

RUSH ENTERPRISES, INC.

**NOMINATING AND GOVERNANCE COMMITTEE
OF THE BOARD OF DIRECTORS
CHARTER**

This Charter governs the Nominating and Governance Committee (the “Committee”) of the Board of Directors (the “Board”) of Rush Enterprises, Inc. (the “Company”).

I. PURPOSE

The Committee has been established to (1) identify individuals who are qualified to become Board members and to recommend to the Board the director nominees for the next annual meeting of shareholders; (2) recommend to the Board director nominees for each committee of the Board; (3) develop and recommend to the Board a set of corporate governance principals in the form of corporate governance guidelines applicable to the Company; and (4) report annually to the Board with an assessment of the Board’s performance.

II. COMPOSITION

The Committee shall consist of no fewer than three members. The members of the Committee shall meet the independence requirements of applicable laws and the listing standards of the Nasdaq National Market.

The members of the Committee shall be appointed and replaced by the Board. The Board shall also appoint one member of the Committee to act as Chair of the Committee. The Chair and each other member of the Committee shall serve until the earlier of (1) the date on which he or she is no longer a member of the Board or (2) his or her resignation or removal by the Board. The Board may appoint additional or replacement members of the Committee from time to time.

III. NOMINATION AND APPOINTMENT POLICY

The Company believes that it is in the best interest of the Company and its shareholders to obtain highly qualified candidates to serve as members of the Board. In nominating candidates, the Committee shall take into consideration such factors as it deems appropriate. These factors may include judgment, skill, diversity, experience with businesses and other organizations of comparable size, experience as an officer of a publicly traded company, the interplay of the candidate's experience with the experience of other Board members, and the extent to which the candidate would be a desirable addition to the Board and any committees of the Board. The Committee may consider candidates proposed by management or shareholders of the Company. The Committee shall insure that the composition of the Board adheres to the independence standards of the Nasdaq National Market and applicable Securities and Exchange Commission rules.

IV. COMMITTEE AUTHORITY AND RESPONSIBILITIES

1. The Committee shall have the sole authority to retain and terminate any search firm to be used to identify candidates for membership on the Board and shall have sole authority to approve the search firm's fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from internal or external legal, accounting or other advisors at the expense of the Company in connection with the performance of its responsibilities. The Company shall provide appropriate funding for payment of compensation to any search firm or other advisors retained by the Committee and of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
2. The Committee shall identify individuals believed to be qualified to become Board members, and recommend qualified individuals to the Board to stand for election as directors at the annual meeting of shareholders or, if applicable, at a special meeting of shareholders. In the case of a vacancy in the office of a director (including a vacancy created by an increase in the size of the Board), the Committee shall recommend to the Board an individual to fill such vacancy either through appointment by the Board or through election by shareholders.
3. The Committee shall make recommendations to the Board from time to time as to the changes that the Committee believes to be desirable to the size of the Board or any committee of the Board.
4. The Committee shall identify Board members qualified to fill vacancies on any committee of the Board including the Committee and to recommend that the Board appoint the identified member or members to the respective committee. In nominating a candidate for committee membership, the Committee shall take into consideration the factors set forth in the charter of the committee, if any, as well as any other factors it deems appropriate, including without limitation the consistency of the candidate's experience with the goals of the committee and the interplay of the candidate's experience with the experience of other committee members.
5. The Committee shall develop and recommend to the Board a set of corporate governance guidelines applicable to the Company, and shall review and reassess the adequacy of such guidelines annually and recommend to the Board any changes deemed appropriate.
6. The Committee shall review and report additional corporate governance matters as necessary or as directed by the Board.
7. The Committee shall receive comments from all directors and report annually to the Board with an assessment of the Board's performance, to be discussed with the full Board following the end of each fiscal year.
8. The Committee may form and delegate authority to subcommittees when appropriate.
9. The Committee shall develop policies and principals for succession planning for the Chief Executive Officer, including succession in the event of an emergency.

10. The Committee shall report to the Board on a regular basis and not less than once per year.
11. The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
12. The Committee shall annually review its own performance.
13. The Committee shall perform such other duties as the Board may from time to time direct or as may be required by, or as the Committee shall deem appropriate under, applicable laws, rules and regulations.

V. AMENDMENT

This charter may be amended from time to time by the Board and any amendment must be disclosed as required by, and in accordance with, applicable laws, rules and regulations.