

CORPORATE GOVERNANCE GUIDELINES

As approved by the Board of Directors on May 24, 2012

1. Director Qualification Standards

A majority of the members of the Board of Directors (the "Board") of Landstar System, Inc., (the "Company") shall satisfy the director independence requirements of the NASDAQ and the applicable rules and regulations promulgated by the Securities and Exchange Commission.

2. Size of the Board

The Board is currently comprised of six directors. The Board may consider increasing its size in order to accommodate the availability of an outstanding candidate or reducing its size if the Board determines a smaller Board would be more appropriate.

3. Office of Chairman

A Chairman of the Board will be elected by the Board from among its members to preside at all meetings of the Board.

4. Board Membership Criteria

The Nominating and Corporate Governance Committee will recommend to the Board criteria for the selection of directors and periodically review the criteria adopted by the Board. The Board seeks members from diverse professional backgrounds who combine a broad spectrum of experience and expertise with a reputation for integrity. Directors should have experience in positions with a high degree of responsibility, be leaders in the companies or institutions with which they are affiliated, and be selected based upon the contributions they can make. Directors should be financially literate and have a sound understanding of business strategy, corporate governance and board operations. Directors should plan to make a significant time commitment to the Company.

5. Selection of New Director Candidates

The Board will select new director candidates based on the recommendations of the Nominating and Corporate Governance Committee.

6. Term Limits

The Board does not believe it should establish term limits. Directors who have served on the Board for an extended period of time are able to provide valuable insight into the operations and future of the Company based on their experience with and understanding of the Company's history, policies, and objectives.

7. Mandatory Retirement Age

The Board does not believe it should establish a mandatory retirement age.

8. Directors who Change their Present Job Responsibility

A director who experiences a significant change in job responsibilities or assignment will be required to formally notify the Board of such change in writing. The remaining directors, upon recommendation of the Nominating and Corporate Governance Committee, will then determine the appropriateness of continued Board membership.

9. Limitation on Number of Boards a Director may Serve

No director will serve on more than four other public company boards. Directors will advise the Chairman of the Board and the Chairman of the Nominating and Corporate Governance Committee in advance of accepting an invitation to serve on any public company board.

10. Director Responsibilities

The Board will be responsible for the management of the business and affairs of the Company. Each director will act in the best interests of the Company and its stockholders. Each director will adhere to the Company's Code of Ethics and Business Conduct.

Each director, will, in the performance of such director's duties, be fully protected in relying in good faith upon the records of the Company and upon such information, opinions, reports or statements presented to the Company by any of the Company's officers or employees, or committees of the Board, or by any other person as to matters such director reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Company.

11. Number of Meetings; Attendance of Directors at Board and Stockholder Meetings

The Board will hold a minimum of four meetings per year. Directors are expected regularly to attend meetings of the Board and the committees of which they are members, and to spend the time needed to properly discharge their responsibilities. Directors who are up for election at an Annual Meeting of Stockholders are expected to attend, and all other directors are encouraged to attend such Annual Meeting.

12. Selection of Agenda Items for Board Meeting

The Chairman will establish the agenda for each Board meeting. Individual Board members may suggest agenda items. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at

least one Board meeting each year.

13. Board Materials Distributed in Advance

The Company will distribute materials pertaining to Board and committee meetings in advance of those meetings, to the greatest extent practicable. A director is expected to review all distributed materials prior to any Board or committee meeting that such director attends.

14. Conflicts of Interest

Each director will avoid taking actions or having interests that might result in a conflict of interest; that is, a situation where a director's private interest interferes in any way-or even appears to interfere-with the interests of the Company as a whole. Each director will ethically handle all actual or apparent conflicts of interest between personal and professional relationships, including promptly informing the Chairman, the Chairman of the Audit Committee or the Chairman of the Nominating and Corporate Governance Committee if such a conflict arises and recusing himself/herself from any discussion or decision affecting his/her personal interests.

15. Executive Sessions of Non-Management Directors

The independent directors will meet at regularly scheduled executive sessions without management not less frequently than four times per year.

16. Committees of the Board

There are currently five Board committees: the Audit Committee, the Compensation Committee, the Nominating and Corporate Governance Committee, the Safety and Risk Committee and the Strategic Planning Committee. The Board may from time to time establish other committees, including standing or special committees, subject to the Bylaws of the Company and Delaware General Corporation Law. The Board may, by resolution, at any time deemed desirable, discontinue any standing or special committee, subject to the requirements of the Bylaws, applicable law and NASDAQ requirements.

17. Assignment of Committee Members

Committee assignments will be made by the Board based upon recommendations of the Nominating and Corporate Governance Committee. The Board believes experience and continuity are more important than rotation. The Board believes Board members and Chairs should be rotated only if rotation is likely to improve committee performance.

18. Frequency of Committee Meetings

Each committee will establish its own rules or procedures, which will be consistent with the provisions of the Delaware General Corporation Law, the Bylaws and any resolutions

of the Board governing such committee. Each committee will meet as provided by such rules and will also meet at the call of its Chairman or any two members of such committee.

19. Committee Agenda

The Chairman of each committee will determine the committee's agenda prior to a meeting, giving consideration to management recommendations.

20. Audit Committee

The Audit Committee's duties and responsibilities shall be as set forth in the Audit Committee Charter and include all of the responsibilities of an audit committee under the NASDAQ and Securities and Exchange Commission rules and regulations and such other matters as may from time to time be delegated to the Audit Committee by the Board. Each member of the Audit Committee will satisfy the independence requirements of the NASDAQ and the Securities and Exchange Commission relating to directors and audit committee members and the additional eligibility requirements of rule 10A-3 under the Securities Exchange Act of 1934.

21. Compensation Committee

The Compensation Committee's duties and responsibilities shall be as set forth in the Compensation Committee Charter and will include all of the responsibilities of a compensation committee under the NASDAQ and Securities and Exchange Commission rules and regulations and such other matters as may from time to time be delegated to the Compensation Committee by the Board. Each member of the Compensation Committee will satisfy the independence requirements of the NASDAQ relating to directors.

22. Nominating and Corporate Governance Committee

The Nominating and Corporate Governance Committee's duties and responsibilities shall be as set forth in the Nominating and Corporate Governance Committee Charter and include all of the responsibilities of a nominating and corporate governance committee under the NASDAQ rules and such other matters as may from time to time be delegated to the Nominating and Corporate Governance Committee by the Board. Each member of the Nominating and Corporate Governance Committee will satisfy the independence requirements of the NASDAQ relating to directors.

23. The Safety and Risk Committee

The Safety and Risk Committee's duties and responsibilities shall be as set forth in the Safety and Risk Committee Charter and shall include such other matters as may from time to time be delegated to the Safety and Risk Committee by the Board.

24. Strategic Planning Committee

The Strategic Planning Committee's duties and responsibilities include the development of strategic objectives and policies and procedures to achieve the strategic objectives of the Company including succession planning with respect to the Company's executive officers and other members of senior management.

25. Board Access to Management and Employees

Directors shall have complete access to management and employees of the Company; however, independent directors are expected to keep the Chief Executive Officer informed of such contacts. The Board encourages the attendance of officers in addition to executive officers at Board meetings when matters within their areas of responsibility are discussed.

26. Board Access to Independent Advisors

Directors shall have complete access to the Company's outside advisors as they deem necessary and appropriate. If appropriate, directors may retain independent legal, financial or other advisors.

27. Director Compensation

All directors of the Company who are not simultaneously employed as officers by the Company will be properly compensated and reimbursed for their services as a director. Any employee of the Company who is elected a director of the Company will not receive any compensation or participation in director benefit programs for his or her services as a director of the Company, but will be eligible to receive expense reimbursement.

The Board will be responsible for setting director compensation. The Compensation Committee, with the assistance of management or outside consultants if desired, will periodically review the compensation of the Company's directors and make recommendations to the Board with respect thereto. In making such compensation determinations and in making determinations with respect to a director's independence, the Board and the Compensation Committee will consider and critically evaluate the questions that may be raised if fees and any other form of compensation exceed what is customary or if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or enters into consulting contracts with (or provides other indirect forms of compensation to) a director.

28. Stock Ownership Guidelines for Directors

The Compensation Committee may establish stock ownership guidelines for directors of the Company. The Compensation Committee has established such a guideline that recommends that each director hold a minimum of 15,000 shares of the Company's

common stock within five years of such director's election to the Board.

29. Director Orientation and Continuing Education

All new directors will participate in an orientation program shortly after they are initially elected to the Board. Orientation will include presentations by senior management to familiarize the directors with the Company's business and operations, its financial condition, its policies and procedures, its principal officers, internal and independent auditors, and the duties and responsibilities of its directors.

Management will make presentations from time to time as necessary to ensure that the Board is aware of all business, legal and other developments relating to such matters.

In addition, newly elected and existing directors are strongly encouraged to attend continuing education programs sponsored by third parties to better understand their responsibilities and duties. Each director shall use reasonable efforts to attend a minimum of one (1) director education program every two (2) years.

The Chairman of the Nominating and Corporate Governance Committee shall endeavor to distribute to each director at least once annually a list of recommended director education programs.

Each director shall be reimbursed by the Company for all reasonable fees and expenses incurred in connection with attendance at director education programs, including program fees, travel and lodging. Expense reports in a form to be approved by the Nominating and Corporate Governance Committee shall be submitted to the Chief Financial Officer of the Company for all such fees and expenses for which reimbursement is sought by a director.

30. Formal Evaluation of the CEO

The Compensation Committee will, at least annually, review and approve corporate goals and objectives relevant to the compensation of the Company's Chief Executive Officer, evaluate the performance of the Chief Executive Officer in light of those goals and objectives, report the results of such evaluation to the Board and have the authority to determine and approve the Chief Executive Officer's compensation level based on this evaluation.

31. Succession Planning

Every year the Chief Executive Officer will report to the Board on succession planning. The report will include policies and principles for chief executive officer selection and performance review, as well as policies regarding succession in the case of an emergency or the retirement of the Chief Executive Officer.

32. Assessing the Board's Performance

The Board will conduct an annual self-evaluation in order to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee will oversee the Board's annual self-evaluation.

33. Board Interaction with Stockholders, the Press, Customers, Etc.

The Chief Executive Officer and, as appropriate, designated members of senior management speak for the Company. Individual directors may, on occasion and with the knowledge of management, meet or otherwise communicate with interested parties. Absent unusual circumstances or as contemplated by the Committee charters, such communications will be made only at the request of management.

The Board has adopted a formal process by which stockholders may communicate with the Board. Stockholders who wish to communicate with the Board, including any member or members of the Board, may do so by sending written communications to:

Landstar System, Inc.
Attention: Board of Directors
P.O. Box 16921
Jacksonville, FL 32245

All communications will be received and processed by the General Counsel of the Company in accordance with the procedures formally adopted by the Board and will be submitted to the Board on a periodic basis.