

**SPARTAN MOTORS, INC.**  
**1000 Reynolds Road**  
**Charlotte, MI 48813**

**BOARD OF DIRECTORS GOVERNANCE PRINCIPLES**

In recognition of our responsibility to uphold the vision and values of Spartan Motors, Inc., to improve individual Director and Board effectiveness, and to better serve our stakeholders, the Spartan Motors, Inc. Board of Directors has adopted this set of governance principles.

**BASIC VALUES**

1. **Serving Our Stakeholders.** We serve our stakeholders best with a balanced long-term concern for the interests of our shareholders, associates, customers, end users, suppliers and the communities in which we conduct business.
2. **Trust and Confidentiality.** Good governance can only occur in an atmosphere of trust. It is important that Board members treat each other and other Spartan representatives with mutual respect and that discussions and materials be kept confidential.
3. **Knowledge.** Directors are expected to review the Board materials distributed in advance of Board meetings and to spend the time necessary to be both factually informed and aware of issues so that discussions can be productive and inclusive of all viewpoints.
4. **Positive and Supportive Attitude.** The Board exists to govern and serve the stakeholders. Each Director is expected to act in concert with the best interests of the whole, while taking the time to understand differing opinions. It is an obligation of Directors to support majority decisions in public.
5. **Sharing of Opinions and Concerns.** Each Director's opinion is important. A spirit of openness and candor is integral to the effectiveness of the Board of Directors. Each Director is expected to share her/his candid opinions. Directors are encouraged to discuss any issues of concern either at Board meetings or with the Committee Chairs, the Board Chair, or the Chief Executive Officer.
6. **Corporate Culture.** Spartan is dedicated to developing and manufacturing premium niche heavy duty custom vehicle products. Since the founding of the Company, a culture has evolved at Spartan valuing a passionate dedication to the product and a commitment to building strong relationships with suppliers, customers, end users and associates. At Spartan, the focus is on the long term and on working together as a team. Spartan values innovative technology, hard work, fiscal conservatism, loyalty, listening skills, discipline, optimism, humility and a generous sharing of credit with others. Spartan Board members will understand, value and respect the Spartan corporate culture.
7. **Conflicts.** Board members must discharge their responsibilities solely on the basis of the best interests of Spartan, independent of personal considerations or relationships. No Board member should have a financial interest in any competitor, supplier or customer of

the company, unless such interest arises solely from investment in securities issued by a publicly traded company.

8. **Adherence to Ethical and Legal Standards.** The business of the Board is conducted in adherence with the highest standards of business ethics. Board members are expected to comply with applicable laws and regulations, including legal duties regarding information that relates to the value of Spartan stock. Stock trading must be conducted in compliance with Spartan’s policies concerning compliance with the securities laws.

## **ROLE OF THE BOARD**

The Board provides general oversight over Spartan. The principal responsibilities of the Board include evaluating and approving the strategic direction and broad policies of the organization. The Board strives to assure that Spartan has effective leadership. The Board upholds the organization’s vision and values. While the Board does not become involved in the details of day-to-day business, it periodically receives operation overviews from management to help ensure that the direction of the organization follows adopted strategies.

### **The Board’s role is:**

1. **Establish, updating and preserving the organization’s vision and values.** This includes ensuring that Spartan leadership maintains a dialogue with our stakeholders and the Company continues to develop and implement technology that is innovative/cost effective and capable of driving customer demand and future growth.
2. **Selecting, supporting, advising and evaluating the Chief Executive Officer.** This includes providing periodic feedback to enhance performance, as well as planning for leadership succession that facilitates smooth transitions and ensures the longevity of the organization. The Chief Executive Officer has a primary fiduciary responsibility to the Board. In addition, it is recognized that other officers elected by the Board such as the Chief Operating Officer, Chief Financial Officer, and General Counsel have dual fiduciary responsibilities through their reporting relations with the Chief Executive Officer and to the Board and its Committees.
3. **Evaluating and adopting fundamental policies and strategies.** The Board is expected to differentiate its responsibility for policy and strategy from management’s responsibility for implementation.
4. **Ensuring the financial stability of the organization.** This is accomplished through the exercise of traditional fiduciary responsibilities, including periodic review and discussion of financial performance, as well as recommending the selection of Spartan’s independent auditors for shareholder approval.