

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 16, 2021

Rush Enterprises, Inc.

(Exact name of registrant as specified in its charter)

Texas

(State or other jurisdiction
of incorporation)

0-20797

(Commission File Number)

74-1733016

(IRS Employer Identification No.)

555 IH-35 South, Suite 500
New Braunfels, Texas

(Address of principal executive offices)

78130

(Zip Code)

Registrant's telephone number, including area code: (830) 302-5200

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.01 per share	RUSHA	Nasdaq Global Select Market
Class B Common Stock, par value \$0.01 per share	RUSHB	Nasdaq Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 16, 2021, the Board of Directors (the “Board”) of Rush Enterprises, Inc. (the “Company”) adopted certain amendments to the: (i) Rush Enterprises, Inc. Amended and Restated 2007 Long-Term Incentive Plan (the “2007 LTIP”); (ii) Rush Enterprises, Inc. Amended and Restated Executive Transition Plan (the “ETP”); and (iii) Rush Enterprises, Inc. Amended and Restate Employee Stock Purchase Plan (the “2004 ESPP”). In addition, the Board also adopted a new Form of Rush Enterprises, Inc. Amended and Restated 2007 Long-Term Incentive Plan Stock Option Agreement (“Form of Option Award Agreement”) and a new Form of Rush Enterprises, Inc. Amended and Restated 2007 Long-Term Incentive Plan Restricted Stock Award Agreement (“Form of Restricted Stock Award Agreement”).

The amendments to the 2007 LTIP were made to (i) reflect the Board’s recent adoption of a Clawback Policy (the “Policy”), as discussed in Item 8.01 below; (ii) limit the discretion that the Compensation Committee has to accelerate the vesting of equity awards; and (iii) adjust the number of shares described therein to account for the Company’s 3-for-2 stock split that occurred in October 2020. The amendment to the ETP and the new Form of Option Award Agreement and Form of Restricted Stock Award Agreement are each necessary to reflect the adoption of the Policy, while the amendment to the 2004 ESPP was made to adjust the number shares described therein to account for the stock split.

The foregoing descriptions of the: (i) amendment to the 2007 LTIP; (ii) amendment to the ETP; (iii) amendment to the ESPP; (iv) Form of Option Award Agreement; and (v) Form of Restricted Stock Award Agreement do not purport to be complete and are qualified in their entirety by the full text of such documents, copies of which are filed hereto as Exhibits 10.1 through 10.5, respectively, and are incorporated herein by reference.

Item 8.01 Other Events.

On February 16, 2021, Compensation Committee adopted, and the Board approved, the Policy, which allows the Company to recover certain forms of compensation in certain situations. The Policy applies to the Company's current and former executive officers, including all of the named executive officers ("NEOs") and it also applies generally to all participants in the 2007 LTIP. The Board adopted the Policy, which provides for the recoupment of certain compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements under the federal securities laws or from material misconduct or fraud. If the Company is required to prepare an accounting restatement due to material noncompliance with financial reporting requirements, the Board will require reimbursement or forfeiture of any excess incentive compensation received by an NEO during the three completed fiscal years immediately preceding the date on which the Company is required to prepare the accounting restatement, and for all other 2007 LTIP participants, the Board will require reimbursement if it is determined that such individual's conduct was directly related to the restatement. If the Board determines that an NEO or 2007 LTIP participant has committed any act of embezzlement, fraud, theft or any other financial misconduct, the Board may require such person to forfeit or reimburse the Company for some or all (as determined by the Board) of the incentive compensation awarded to or received during the three years following the discovery of the act.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
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10.1	First Amendment to Rush Enterprises, Inc. Amended and Restated 2007 Long-Term Incentive Plan
10.2	First Amendment to Rush Enterprises, Inc. Amended and Restated Executive Transition Plan
10.3	First Amendment to Rush Enterprises, Inc. Amended and Restate Employee Stock Purchase Plan
10.4	Rush Enterprises, Inc. Amended and Restated 2007 Long-Term Incentive Plan Form of Stock Option Award Agreement
10.5	Rush Enterprises, Inc. Amended and Restated 2007 Long-Term Incentive Plan Form of Restricted Stock Award Agreement
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: February 22, 2021

RUSH ENTERPRISES, INC.

By: /s/ Michael Goldstone

Michael Goldstone

Vice President, General Counsel
and Corporate Secretary

**FIRST AMENDMENT TO RUSH ENTERPRISES, INC.
AMENDED AND RESTATED 2007 LONG-TERM INCENTIVE PLAN**

This First Amendment (the “**Amendment**”) to the Rush Enterprises, Inc. (the “**Company**”) Amended and Restated 2007 Long-Term Incentive Plan (the “**2007 LTIP**”) is made as of February 16, 2021 (the “**Amendment Effective Date**”) by the Board of Directors (the “**Board**”) of the Company’s shareholders on May 12, 2020. This Amendment will be effective for all awards granted under the 2007 LTIP.

RECITALS

WHEREAS, on May 12, 2020, the Company’s shareholders approved the 2007 LTIP;

WHEREAS, the Board desires to amend the 2007 LTIP to remove certain provisions that allow the Compensation Committee to exercise discretion to accelerate vesting of an Award after the grant date of such Award other than in connection with a Participant’s death or Disability (as defined in the 2007 LTIP);

WHEREAS, the Board desires to amend the 2007 LTIP to make Awards subject to the terms of the Company’s clawback policy;

WHEREAS, the Board desires to amend the 2007 LTIP to reflect the Company’s three-for-two stock split with respect to both the Company’s Class A and Class B common stock, which became effective October 12, 2020; and

WHEREAS, pursuant to Section 16.1 of the 2007 LTIP, the Board may make these amendments to the Plan without seeking shareholder approval.

NOW, THEREFORE, the 2007 LTIP is hereby amended as follows:

AMENDMENT

1. Amendments to Article 2. Article 2 of the 2007 LTIP is amended effective as of the Amendment Effective Date to include the following new defined terms (where are referred to in the amendment herein to Article 15 of the 2007 LTIP) and to renumber the other defined terms accordingly:

“Assumed Award” shall have the meaning ascribed thereto in Article 15.

“Cause” shall have the meaning ascribed any employment, consulting or similar agreement with the Company or Subsidiary to which the Participant is a party or, if there is no such agreement or if such agreement does not define “Cause,” then “Cause” shall mean (a) the Participant’s plea of guilty or nolo contendere to, or conviction for, the commission of a felony or a crime of moral turpitude; (b) the Participant’s willful fraud, misappropriation, embezzlement, or material breach of a fiduciary duty owed to the Company or a Subsidiary; (c) the Participant’s violation of a written policy of the Company or a Subsidiary, which violation causes material harm to the Company’s or Subsidiary’s business interests, reputation or goodwill; (d) the Participant’s willful misconduct or gross or willful neglect in the performance of his or her duties on behalf of the Company or Subsidiary (other than as a result of the Employee’s incapacity due to physical or mental illness or injury); (e) the Employee’s material breach of any written agreement between the Employee and the Company or any Subsidiary; (f) the Employee’s breach of any nondisclosure, non-solicitation or noncompetition obligation owed to the Company or any Subsidiary; (g) the Employee’s refusal or willful failure to substantially perform his or her duties on behalf of the Company and its Subsidiaries; or (h) any other action by the Employee that materially harms the business interests, reputation, or goodwill of the Company or any Subsidiary. The determination by the Committee as to whether “Cause” exists shall be final, conclusive and binding on the Participant.

“Good Reason” shall have the meaning ascribed any employment, consulting or similar agreement with the Company or Subsidiary to which the Participant is a party or, if there is no such agreement or if such agreement does not define “Good Reason,” then “Good Reason” shall mean (a) a material diminution in the Participant’s authority, duties or responsibilities, (b) a material diminution in the Participant’s base salary or total cash compensation (including base salary and target bonus opportunity), (c) a material change in the geographic location at which the Participant must perform services (including, without limitation, a change in the Participant’s assigned workplace that increases the Participant’s one-way commute by more than 35 miles), provided in each case only if such diminution or change is effected by the Company without the Participant’s written consent. No voluntary resignation by the Participant pursuant to (a), (b) or (c) hereof shall be treated as an Involuntary Termination unless the Participant gives written notice to the Committee advising the Company of such intended resignation (along with the facts and circumstances constituting the condition asserted as the reason for such resignation) within thirty (30) days after the time the Participant becomes aware of the existence of such condition and provides the Company a cure period of thirty (30) days following such date that notice is delivered. If the Committee determines that the asserted condition exists and the Company does not cure such condition within the thirty (30)-day cure period, the Participant’s termination of employment or service shall be effective on such thirtieth (30th) day of the cure period.

“Involuntary Termination” shall have the meaning ascribed to such term in the Award Agreement or other written agreement entered into between the Company and a Participant, or if the term is not defined in the Award Agreement or other written agreement entered into between the Company and a Participant, shall mean the termination of the employment or service of the Participant which occurs by reason of such Participant’s (a) involuntary termination by the Company or a Subsidiary for reasons other than for Cause or (b) voluntary resignation for Good Reason.

2. Amendment to Section 3.2 of Article 3. Section 3.2 of the 2007 LTIP is amended effective as of the Amendment Effective Date by replacing it with the following:

Except as limited by law or by the Certificate of Incorporation or Bylaws of the Company, and subject to the provisions hereof, the Committee shall have full power in its discretion to select Employees who shall participate in the Plan; determine the sizes and types of Awards; determine the terms and conditions of Awards in a manner consistent with the Plan; construe and interpret the Plan and any Award Agreement or other agreement or instrument entered into or issued under the Plan; establish, amend, or waive rules and regulations for the Plan’s administration; amend the terms and conditions of any outstanding Award, provided that no such amendment may accelerate vesting of any Award except in connection with the Participant’s death or Disability; determine, in accordance with Section 10.4, whether and on what terms and conditions outstanding Awards will be adjusted for dividend equivalents (i.e., a credit, made at the discretion of the Committee, to the account of a Participant in an amount equal to the cash dividends paid on one Share for each Share represented or covered by an outstanding Award held by the Participant); and establish a program pursuant to which designated Participants may receive an Award under the Plan in lieu of compensation otherwise payable in cash. Further, the Committee shall make all other determinations that may be necessary or advisable for the administration of the Plan.

3. Amendment to Section 3.6 of Article 3. Section 3.6 of the 2007 LTIP is amended effective as of the Amendment Effective Date by replacing it with the following:

Minimum Vesting Requirements. Notwithstanding any other provision of the Plan to the contrary, Awards granted after the Effective Date shall not vest earlier than the date that is one year following the grant date of the Award; provided, however, that notwithstanding the foregoing: (a) the Committee may, at the time of grant of an Award, provide in an Award Agreement or other written agreement entered into between the Company and a Participant that such vesting restrictions will lapse within one (1)-year of the Award's grant date as a result of the Participant's death or Disability or the occurrence of a Change of Control; (b) such vesting restrictions shall lapse within one (1) year of the Award's grant date to the extent provided in Article 15; and (c) Awards granted after the Effective Date that result in the issuance of an aggregate of up to five percent (5%) of the Shares that may be authorized for grant under Section 4.1 of the Plan (as such authorized number of Shares may be adjusted as provided under the terms of the Plan) may be granted to any one or more Participants without respect to such one (1)-year minimum vesting provision. The vesting schedule shall be set forth in the Award Agreement.

4. Amendment to Section 4.1 of Article 4. Section 4.1 of the 2007 LTIP is amended effective as of the Amendment Effective Date by replacing it with the following:

Number of Shares Issuable under the Plan. Shares that may be issued pursuant to Awards may be either authorized and unissued Shares, or authorized and issued Shares held in the Company's treasury, or any combination of the foregoing. Effective as of October 12, 2020, and subject to adjustment as provided in Section 4.3, there shall be reserved for issuance under Awards 13,200,000 shares of Class A Common Stock and 4,800,000 shares of Class B Common Stock. For the purposes hereof, the following Shares covered by previously-granted Awards will be deemed not to have been issued under the Plan and will remain in the Share Pool: (a) Shares covered by the unexercised portion of an Option or SAR that terminates, expires, is canceled or is settled in cash, (b) Shares forfeited or repurchased under the Plan, and (c) Shares covered by Awards that are forfeited, canceled, terminated or settled in cash. The following Shares covered by previously granted Awards will be deemed to have been issued under the Plan and will be removed from the Share Pool: (x) Shares withheld in order to pay the exercise or purchase price under an Award or to satisfy the tax withholding obligations associated with the exercise, vesting or settlement of an Award and (y) Shares subject to SARs or a similar Award but not actually issued or delivered in connection with the exercise or settlement of the Award.

5. Amendment to Section 4.2 of Article 4. Section 4.2 of the 2007 LTIP is amended effective October 12, 2020, by replacing it with the following:

Individual Award Limitations. The maximum aggregate number of Shares that may be granted to any one Participant in any one year under the Plan with respect to Options or SARs shall be 150,000. The maximum aggregate number of Shares that may be granted to any one Participant in any one year with respect to Restricted Stock or Restricted Stock Units shall be 150,000. The maximum aggregate number of Shares that may be received by any one Participant in any one year with respect to Performance Shares or Performance Units shall be 150,000. The maximum aggregate amount of cash that may be received by any one Participant in any one year with respect to Cash Incentive Awards shall be \$5,000,000.

6. Amendment to Section 14.3 of Article 14. Section 14.3 of the 2007 LTIP is amended effective as of the Amendment Effective Date by replacing it with the following:

Clawback. Notwithstanding any other provisions in this Plan, all Awards granted under the Plan will be subject to recoupment in accordance with the Company's clawback policy, as the same may be amended from time to time. Without limiting the foregoing, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement. Further, the Committee may, at the time of grant of an Award, impose such other clawback, recovery or recoupment provisions in the Award Agreement for such Award as the Committee determines necessary or appropriate in view of applicable laws, governance requirements or best practices, including, but not limited to, a reacquisition right in respect of previously acquired Shares or other cash or property upon the occurrence of cause (as determined by the Committee).

7. Amendment to Article 15. Article 15 of the 2007 LTIP is amended effective as of the Amendment Effective Date by replacing it with the following:

Except as may otherwise be provided in any applicable Award Agreement or other written agreement entered into between the Company and a Participant, if a Change of Control occurs and a Participant's Awards are not converted, assumed, or replaced by a successor or survivor corporation, or a parent or subsidiary thereof, then immediately prior to the Change of Control such Awards shall become fully exercisable and all forfeiture restrictions on such Awards shall lapse and, following the consummation of such Change in Control, all such Awards shall terminate and cease to be outstanding. Notwithstanding any other provision of the Plan to the contrary, the number or value of any Award that is based on performance criteria or performance goals that shall become fully earned, vested, exercisable and free of forfeiture restrictions upon occurrence of the events described in the immediately preceding sentence shall be the greater of (a) such number or value determined by the actual performance attained during the applicable performance period to the time of the Change of Control or (b) such number or value that would be fully earned, vested, exercisable and free of forfeiture restrictions had 100% of the target level of performance been attained for the entire applicable performance period without regard to the Change of Control.

In addition, if an Option or SAR (or portion thereof) is not assumed or substituted for in the event of a Change of Control, the Committee will notify the Participant in writing or electronically that the Option or SAR (or its applicable portion) will be fully vested and exercisable for a period of time determined by the Committee in its sole discretion, and the Option or SAR (or its applicable portion) will terminate upon the expiration of such period. Any such Option or SAR that is not exercised upon the expiration of such period shall be terminated upon the consummation of the Change of Control in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Option or SAR (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Committee determines in good faith that no amount would have been attained upon the exercise of such Option or SAR, then such Option or SAR shall be terminated by the Company without payment).

For the purposes of this Article 15, an Award will be considered assumed (an “**Assumed Award**”) if, following the Change of Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change of Control, the consideration (whether stock, cash, or other securities or property) received in the Change of Control by holders of Shares for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); *provided, however*, that if such consideration received in the Change of Control is not solely common stock of the successor corporation or its parent, the Committee may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its parent equal in fair market value to the per share consideration received by holders of Shares in the Change of Control. Upon the Participant’s Involuntary Termination at any time during the two (2)-year period after a Change of Control, (a) any Assumed Awards held by the Participant will become fully vested and, if applicable, exercisable and free of restrictions (with any applicable performance goals deemed to have been achieved at a target level as of the date of such vesting), and (b) all Options and SARs held by the Participant immediately before such termination of employment that the Participant also held as of the date of the Change of Control or that constitute Assumed Awards will remain exercisable for a period of 90 days following such Involuntary Termination or until the expiration of the stated term of such Option or SAR, whichever period is shorter (*provided, however*, that if the applicable Award Agreement provides for a longer period of exercisability, that provision will control).

Notwithstanding anything in this Article 15 to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant’s written consent; *provided, however*, a modification to such performance goals only to reflect the successor corporation’s post-Change of Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

8. Effect of the Amendment. Except as amended by the Amendment, the 2007 LTIP shall remain in full force and effect.
9. Defined Terms. Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the 2007 LTIP.

**FIRST AMENDMENT TO RUSH ENTERPRISES, INC. EXECUTIVE TRANSITION PLAN
(AS AMENDED AND RESTATED EFFECTIVE AS OF FEBRUARY 20, 2018)**

This First Amendment (the “**Amendment**”) to the Rush Enterprises, Inc. (the “**Company**”) Executive Transition Plan (as Amended and Restated Effective as of February 20, 2018) (the “**ETP**”) is made as of February 16, 2021 (the “**Amendment Effective Date**”), by the Board of Directors (the “**Board**”) of the Company.

RECITALS

WHEREAS, on February 20, 2018, the Company’s Board of Directors approved the ETP;

WHEREAS, the Board desires to amend the ETP to include a reference to the Company’s adoption of a clawback policy;

NOW, THEREFORE, the ETP hereby amended, effective as of the Amendment Effective Date, as follows:

AMENDMENT

1. Amendment to Section 13. Section 13 of the ETP is amended by replacing it with the following:

Clawback. Notwithstanding any other provisions in this Plan, any payments or benefits hereunder which relate to awards granted under any of the Company’s equity incentive plans (including, without limitation, the Rush Enterprises, Inc. Amended and Restated 2007 Long-Term Incentive Plan) will be subject to recoupment in accordance with the Company’s clawback policy, as the same may be amended from time to time. Without limiting the foregoing, any payments or benefits hereunder that are subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement. By your signature below, you hereby acknowledge and agree that you have received a copy of, read, and understand the Company’s Clawback Policy dated February 16, 2021.

2. Effect of the Amendment. Except as amended by the Amendment, ETP shall remain in full force and effect.
3. Defined Terms. Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the ETP.

**FIRST AMENDMENT TO RUSH ENTERPRISES, INC.
AMENDED AND RESTATED 2004 EMPLOYEE STOCK PURCHASE PLAN**

This First Amendment (the “**Amendment**”) to the Rush Enterprises, Inc. (the “**Company**”) Amended and Restated 2004 Employee Stock Purchase Plan (the “**2004 ESPP**”) is made as of February 16, 2021 (the “**Amendment Effective Date**”), by the Board of Directors (the “**Board**”) of the Company’s shareholders. This Amendment will be effective for all awards granted under the 2007 LTIP.

RECITALS

WHEREAS, on May 12, 2020, the Company’s shareholders approved the 2004 ESPP;

WHEREAS, the Board desires to amend the 2004 ESPP to reflect the Company’s three-for-two stock split with respect to both the Company’s Class A and Class B common stock, which became effective October 12, 2020; and

WHEREAS, pursuant to Section 17 of the 2004 ESPP, the Board may make these amendments to the Plan without seeking shareholder approval.

NOW, THEREFORE, the 2004 ESPP is hereby amended as follows:

AMENDMENT

1. Amendment to Section 8.2(c). Section 8.2(c) of the 2004 ESPP is amended effective as of the Amendment Effective Date by replacing it with the following:

“no Participant may purchase more than 15,000 shares of Common Stock under the Plan in any given Offering Period.”

2. Amendment to Section 11.1. Section 11.1 of the 2004 ESPP is amended effective as of the Amendment Effective Date by replacing it with the following:

“The maximum number of shares of Common Stock that shall be reserved for sale under the Plan shall be 2,700,000 shares, subject to adjustment as provided in Sections 11.2 and 11.3. The shares to be sold to Participants under the Plan may be, at the election of the Company, either treasury shares or shares authorized but unissued. If the total number of shares of Common Stock that would otherwise be subject to options granted pursuant to Section 8 on any Ending Date exceeds the number of shares then available under the Plan (after deduction of all shares for which options have been exercised or are then outstanding), the Committee shall make a pro rata allocation of the shares of Common Stock remaining available for issuance in as uniform and equitable a manner as is practicable, as determined in the Committee’s sole discretion. In such event, the Company shall give written notice of such reduction of the number of shares subject to the option to each Participant affected thereby and shall return any excess funds accumulated in each Participant’s Contribution Account as soon as practicable after the Ending Date of such Offering Period.”

3. Effect of the Amendment. Except as amended by the Amendment, the 2004 ESPP shall remain in full force and effect.

4. Defined Terms. Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the 2004 ESPP.

RUSH ENTERPRISES, INC. AMENDED AND RESTATED 2007 LONG-TERM INCENTIVE PLAN

FORM OF STOCK OPTION AGREEMENT

STOCK OPTION AGREEMENT (“Agreement”) dated as of the Grant Date (the “Grant Date”) set forth on Schedule I hereto, between RUSH ENTERPRISES, INC., a Texas corporation (the “Company”), and the employee of the Company or of a Subsidiary identified on Schedule I hereto (the “Employee”).

On the Grant Date the Company granted to the Employee the option or options hereinafter described pursuant to, and subject to and upon the terms and conditions set forth in, the Rush Enterprises, Inc. 2007 Amended and Restated Long-Term Incentive Plan, as amended from time to time (the “Plan”), and promptly thereafter notified the Employee of the grant of such option or options. Capitalized terms used but not defined in this Agreement have the meanings ascribed to such terms in the Plan.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto hereby agree as follows:

1. Grant of Option.

(a) On the Grant Date, the Company irrevocably granted to the Employee, as a matter of separate agreement and not in lieu of salary or any other compensation for services, the right and option to purchase all or any part of the aggregate number of Shares set forth on Schedule I hereto (herein, the “Option Shares”), on the terms and conditions herein set forth.

(b) To the extent set forth in Schedule I hereto, the right and option to purchase the Option Shares are intended to be an ISO. To the extent such right and option to purchase the Option Shares is not identified on Schedule I hereto as being intended to be an ISO, such right and option will be considered a non-statutory option. In addition, to the extent that a right and option to purchase the Option Shares intended to be an ISO does not qualify as an ISO, such right and option, to the extent that it does not so qualify, shall be converted to a non-statutory option.

(c) The ISOs and non-statutory stock options granted to the Employee hereunder are each referred to as an “Option” and collectively referred to as the “Options”.

2. Terms.

(a) Exercise Price. The exercise price per Option Share subject to an Option granted hereunder shall be the per share amount set forth in Schedule I hereto for such Option (the “Exercise Price”). With respect to any Option, the Exercise Price shall not be less than the Fair Market Value per Share as of the Grant Date.

(b) Vesting. Subject to the provisions of Section 4 of this Agreement and the Plan, the Option or Options granted hereunder shall become vested and exercisable as to the portions of the aggregate number of Option Shares covered by such Option as set forth on Schedule I hereto on and after each of the related dates during the term of such Option set forth on Schedule I hereto.

(c) Term and Conditions of Exercise. An Option granted hereunder shall be exercisable in whole at any time or in part from time to time during the term of such Option as to all or any of the Option Shares then purchasable under such Option, but not as to less than the minimum number of Option Shares stated on Schedule I hereto with respect to such Option (or the Option Shares then purchasable under the Option if less than such minimum) at any one time; provided that if there is a SAR (as defined in the Plan) outstanding which relates to any of the shares purchasable under such Option, then the number of shares so purchasable shall be reduced by the number of Option Shares in respect of which the SAR has been exercised.

The term of the Option or Options subject hereto shall be for the number of years from the Grant Date set forth on Schedule I hereto with respect to such Option or such shorter period of time as is described in Section 4. In no event shall the term of the Option exceed ten years from the Grant Date.

Except as provided in Section 4, an Option granted hereunder shall not be exercisable unless the Employee shall, at the time of exercise, be an employee of the Company or of a Subsidiary. The holder of such Option shall have none of the rights of a shareholder with respect to the Option Shares subject to such Option until such Option Shares are transferred to the holder upon the exercise of such Option.

3. Restrictions on Transfer. An Option granted hereunder shall not be assignable or transferrable by the Employee except by will or by the laws of descent and distribution, and subject to Section 4(a), such Option is exercisable, during the Employee's lifetime, only by the Employee. The designation of a beneficiary by the Employee shall not constitute a transfer. More particularly (but without limiting the generality of the foregoing), such Option may not be assigned, transferred (except as aforesaid), pledged or encumbered in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. In the event of any attempted assignment, transfer, pledge, encumbrance or other disposition of such Option contrary to the provisions hereof, or the levy of any attachment or similar process upon such Option, such Option shall be null and void and of no further effect.

4. Status of Option Upon Certain Events. If the Employee's employment shall terminate prior to the complete exercise of an Option granted hereunder, then such Option shall thereafter be exercisable solely to the extent provided in paragraphs (a) through (c) of this Section 4; *provided, however*, that (i) such Option may not be exercised after the scheduled expiration date and (ii) if the Employee's employment terminates for any reason other than as contemplated by paragraphs (a) through (c) of this Section 4, the Option shall remain exercisable for a period of 30 days following such termination (but in no event shall such period extend beyond the scheduled expiration of such Option) at which time such Option shall immediately terminate and be forfeited, but only for the number of Option Shares for which such Option shall have vested as provided on Schedule I hereto as of the date of such termination.

(a) **Death or Disability or Retirement.** If Employee's employment terminates due to his or her death, Disability or Retirement (defined as termination by the Employee of the Employee's employment relationship with the Company after 10 years of employment with the Company and attaining the age of 60), an Option granted hereunder (unless previously terminated) may be exercised as follows: (i) in the case of Employee's death, in full for the aggregate number of Option Shares covered thereby by the legatee or legatees of such Option under the Employee's last will, or by the personal representatives or distributees of the Employee, at any time within a period of one year after the Employee's death, but in no event after the expiration of such Option set forth in Section 2(c); (ii) in the case of Disability, in full for the aggregate number of Option Shares covered thereby by the Employee or by the personal representatives of the Employee if the Employee is unable to act for himself or herself, at any time within a period of one year after the Employee's termination date, but in no event after the expiration of such Option set forth in Section 2(c) herein; and (iii) in the case of Retirement, for so long as the Employee does not become employed by a "competitor" of the Company subsequent to such retirement, the Option shall continue to vest pursuant to the Vesting Schedule set forth on Schedule I hereto, but in no event after the expiration of the Option set forth in Section 2(c) herein. A determination as to whether the Employee has become employed by a "competitor," and the definition of "competitor," shall be made by the Committee in its sole discretion. In the event Employee becomes employed by a "competitor," then the Option can be exercised within 90 days of the date such employment occurs for the number of Option Shares for which such Option shall have vested on such date. If an ISO is exercised more than three months after the Employee's retirement and the Employee has not died or incurred a Disability, such Option will be converted to a non-statutory option.

(b) **Termination with Cause.** If the Employee's employment with the Company or a Subsidiary shall be terminated by the Company or such Subsidiary for Cause (as defined in the Plan) prior to the exercise of any part of the Option or Options granted hereunder, then such Option or Options held by the Employee shall immediately terminate and be forfeited unless the Committee, in its sole discretion, shall otherwise determine.

(c) **Change in Employment.** The Option or Options granted hereunder shall not be affected by any change of employment (or by any temporary leave of absence approved by the Committee or by the Board itself), so long as the Employee continues to be in the employ of the Company or of a Subsidiary.

5. **Adjustments.** The Employee acknowledges that the Option is subject to modification and termination in certain events as provided in this Agreement and Sections 4.3 and 15 of the Plan. Upon the occurrence of an event described in Section 4.3 or Section 15 of the Plan, any and all new, substituted or additional securities or other property to which a holder of a Share issuable in settlement of the Option would be entitled shall be immediately subject to the Agreement and included within the meaning of the term "Shares" for all purposes of the Option. The Employee shall be notified of such adjustments and such adjustments shall be binding upon the Company and the Employee.

6. **Payment; Method of Exercise.** Payment of the purchase price of the Option Shares subject to an Option granted hereunder may be made (i) in any combination of cash or whole Shares already owned by the Employee or (ii) in Shares withheld by the Company from the Option Shares otherwise issuable to the Employee as a result of the exercise of such Option ("cashless exercise"). Subject to the terms and conditions of this Agreement, such Option may be exercised by execution and delivery of a written notice of exercise (the "**Notice of Exercise**") in the form authorized by the Company, which may be electronic or written. Such notice shall (a) state the election to exercise such Option, the number of Option Shares in respect of which it is being exercised and the manner of payment for such Option Shares and (b) be signed (or digitally signed or authenticated) by the person or persons so exercising such Option and, in the event such Option is being exercised pursuant to Section 4 by any person or persons other than the Employee, accompanied by appropriate proof of the right of such person or persons to exercise such Option. If the Option being exercised is an ISO and non-statutory options have also been granted to the Employee hereunder, such notice shall also identify whether the Option being exercised is an ISO and, if so, the number of Option Shares to be purchased pursuant to such exercise. Such notice shall either (i) elect cashless exercise or be accompanied by payment of the full purchase price of such Option Shares, in which event the Company shall issue to or on behalf of the Employee (or any other person or persons exercising the Option) the purchased Shares, or (ii) fix a date (not more than 10 business days from the date of such notice) for the payment of the full purchase price of such Option Shares at the Company's principal office, against delivery of the purchased Shares. Cash payments of the purchase price shall, in case of clause (i) or (ii) above, be made by cash or check payable to the order of the Company. Share payments (valued at Fair Market Value on the date of exercise, as determined by the Committee), shall be made by delivery of stock certificates in negotiable form. All cash and Share payments shall, in either case, be delivered to the Company at its principal office, attention of the Secretary. Shares withheld pursuant to a cashless exercise election shall be valued at Fair Market Value on the date of exercise, as determined by the Committee. If certificates representing Shares are used to pay all or part of the purchase price of an Option granted hereunder, a replacement certificate shall be delivered by the Company representing the number of Shares delivered but not so used, and an additional certificate shall be delivered representing the additional Shares to which the holder of such Option is entitled as a result of the exercise of such Option. As soon as practical after the exercise date, the Company shall issue to or on behalf of the Employee (or any other person or persons exercising the Option) the purchased Shares (in certificated form or as evidenced by an appropriate entry on the books of the Company or a duly authorized transfer agent of the Company), subject to the appropriate legends and/or stop transfer instructions. All Shares issued as provided herein will be fully paid and nonassessable.

7. **Administration.** The Committee shall have the power to interpret the Plan and this Agreement, and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Employee, the Company and all other interested persons.

8. **Tax Withholding and Advice.**

(a) **In General.** The Employee acknowledges that, regardless of any action taken by the Company, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Employee's participation in the Plan and legally applicable to the Employee or deemed by the Company in its discretion to be an appropriate charge to the Employee even if legally applicable to the Company ("**Tax-Related Items**"), is and remains the Employee's responsibility and may exceed the amount actually withheld by the Company. The Employee further acknowledges that the Company (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of an Option, including, but not limited to, the grant, vesting or exercise of an Option, the subsequent sale of shares of Common Stock acquired pursuant to such exercise and the receipt of any dividends; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of an Option to reduce or eliminate the Employee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Employee is subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Employee acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) **Withholding of Taxes.** Prior to the relevant taxable or tax withholding event, as applicable, the Employee agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Employee authorizes the Company, or its agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from the Employee's wages or other cash compensation paid to the Employee by the Company;

(ii) Withholding a number of whole Shares otherwise deliverable to the Employee upon exercise of the Option having a Fair Market Value equal to the Tax-Related Items obligations, as determined by the Company as of the date on which the Tax-Related Items obligations arise;

(iii) withholding from the proceeds of the sale of Shares acquired upon exercise of the Option, either through a voluntary sale or through a mandatory sale arranged by the Company (on the Employee's behalf pursuant to this authorization) without further consent; or

(iv) direct payment from the Employee.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates, including maximum applicable rates, in which case the Employee will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Employee is deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items.

(c) **Tax Advice.** The Employee represents, warrants and acknowledges that the Company has made no warranties or representations to the Employee with respect to the income tax, social contributions or other tax consequences of the transactions contemplated by this Award Agreement, and the Employee is in no manner relying on the Company or the Company's representatives for an assessment of such tax consequences. THE EMPLOYEE UNDERSTANDS THAT THE TAX AND SOCIAL SECURITY LAWS AND REGULATIONS ARE SUBJECT TO CHANGE. THE EMPLOYEE IS HEREBY ADVISED TO CONSULT WITH HIS OR HER OWN PERSONAL TAX, LEGAL AND FINANCIAL ADVISORS REGARDING THE PARTICIPANT'S PARTICIPATION IN THE PLAN BEFORE TAKING ANY ACTION RELATED TO THE PLAN. NOTHING STATED HEREIN IS INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF AVOIDING TAXPAYER PENALTIES.

9. Reserves, Etc. Shares delivered upon the exercise of an Option granted hereunder shall, in the discretion of the Board or the Committee, be either Shares heretofore or hereafter authorized and then unissued, or previously issued Shares heretofore or hereafter acquired through purchase in the open market or otherwise, or some of each. The Company shall be under no obligation to reserve or to retain in its treasury any particular number of Shares at any time, and no particular Shares, whether unissued or held as treasury Shares, shall be identified as those covered by an Option granted hereunder.

10. No Right to Continued Employment. Nothing in this Agreement or in the Plan shall confer upon the Employee any right to continue in the employ of the Company or shall interfere with or restrict in any way the rights of the Company, which are hereby expressly reserved, to discharge the Employee at any time for any reason whatsoever, with or without cause and with or without notice.

11. Restrictions on Exercise of the Option and Issuance of Shares. The exercise of the Option and issuance of Shares upon such exercise shall be subject to compliance with all applicable requirements of U.S. federal, state or foreign law with respect to such securities. No Shares may be issued hereunder if the issuance of such Shares would constitute a violation of any applicable U.S. federal, state or foreign securities laws or other laws or regulations or the requirements of any stock exchange or market system upon which the Shares may then be listed. The inability of the Company to obtain from any regulatory body having jurisdiction the authority, if any, deemed by the Company's legal counsel to be necessary to the lawful issuance of any Shares subject to the Option shall relieve the Company of any liability in respect of the failure to issue such Shares as to which such requisite authority shall not have been obtained. As a condition to the exercise of the Option, the Company may require the Employee to satisfy any qualifications that may be necessary or appropriate, to evidence compliance with any applicable law or regulation and to make any representation or warranty with respect thereto as may be requested by the Company. Further, regardless of whether the transfer or issuance of the Shares to be issued pursuant to the Option has been registered under the Securities Act or has been registered or qualified under the securities laws of any State, the Company may impose additional restrictions upon the sale, pledge, or other transfer of the Shares (including the placement of appropriate legends on stock certificates and the issuance of stop-transfer instructions to the Company's transfer agent) if, in the judgment of the Company and the Company's counsel, such restrictions are necessary in order to achieve compliance with the provisions of the Securities Act, the securities laws of any State, or any other law.

12. Entire Agreement; Amendment. This Agreement together with the Plan constitutes the entire agreement between the parties with respect to the subject matter hereof. Any term or provision of this Agreement may be waived at any time by the party which is entitled to the benefits thereof, except that any waiver of any term or condition of this Agreement must be in writing.

The Committee shall have the authority to amend this Agreement to include any provision which, at the time of such amendment, is authorized under the terms of the Plan; however, an Option granted hereunder may not be revoked or altered in a manner unfavorable to the holder without the written consent of the holder.

13. **Governing Law.** The laws of the State of Texas shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflict of laws. For purposes of litigating any dispute that arises under this grant or this Award the parties hereby submit to and consent to the jurisdiction of the State of Texas.

14. **Mandatory Mediation and Arbitration Procedure.** By execution of this Agreement and acceptance of this Award, which is a voluntary benefit provided to the Employee by the Company, the Employee waives the Employee's right to a jury trial in state or federal court and agrees that disputes arising under this Agreement must first be submitted for non-binding mediation before a neutral third party. If a dispute remains unresolved at the conclusion of the mediation process, either party may submit the dispute for resolution by final binding arbitration. The arbitrator shall have the authority to allow for appropriate discovery and exchange of information prior to a hearing, including (but not limited to) production of documents, information requests, depositions, and subpoenas. By execution of this Agreement, however, the Employee does not waive the Employee's right to any normally available remedies the Employee may have in connection with any claim the Employee may bring against the Company, as an arbitrator can award any normal remedies the Employee could get in a court proceeding. By execution of this Agreement, the Employee represents that, to the extent the Employee considered necessary, the Employee has sought, at the Employee's own expense, counsel regarding the terms of this Agreement and the waiver contemplated in this Section 14. If this arbitration provision is found inapplicable, then either party may file suit and each party agrees that any suit, action, or proceeding arising out of or relating to this Agreement shall be brought in the United States District Court for the Western District of Texas (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Texas State court in Bexar County, Texas) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection a party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING.

15. **Further Instruments and Imposition of Other Requirements.** The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement. The Company reserves the right to impose other requirements on the Employee's participation in the Plan, on the Option and on any Shares acquired under the Plan, to the extent the Company determines it is necessary or advisable in order to comply with local law or facilitate the administration of the Plan.

16. **Successors.** This Agreement shall be binding upon and inure to the benefit of the successors, assigns and heirs of the respective parties.

17. **Acceleration of Retirement Eligibility.** Notwithstanding the terms of Section 4(a), the Committee in its sole discretion may at any time accelerate the date an Employee is eligible to Retire.

18. Notices. All notices or other communications made or given in connection with this Agreement shall be in writing and shall be deemed to have been duly given when delivered or mailed by registered or certified mail, return receipt requested, to those listed below at their following respective addresses or at such other address as each may specify by notice to the others:

To the Employee:

As set forth in Schedule I

To the Company:

Rush Enterprises, Inc.
555 IH-35 South, Suite 500
New Braunfels, TX 78130
Attn: Compensation Committee

19. Authorization to Release Necessary Personal Information.

The Employee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Employee's personal data as described in this Agreement and any other Option grant materials ("Data") by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Employee's participation in the Plan.

The Employee understands that the Company may hold certain personal information about the Employee, including, but not limited to, the Employee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Employee's favor, for the exclusive purpose of implementing, administering and managing the Plan.

20. Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver thereof or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

21. Compliance.

(a) Conformity to Securities Laws. The Employee acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and State securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Option is granted and may be exercised, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Award Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

(b) Section 409A. Notwithstanding any other provision of the Plan, this Agreement, and the Plan shall be interpreted in accordance with, and incorporate the terms and conditions required by, Section 409A of the Code (with any Department of Treasury regulations and other interpretive guidance issued thereunder, including without limitation any such regulations or other guidance that may be issued after the date hereof ("Section 409A")). The Company reserves the right, to the extent the Company deems necessary or advisable in its sole discretion, to unilaterally amend or modify the Plan or this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, including amendments or actions that would result in a reduction in benefits payable under the Option, as the Committee determines are necessary or appropriate to ensure that this Option qualifies for exemption from, or complies with the requirements of, Section 409A or mitigate any additional tax, interest and/or penalties or other adverse tax consequences that may apply under Section 409A; *provided, however*, that the Company makes no representation that the Option will be exempt from, or will comply with, Section 409A, and makes no undertakings to preclude Section 409A from applying to the Option or to ensure that it complies with Section 409A.

(c) **Limitations Applicable to Section 16 Persons.** Notwithstanding any other provision of the Plan or this Agreement, if the Employee is subject to Section 16 of the Exchange Act, the Plan and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

22. **Construction.** Titles are provided herein for convenience only and are not to serve as a basis for interpretation on construction of the Agreement. The singular form shall include the plural, when the context so indicates. In the event of an inconsistency between the terms of this Agreement and the terms of Schedule I hereto, the terms of Schedule I shall prevail. In the event of an inconsistency between the terms of this Agreement (including Schedule I) and the terms of the Plan, the terms of the Plan shall prevail.

23. **Clawback.** By your signature below, you hereby acknowledge and agree that (a) the Options and the Shares issuable upon the exercise of the Option shall be subject to the clawback provisions contained in Section 14.13 of the Plan, and (b) you have received a copy of, read, understand and accept the terms of the Company's Clawback Policy dated February 16, 2021.

24. **Electronic Delivery.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

{Signature Page Follows.}

IN WITNESS WHEREOF, the Company has caused this Agreement to be duly executed by its officer thereunto duly authorized, and the Employee has hereunto set his or her signature, all as of the Grant Date.

RUSH ENTERPRISES, INC.

EMPLOYEE

By: _____

By: _____

Print Name: W.M. "Rusty" Rush

Print Name: .

Title: Chief Executive Officer and President

**RUSH ENTERPRISES, INC. AMENDED AND RESTATED 2007 LONG-TERM
INCENTIVE PLAN**

FORM OF RESTRICTED STOCK AWARD AGREEMENT

Employee:

Grant Date:

Number of Shares of Restricted Stock:

Vesting Schedule/Restricted Period:

1. Grant of Restricted Stock Award. Rush Enterprises, Inc. (the "Company"), pursuant to the Rush Enterprises, Inc. Amended and Restated 2007 Long-Term Incentive Plan (the "Plan"), hereby awards to you, the above-named Employee, effective as of the Grant Date set forth above (the "Grant Date"), as a matter of separate inducement but not in lieu of any salary or other compensation for your services for the Company, an award (the "Award") consisting of the number of shares of restricted stock set forth set forth above (the "Restricted Shares"), on the terms and conditions set forth in this Agreement and the Plan. All of the Restricted Shares will be subject to the prohibition on the transfer of the Restricted Shares and the obligations to forfeit the Restricted Shares to the Company as set forth in Section 3 of this Agreement ("Forfeiture Restrictions").

2. Issuance of Shares; Ownership.

(a) Issuance of Shares. Effective as of the Grant Date, the Committee or its designated representative shall cause a number of Shares equal to the number of Restricted Shares to be issued and registered in the Employee's name, subject to the conditions and restrictions set forth in this Restricted Stock Award Agreement (this "Award Agreement") and the Plan. Such issuance and registration shall be evidenced by an entry on the registry books of the Company and, until the applicable Restricted Shares have vested, the Restricted Shares shall remain subject to the conditions and restrictions set forth in this Restricted Stock Award Agreement and the Plan (the "Transfer and Forfeiture Restrictions"). The Employee shall not be entitled to release of such Transfer and Forfeiture Restrictions for any portion of the Restricted Shares unless and until the related Restricted Shares have vested pursuant to Section 3 of this Award Agreement. In the event the Restricted Shares are forfeited in full or in part, the Employee hereby consents to the relinquishment of the forfeited Restricted Shares issued and registered in the Employee's name to the Company at that time.

(b) Ownership of Shares. Subject to the restrictions set forth in the Plan and this Agreement, the Participant shall possess all incidents of ownership of the shares of Restricted Stock, including, without limitation, (i) the right to vote such shares of Restricted Stock, and (ii) subject to Section 2(b), the right to receive dividends with respect to such shares of Restricted Stock of (but only to the extent declared and paid to holders of shares by the Company in its sole discretion), *provided, however*, that any such dividends shall be treated, to the extent required by applicable law, as additional compensation for tax purposes if paid on the shares Restricted Stock.

(c) Dividends. Any dividends with respect to the Restricted Stock (whether such dividends are paid in cash, stock or other property): (i) shall be subject to the same restrictions (including the risk of forfeiture) as the Restricted Stock with respect to which they are issued; (ii) shall herein be encompassed within the term "Restricted Stock"; (iii) may be held by the Company for the Participant prior to vesting; and (iv) if so held by the Company, shall be paid or otherwise released to the Participant, without interest, promptly after the vesting of the Restricted Stock with respect to which they were issued.

3. Vesting and Forfeiture of Restricted Shares

(a) Lapse of Forfeiture Restrictions. The Restricted Shares will vest and the Transfer and Forfeiture Restrictions will lapse on the date(s) provided in Vesting Schedule/Restricted Period set forth above; *provided, however*, that the Employee must be in continuous employment or service from the Grant Date through each applicable vesting date in order for the Restricted Shares to vest on such date.

(b) Death, Disability or Retirement. If the Employee's employment terminates due to his or her death, Disability or Retirement (defined as termination by the Employee of the Employee's employment relationship with the Company or any of its subsidiaries after 10 years of employment with the Company and attaining the age of 60), the Transfer and Forfeiture Restrictions on the Restricted Shares granted hereunder (unless previously terminated pursuant to paragraph (c) of this Section 3) will lapse pursuant to the following: (i) in the case of termination due to death or Disability, the Transfer and Forfeiture Restrictions will lapse with respect to 100% of the Restricted Shares immediately upon termination; or (ii) in the case of termination due to Retirement, for so long as Employee does not become employed by a "competitor" of the Company, the Transfer and Forfeiture Restrictions shall continue to lapse pursuant to paragraph (d) of this Section 3. A determination as to whether the Employee has become employed by a "competitor," and the definition of "competitor," shall be made by the Committee, in its sole discretion. In the event Employee becomes employed by a "competitor," then Employee's continuous, eligible service to the Company will be deemed to terminate on the date Employee is employed by a "competitor" and the provisions of Paragraph (d) of this Section 3 shall apply to determine whether any Forfeiture Restrictions have lapsed.

(c) Change in Control. If a Change in Control occurs during the term of this Agreement, the Transfer and Forfeiture Restrictions will lapse with respect to 100% of the Restricted Shares.

(d) Forfeiture of Restricted Shares. If the Employee terminates employment with the Company and its Subsidiaries prior to the date that the Transfer and Forfeiture Restrictions lapse (the "Restriction Lapse Date") for any reason other than the Employee's death or Disability, or if Employee (or Employee's estate) initiates a legal proceeding against the Company other than pursuant to the terms of paragraph (b) of Section 5, then the Employee (or the Employee's estate, as applicable) shall, for no consideration, forfeit any right to any unvested Restricted Shares subject to this Award. Notwithstanding the foregoing, the Committee or its designee may, in the Committee's or the designee's sole and absolute discretion, as applicable, provide for the acceleration of the vesting of the Restricted Shares, eliminate or make less restrictive any restrictions contained in this Agreement, waive any restriction or other provision of the Plan or this Agreement or otherwise amend or modify this Agreement in any manner that is either (i) not adverse to Employee, or (ii) consented to by Employee.

4. Effect of the Plan. The Restricted Shares awarded to Employee are subject to all of the terms and conditions of the Plan, which terms and conditions are incorporated herein for all purposes, and of this Agreement together with all rules and determinations from time to time issued by the Committee and by the Board pursuant to the Plan. The Company hereby reserves the right to amend, modify, restate, supplement or terminate the Plan without the consent of Employee, so long as such amendment, modification, restatement or supplement does not materially reduce the rights and benefits available to Employee hereunder, and this Award will be subject, without further action by the Company or Employee, to such amendment, modification, restatement or supplement unless provided otherwise therein. The Company further reserves the right to amend, modify, restate, supplement or terminate the Plan and this Agreement without the consent of Employee in order to comply with any applicable law, regulation, or Company policy, including any law, regulation, or policy that could require forfeiture of this Award or cancellation of any stock issued pursuant to this Award. Capitalized terms used but not defined in this Agreement have the meanings ascribed to such terms in the Plan.

5. Restrictions. Employee hereby accepts the Award of Restricted Shares and agrees with respect thereto as follows:

(a) No Transfer. The Restricted Shares shall not be sold, pledged, assigned, transferred, or encumbered prior to the time the Restricted Shares vest as described in Section 3.

(b) Mandatory Mediation and Arbitration Procedure. By execution of this Agreement and acceptance of this Award, which is a voluntary benefit provided to the Employee by the Company, the Employee waives the Employee's right to a jury trial in state or federal court and agrees that disputes arising under this Agreement must first be submitted for non-binding mediation before a neutral third party. If a dispute remains unresolved at the conclusion of the mediation process, either party may submit the dispute for resolution by final binding arbitration. The arbitrator shall have the authority to allow for appropriate discovery and exchange of information prior to a hearing, including (but not limited to) production of documents, information requests, depositions, and subpoenas. By execution of this Agreement, however, the Employee does not waive the Employee's right to any normally available remedies the Employee may have in connection with any claim the Employee may bring against the Company, as an arbitrator can award any normal remedies the Employee could get in a court proceeding. By execution of this Agreement, the Employee represents that, to the extent the Employee considered necessary, the Employee has sought, at the Employee's own expense, counsel regarding the terms of this Agreement and the waiver contemplated in this paragraph (b) of Section 5. If this arbitration provision is found inapplicable, then either party may file suit and each party agrees that any suit, action, or proceeding arising out of or relating to this Agreement shall be brought in the United States District Court for the Western District of Texas (or should such court lack jurisdiction to hear such action, suit or proceeding, in a Texas State court in Bexar County, Texas) and that the parties shall submit to the jurisdiction of such court. The parties irrevocably waive, to the fullest extent permitted by law, any objection a party may have to the laying of venue for any such suit, action or proceeding brought in such court. THE PARTIES ALSO EXPRESSLY WAIVE ANY RIGHT THEY HAVE OR MAY HAVE TO A JURY TRIAL OF ANY SUCH SUIT, ACTION OR PROCEEDING.

6. Tax Withholding. The Company may require Employee to pay to the Company an amount the Company deems appropriate to satisfy its current or future obligation to withhold federal, state or local income or other taxes that you incur as a result of the Award. With respect to any required tax withholding, you may (a) direct the Company to withhold from the shares of Stock to be issued to you under this Agreement shares to satisfy such withholding, which determination will be based on the shares' Fair Market Value at the time such determination is made; (b) deliver to the Company a number of Shares sufficient to satisfy such withholding, based on the shares' Fair Market Value at the time such determination is made; or (c) deliver cash to the Company sufficient to satisfy such withholding obligations. If you desire to elect to use the stock withholding option described in subparagraph (a), you must make the election at the time and in the manner the Company prescribes. The Company, in its discretion, may deny your request to satisfy tax withholding using a method described under subparagraph (a) or (b). In the event the Company determines that the aggregate Fair Market Value of the Shares withheld as payment of any tax withholding is insufficient to discharge its tax withholding obligation, then you must pay to the Company, in cash, the amount of that deficiency immediately upon the Company's request.

Employee acknowledges that the tax consequences associated with the Award are complex and that the Company has urged Employee to review with Employee's own tax advisors the federal, state, and local tax consequences of this Award. Employee is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Employee understands that Employee (and not the Company) shall be responsible for Employee's own tax liability that may arise as a result of this Agreement.

7. Section 83(b) Election. If the Employee makes an election under Section 83(b) of the Code to be taxed with respect to the Restricted Shares as of the date of transfer of the Restricted Shares rather than as of the date or dates upon which the Participant would otherwise be taxable under Section 83(a) of the Code, the Employee hereby agrees to deliver a copy of such election to the Company promptly after filing such election with the Internal Revenue Service.

8. Sale of Securities. Any Restricted Shares awarded hereunder may not be sold or otherwise disposed of in any manner that would constitute a violation of any applicable federal or state securities laws or any provisions of the Company's Insider Trading Policy. You agree that (a) the Company may refuse to cause the transfer of such shares to be registered on the stock register of the Company if such proposed transfer would in the opinion of counsel satisfactory to the Company constitute a violation of any applicable federal or state securities law and (b) the Company may give related instructions to the transfer agent, if any, to stop registration of the transfer of such shares.

9. Governing Law. The laws of the State of Texas shall govern the interpretation, validity and performance of the terms of this Agreement regardless of the law that might be applied under principles of conflict of laws.

10. Authorization to Release Necessary Personal Information.

The Employee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Employee's personal data as described in this Agreement and any other Award grant materials ("Data") by and among, as applicable, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Employee's participation in the Plan.

The Employee understands that the Company may hold certain personal information about the Employee, including, but not limited to, the Employee's name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Shares or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Employee's favor, for the exclusive purpose of implementing, administering and managing the Plan.

11. Community Interest of Spouse. The community interest, if any, of any spouse of Employee in any of the Restricted Shares shall be subject to all of the terms, conditions and restrictions of this Agreement and the Plan, and shall be forfeited and surrendered to the Company upon the occurrence of any of the events requiring Employee's interest in such Restricted Shares to be so forfeited and surrendered pursuant to this Agreement. Accordingly, if the Participant is married, his or her spouse has signed the Consent of Spouse attached to this Grant Notice as Exhibit A.

12. Compliance.

(a) Conformity to Securities Laws. The Employee acknowledges that the Plan and this Agreement are intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and State securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Award is granted only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

(b) Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, if the Employee is subject to Section 16 of the Exchange Act, the Plan and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

13. Clawback. By your signature below, you hereby acknowledge and agree that (a) the Restricted Shares shall be subject to the clawback provisions contained in Section 14.13 of the Plan, and (b) you have received a copy of, read, understand and accept the terms of the Company's Clawback Policy dated February 16, 2021.

14. Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Employee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an online or electronic system established and maintained by the Company or a third party designated by the Company.

15. Binding Effect. This Agreement shall be binding upon and inure to the benefit of any successors to the Company and all persons lawfully claiming under Employee.

{Signature Page Follows}

EMPLOYEE ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT OR THE PLAN CONFERS UPON EMPLOYEE ANY RIGHT WITH RESPECT TO FUTURE AWARDS OR CONTINUATION OF EMPLOYEE'S SERVICE TO THE COMPANY. Employee acknowledges receipt of a copy of the Plan, represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Award subject to all of the terms and provisions hereof and thereof. Employee has reviewed this Agreement and the Plan in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands all provisions of this Agreement and the Plan.

RUSH ENTERPRISES, INC.

EMPLOYEE

By: _____
Print Name: W.M. "Rusty" Rush
Title: Chief Executive Officer and President
Address: 555 IH 35 South, Suite 500
New Braunfels, Texas 78130

By: _____
Print Name: _____
Address: _____

Date: _____, 20__

EXHIBIT A

CONSENT OF SPOUSE

I, _____, spouse or domestic partner of _____, have read and approve the attached Restricted Stock Award Agreement (the "Agreement"). In consideration of issuing to my spouse the Restricted Shares set forth in the Agreement, I hereby appoint my spouse as my attorney-in-fact in respect to the exercise of any rights under the Agreement and agree to be bound by the provisions of the Agreement insofar as I may have any rights in said Agreement or any of the Restricted Shares issued pursuant thereto under the community property laws or similar laws relating to marital property in effect in the state of our residence as of the date of the signing of the foregoing Agreement.

Dated:

Signature of Spouse