement in 2013, CSI has provided our Executive Compensation Committee its perspective on how our form and level of executive compensation compares to general market pay levels.

**Elements**

Our compensation program consists of two major elements, fixed and performance-based compensation. In 2016, total compensation for executive officers, including the Named Executive Officers, consisted of one or more of the following components:

base salary;

performance-based annual cash bonus;

equity incentive awards;

other compensation; and

employee benefits, which are generally available to all of our team members.

A discussion of each element follows.

***Base Salary***

We set base salaries to:

reward executives for ongoing performance;

attract, motivate and retain highly qualified executives; and

provide our executive officers with stability that allows our executives to focus their attention and efforts on creating stockholder value and on our other business objectives.

In determining base salaries, we consider the quality and effectiveness of the executive's leadership, scope of responsibilities, past performance and future potential of providing value to our stockholders, the executive's current salary, qualifications and experience, including, but not limited to, the executive's industry knowledge and the executive's length of service with us. The Executive Compensation Committee sets base salaries at a level that allows us to pay a significant portion of an executive's total compensation in the form of performance-based compensation, including annual cash bonuses and short- and long-term equity incentives. We believe this mix of compensation helps us incentivize our executives to build stockholder value over the long-term. We consider adjustments to base salaries annually to reflect the foregoing factors. We do not apply a specific weighting to each of such factors, nor do we apply formal benchmarking to similarly situated executives of other comparable companies.

### ***Performance-Based Compensation***

Our Incentive Plan is a broad-based plan under which we grant cash and equity performance-based compensation. We use performance-based compensation to, among other things:

provide annual incentives to executive officers in a manner designed to reinforce our performance goals;

attract, motivate and retain qualified executive officers by providing them with long-term incentives; and

align our executive officers' and our stockholders' long-term interests by creating a strong, direct link between executive compensation and stockholder return.

Awards under the Incentive Plan may be paid in cash, shares of our Common Stock, a combination of cash and shares of our Common Stock, or in any other permissible form, as determined by our Executive Compensation Committee. All equity awards granted under the Incentive Plan are evidenced by an award notice that specifies the type of award granted, the number of shares of our Common Stock underlying the award, if applicable, and all terms governing the award. Payment of awards may include such terms, conditions, restrictions and limitations, if any, as the Executive Compensation Committee deems appropriate, including, in the case of awards paid in shares of our Common Stock, provisions regarding the forfeiture of such shares under certain circumstances, stock ownership and holding requirements, and clawback provisions. The Incentive Plan authorizes the grant of stock options, stock appreciation rights, stock awards, restricted stock units, performance units, performance awards and any other form of award established by the Executive Compensation Committee that is consistent with the Incentive Plan's purpose, or any combination of the foregoing.

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*Performance-Based Annual Cash Bonus*

We use performance-based annual cash bonuses to, among other things:

- reward our executive officers for high levels of achievement;
- incentivize our executive officers to increase stockholder value; and
- emphasize our short-term corporate and individual goals.

In March 2016, pursuant to the Incentive Plan, the Executive Compensation Committee approved a management bonus plan (the “2016 Management Bonus Plan”) for our senior management, including certain of our Named Executive Officers. The 2016 Management Bonus Plan was administered by the Executive Compensation Committee, which made all decisions regarding the 2016 Management Bonus Plan participants and awards. Under the 2016 Management Bonus Plan, and consistent with the objectives of the Incentive Plan, the 2016 Management Bonus Plan participants (including certain of our Named Executive Officers) were eligible to receive incremental cash bonuses upon achievement of certain levels of 2016 USAT Logistics net revenue, adjusted Trucking operating ratio and return on invested capital (“ROIC”) (collectively, the “2016 Company Goals”) and, for Named Executive Officers other than our CEO, certain individual goals. The Executive Compensation Committee selected the 2016 Company Goals to incentivize growth of our asset-light operations and improvement in our Trucking operating ratio and ROIC. Any cash incentives payable would be prorated for results falling between the minimum and target and between the target and maximum payment goals. The Executive Compensation Committee reviewed the 2016 Company Goals and our 2016 year-end results and, based upon such review, determined that none of the 2016 Company Goals had been achieved at or above minimum. Accordingly, no cash payments were awarded to our Named Executive Officers in respect of the 2016 Company Goals under the 2016 Management Bonus Plan. For further details regarding the 2016 Management Bonus Plan bonuses awarded to our Named Executive Officers in respect of achievement of individual goals, see “Executive Compensation – Compensation Discussion and Analysis – Compensation Paid to Our Named Executive Officers.”

*Equity Compensation*

We use equity compensation to, among other things:

- reward our executive officers for achievement of our short-term and long-term corporate goals through performance-based equity awards;

incentivize building stockholder value over the long-term through performance-based equity awards; and encourage retention with time-vested equity awards.

The Incentive Plan allows the Executive Compensation Committee to link compensation to performance over a period of time by using equity-based awards (which often value long-term prospects), requiring holding periods for equity grants, and granting awards that have multi-year performance and vesting schedules. Awards with multi-year performance and vesting schedules, such as restricted stock grants, provide balance to the other elements of our compensation program that otherwise link compensation to annual performance. Such awards create incentive for executive officers to increase stockholder value over an extended period of time because the value received from such awards is based on the growth of the stock price. The proposed First Amendment to the Incentive Plan would prohibit awards from vesting in less than twelve months. Thus, we believe equity-based awards under our Incentive Plan are an effective means of aligning the interests of our executive officers with those of our stockholders.

In determining our long-term performance-based compensation, the Executive Compensation Committee evaluates which equity award vehicles achieve the desired balance between providing appropriate long-term performance-based compensation and creating long-term stockholder value. The Executive Compensation Committee considers several factors when determining long-term incentive awards to be granted to our executive officers, including:

how the achievement of certain performance goals will help us execute our operating plans, improve our financial and operating performance and add long-term value to our stockholders;

the executive officer's position, scope of responsibility, ability to affect our financial and operating performance, ability to create stockholder value and historic and recent performance;

the recommendations of CSI, our independent compensation consultant;

the impact of awards on executive retention;

awards granted to similarly situated executives; and

for executive officers other than our CEO, the recommendations of our CEO.

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Please refer to “Executive Compensation – Summary Compensation Table” and “Executive Compensation – Grants of Plan-Based Awards Table” for further details regarding long-term incentives awarded to our Named Executive Officers.

In March 2016, pursuant to the Incentive Plan, the Executive Compensation Committee approved the 2016 STIP and 2016 LTIP, under which certain of our Named Executive Officers received short-term and long-term equity awards, respectively. The restricted shares of Common Stock granted pursuant to the 2016 STIP were eligible to be earned on the date the Executive Compensation Committee certified 2016 performance results (the “2016 STIP Determination Date”), with (i) 50% of the restricted shares earned upon continued employment through the 2016 STIP Determination Date and (ii) the opportunity to earn (a) an additional 25% (for a total of 75%) of the restricted shares if two of the 2016 Company Goals were achieved at or above the target level or (b) an additional 50% (for a total of 100%) of the restricted shares if all three of the 2016 Company Goals were achieved at or above the target level, with any restricted shares earned subject to additional time-based vesting in four equal annual increments through January 31, 2020.

The Executive Compensation Committee reviewed the 2016 Company Goals and our 2016 year-end results and, based upon such review, determined that none of the 2016 Company Goals had been achieved at or above minimum. Accordingly, the portion of the grant (50%) that could be earned based upon achievement of the 2016 Company Goals were forfeited and the portion of the grant earned upon continuous employment (50%) will vest in equal installments over the next four years.

The restricted shares of Common Stock granted pursuant to the 2016 LTIP are subject to vesting upon achievement of certain levels of ROIC over the three-year performance period ending December 31, 2018. The equity bonuses awarded in 2016 to our Named Executive Officers are disclosed in “Executive Compensation – Compensation Discussion and Analysis – Compensation Paid to Our Named Executive Officers – Executive Compensation – Summary Compensation Table.”

*Mix of Fixed and Performance-Based Compensation*

The following chart shows target, realizable and realized compensation for Mr. Rogers for 2016 and depicts how our compensation design aligns pay with corporate performance.





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The following chart shows target, realizable and realized compensation for Messrs. Craig, Tewari, Kaiser and Robertson for 2016 and depicts how our compensation design aligns pay with corporate performance.

The chart above omits Mr. Reed, as he was hired in the fourth quarter of 2016, and is first eligible to earn performance-based cash and equity awards in 2017.

Target, realizable and realized compensation in each chart above includes salary, bonus and all other compensation as disclosed under the same headings in the Summary Compensation Table. Target compensation also includes:

- the value of performance-based stock awards granted during 2016 at target (using the closing price on the grant date);
- the value of time-based stock awards granted during 2016 (using the closing price on the grant date); and
- performance-based cash incentive awards at target under the 2016 Management Bonus Plan.

Realizable compensation also includes:

- for performance-based stock awards granted during 2016 with a performance period ending during 2016, including the performance-based portion of the 2016 STIP, the value of such stock awards less shares forfeited due to failure to meet performance criteria for 2016 (using the closing price on December 30, 2016, the last trading day of the fiscal year);

- for performance-based stock awards granted during 2016 with a performance period ending after 2016, including the 2016 LTIP, the value of such stock awards at target (using the closing price on December 30, 2016, the last trading day of the fiscal year);

- the value of time-based stock awards granted during 2016 (using the closing price on December 30, 2016, the last trading day of the fiscal year);

- performance-based cash incentive awards earned under the 2016 Management Bonus Plan.

Realized compensation also includes:

the value of performance-based stock awards vesting during 2016 (using the closing price on the vesting date);  
the value of time-based stock awards vesting during 2016 (using the closing price on the vesting date); and  
performance-based cash incentive awards earned under the 2016 Management Bonus Plan.

Table of Contents*Other Elements of Compensation**Severance and Change-in-Control Benefits*

Certain of our Named Executive Officers, including Messrs. Reed, Craig, Robertson and Kaiser, have substantially identical Change-in-Control/Severance Agreements (each, a “Severance Agreement”) with the Company. Messrs. Rogers, Borrows and Tewari were also party to Severance Agreements prior to their respective separations from the Company. Under the Severance Agreements, the participant is entitled to certain severance benefits if (i) we terminate the participant’s employment without “cause” (as defined in the Severance Agreement) other than in connection with or following a “change-in-control” (as defined in the Severance Agreement) (the “Severance Benefit”) or (ii) in the event of and for the twelve-month period following a “change-in-control,” we or our successor terminate the participant’s employment without “cause” or the participant is subject to a “constructive termination” (as defined in the Severance Agreement) (the “Change-in-Control Benefit”). The Severance Benefit and the Change-in-Control Benefit are mutually exclusive and the participant would not be entitled to both benefits. Eligibility for the payment of the Severance Benefit is subject to execution by the recipient of a general release of claims against us and ongoing compliance with certain restrictive covenants.

With respect to the Severance Benefit, participants would be entitled to benefits as follows in the event a qualifying termination had occurred as of December 31, 2016:

Named Executive Officer	Salary Continuation	Lump Sum Short- Term Incentive Cash Compensation	COBRA Reimbursement	Relocation Services Benefit	Total Aggregate Payments if Termination Occurred as of December 31, 2016
Mr. Rogers	12 months	At target for the year of termination	--	--	\$765,000
Mr. Reed	12 months	At target for the year of termination <sup>(1)</sup>	--	--	\$300,000
Mr. Kaiser	12 months	At target for the year of termination	--	--	\$286,650
Mr. Craig	12 months	At target for the year of termination <sup>(1)</sup>	--	--	\$480,000
Mr. Robertson	12 months	At target for the year of termination	--	--	\$266,500

Mr. Tewari	12 months	At target for the year of termination	--	--	\$480,000
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(1) The Severance Benefit with respect to short-term cash compensation was amended in January 2017 so that it is payable if and to the extent earned and prorated for the time employed prior to the termination.

With respect to the Change-in-Control Benefit, participants would be entitled to benefits as follows in the event a qualifying termination had occurred as of December 31, 2016:

Named Executive Officer	Lump Sum Severance Payment as Percentage of Base Salary	Lump Sum Short-Term Incentive Cash Compensation	COBRA Reimbursement	Relocation Services Benefit	Total Aggregate Payments if Termination Occurred as of December 31, 2016 <sup>(1)</sup>
Mr. Rogers	150%	150% of target for the year of termination	18 months	\$50,000	\$1,197,500
Mr. Reed	150%	150% of target for the year of termination	18 months	\$50,000	\$500,000
Mr. Kaiser	150%	150% of target for the year of termination	18 months	\$30,000	\$459,975
Mr. Craig	150%	150% of target for the year of termination	18 months	--	\$720,000
Mr. Robertson	150%	150% of target for the year of termination	18 months	\$25,000	\$424,750
Mr. Tewari	150%	150% of target for the year of termination	18 months	\$50,000	\$770,000

(1) Does not include the value of the continued medical coverage.

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Effective May 19, 2016, Mr. Borrows resigned from his position with the Company, effective January 28, 2017, Mr. Rogers resigned from his position with the Company and effective March 13, 2017, Mr. Tewari resigned from his position with the Company. Messrs. Borrows and Rogers subsequently received certain benefits in lieu of those provided by his respective Severance Agreement. See “Executive Compensation – Compensation Discussion and Analysis – Separation Agreements” for additional details.

The Severance Agreements do not provide for a gross-up payment to any of the participants to offset any excise taxes that may be imposed on excess parachute payments under Section 4999 of the Code. Instead, under the Severance Agreements, if such excise taxes would be imposed, the executive will either receive all of the benefits to which he is entitled under the agreement, subject to the excise tax, or have his benefits under the agreement reduced to a level at which the excise tax will not apply, depending upon which approach would provide the executive with the greater net after-tax benefit.

Awards granted to recipients, including our Named Executive Officers, after July 2016 include a double trigger provision, which provides for the payment, or acceleration of payment, of compensation following a change-in-control only when the recipient is terminated without “cause” or is subject to a “constructive termination” during the twelve months following a change-in-control. For awards granted to recipients prior to July 2016, under certain circumstances in which there is a change-in-control, certain unvested restricted stock grants may become immediately exercisable or subject to immediate vesting, respectively, upon the occurrence of such event, notwithstanding that such restricted shares may not otherwise have been fully exercisable or fully vested. The Executive Compensation Committee may provide for acceleration of vesting of individual awards in connection with any future awards.

The estimated value of restricted stock that would have vested for our Named Executive Officers as of December 31, 2016, under the acceleration scenarios described above are as follows:

<b>Named Executive Officer</b>	<b>Value of Accelerated Restricted Stock<sup>(1)</sup></b>
Mr. Rogers	\$ 644,662
Mr. Reed	\$ 82,370
Mr. Kaiser	\$ 94,469
Mr. Craig	\$ 291,942
Mr. Robertson	\$ 35,276
Mr. Tewari	\$ 338,227

(1)

The value for the accelerated restricted stock was calculated by multiplying the closing price of our stock on December 30, 2016 (\$8.71), the last trading day of the fiscal year, by the number of shares of accelerated restricted stock.

### *Employee Benefits*

Our executive officers are eligible to participate in all of our employee benefit plans, such as our 401(k) plan, employee stock purchase plan and medical and dental plans, in each case, on the same basis as other employees. In addition, we also provide to our executive officers, including our Named Executive Officers, premium payments on life insurance policies, under which we are not the beneficiary.

### *Non-Qualified Deferred Compensation*

We do not offer, and our Named Executive Officers did not participate in, any non-qualified deferred compensation programs during the year ended December 31, 2016.

### *Pension Benefits*

We do not offer, and our Named Executive Officers did not participate in, any pension plan during the year ended December 31, 2016.

### **Separation Agreements**

The following summarizes the compensation and separation agreement terms for Michael Borrows, former Executive Vice President and Chief Financial Officer, and the separation agreement with John R. Rogers, former President and Chief Executive Officer, who resigned after December 31, 2016. We did not enter into a separation agreement with N. Martin Tewari, former President – Trucking, who resigned after December 31, 2016, and do not have any severance obligations payable to Mr. Tewari.

Michael Borrows served as our Executive Vice President and Chief Financial Officer from September 2014 to May 2016. Mr. Borrows' base salary for 2016 was \$300,000. Mr. Borrows received salary payments at this rate through May 19, 2016 (the "Borrows Separation Date"). During his employment, we also provided Mr. Borrows with medical and dental insurance and paid \$1,000 in premium payments on a life insurance policy, prorated for period of employment, under which we were not the beneficiary.





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In January 2016, the Executive Compensation Committee approved Mr. Borrows' participation in the 2016 Management Bonus Plan, as follows: (i) a cash bonus of up to 100% of base salary for 2016 with a target of 60% of base salary, subject to achievement of performance goals under the 2016 Management Bonus Plan, (ii) a grant of 8,721 restricted shares, with vesting subject to the 2016 Short-Term Incentive Plan (the "2016 STIP") and (iii) a grant of 21,802 restricted shares, with vesting subject to the 2016 Long-Term Incentive Plan (the "2016 LTIP").

In April 2016, the Executive Compensation Committee granted Mr. Borrows (i) a time-based grant of 16,611 restricted shares, vesting in four equal annual installments, beginning on April 26, 2017, subject to continued employment and certain other forfeiture provisions and (ii) a performance-based grant of 10,000 restricted shares, with vesting conditioned upon the closing price of the Company's Common Stock being \$50.00 per share or higher on five of the twenty trading days immediately preceding January 14, 2019, with prorated vesting (between 50% and 100%) if the closing price of the Company's Common Stock is greater than \$45.00 and less than \$50.00 during such twenty-day period, subject to certain continued employment and other forfeiture and acceleration provisions.

On May 19, 2016, the Company entered into a separation agreement (the "Borrows Separation Agreement") with Mr. Borrows. The benefits provided to Mr. Borrows under the Borrows Separation Agreement are substantially consistent with benefits Mr. Borrows would have been entitled to receive under his previously disclosed Executive Severance and Change-in-Control Agreement, dated July 29, 2015, if the Company had terminated his employment without Cause (as defined therein). Pursuant to the Borrows Separation Agreement: (i) Mr. Borrows' separation was effective on the Borrows Separation Date, (ii) Mr. Borrows will receive severance pay in the form of salary continuation payments equal to his then-current base salary (\$300,000 per year) for a period of eighteen months following the Borrows Separation Date, subject to ongoing compliance with certain non-competition, non-solicitation, non-disparagement and confidentiality covenants in favor of the Company and (iii) Mr. Borrows received a lump sum payment of \$180,000, representing the target amount of short-term cash incentive compensation that would have been awarded to and earned by Mr. Borrows under the 2016 Management Bonus Plan, assuming all performance and other vesting criteria were satisfied at the target level for 2016. All outstanding equity awards held by Mr. Borrows on the Borrows Separation Date, including the restricted shares awarded to Mr. Borrows in January and April 2016, were forfeited upon his separation from the Company.

John R. Rogers served as our President and CEO from January 2016 to January 2017. Effective January 28, 2017 (the "Rogers Separation Date"), the Company entered into a separation agreement (the "Rogers Separation Agreement") with Mr. Rogers. Pursuant to the Rogers Separation Agreement: (i) Mr. Rogers will receive severance pay in the form of salary continuation payments equal to his then-current base salary (\$425,000 per year) for a period of twelve months following the Rogers Separation Date, subject to ongoing compliance with certain non-competition, non-solicitation, non-disparagement and confidentiality covenants in favor of the Company, (ii) Mr. Rogers received a lump sum separation payment of \$120,000, (iii) Mr. Rogers received a lump sum payment of \$30,000 for moving and transition expenses, and (iv) we paid Mr. Rogers immaterial amounts in respect of accrued but unused vacation time and COBRA continuation payments. All outstanding equity awards held by Mr. Rogers on the Rogers Separation Date were forfeited upon his separation from the Company. See "Executive Compensation – Compensation Discussion and Analysis – Compensation Paid to Our Named Executive Officers" for details regarding Mr. Rogers' 2016 compensation.

## Compensation Paid to Our Named Executive Officers

### *President and Chief Executive Officer Compensation Structure*

John R. Rogers served as our President and CEO from January 2016 to January 2017. In connection with his appointment as our President and CEO, the Executive Compensation Committee approved compensation for Mr. Rogers as follows:

base salary of \$425,000;

a cash signing bonus of \$150,000;

participation in the 2016 Management Bonus Plan, a more detailed description of which is provided below under the heading “2016 Management Bonus Plan”;

participation in the 2016 STIP, a more detailed description of which is provided below under the heading “2016 STIP”;

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participation in the 2016 LTIP, a more detailed description of which is provided below under the heading “2016 LTIP”;

a grant of 21,802 restricted shares of Common Stock (representing \$300,000 at the time of the grant), of which (i) 5,451 vested June 30, 2016, (ii) 5,451 vested on January 14, 2017 and (iii) the remaining 10,900 (which were forfeited upon Mr. Rogers’ separation from the Company) were scheduled to vest in two equal annual installments, beginning on the second anniversary of the grant date, subject to certain continued employment and other forfeiture and acceleration provisions;

a grant (which was forfeited upon Mr. Rogers’ separation from the Company) of 18,169 restricted shares of Common Stock (representing \$250,000 at the time of the grant), with vesting conditioned upon the closing price of the Company’s Common Stock being \$50.00 per share or higher on five of the twenty trading days immediately preceding the third anniversary of the grant date, with prorated vesting (between 50% and 100%) if the closing price of the Company’s Common Stock is greater than \$45.00 and less than \$50.00 during such twenty-day period, subject to certain continued employment and other forfeiture and acceleration provisions;

a relocation allowance of \$60,000;

premium benefits in the amount of \$1,000 on a life insurance policy for Mr. Rogers, under which we are not the beneficiary, or made cash payments in lieu thereof; and