

HEARTLAND EXPRESS INC
Form DEF 14A
March 23, 2012

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

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

Filed by Registrant (X)
Filed by a party other than the Registrant ()

Check the Appropriate Box:

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

HEARTLAND EXPRESS, INC.
(Name of Registrant as Specified in its Charter)

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

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(4) Date Filed:

N/A

HEARTLAND EXPRESS, INC.
901 North Kansas Avenue
North Liberty, Iowa 52317

NOTICE AND PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON MAY 10, 2012

Dear Fellow Stockholders:

The 2012 Annual Meeting of Stockholders (the "Annual Meeting") of Heartland Express, Inc., a Nevada corporation (the "Company"), will be held at The Holiday Inn & Conference Center, 1220 First Avenue, Coralville, Iowa, 52241, at 8:00 a.m. local time, on Thursday, May 10, 2012, for the following purposes:

1. To consider and act upon a proposal to elect six (6) directors of the Company;
2. Ratify the appointment of KPMG LLP as Heartland Express, Inc.'s independent registered public accounting firm for the fiscal year ending December 31, 2012.
3. To consider and act upon such other matters as may properly come before the Annual Meeting and any adjournment thereof.

The foregoing matters are more fully described in the accompanying Proxy Statement.

The Board of Directors has fixed the close of business on March 14, 2012, as the record date for the determination of stockholders entitled to receive notice of, to attend, and to vote at the Annual Meeting or any adjournment thereof. Shares of common stock may be voted at the Annual Meeting only if the holder is present at the Annual Meeting in person or by valid proxy. YOUR VOTE IS IMPORTANT. TO ENSURE YOUR REPRESENTATION AT THE ANNUAL MEETING, YOU ARE REQUESTED TO PROMPTLY DATE, SIGN, AND RETURN THE ACCOMPANYING PROXY IN THE ENCLOSED ENVELOPE. You may also vote on the Internet by completing the electronic voting instruction form found at www.proxyvote.com or by telephone using a touch-tone telephone and calling 1-800-690-6903. Returning your proxy now will not interfere with your right to attend the Annual Meeting or to vote your shares personally at the Annual Meeting, if you wish to do so. The prompt return of your proxy may save the Company additional expenses of solicitation.

To obtain directions to the Annual Meeting, please call Thomas E. Hill at (319) 626-3600.

By Order of the Board of Directors,
/s/ Michael J. Gerdin
Michael J. Gerdin
Chairman of the Board
North Liberty, Iowa 52317
March 23, 2012

HEARTLAND EXPRESS, INC.
901 North Kansas Avenue
North Liberty, Iowa 52317

PROXY STATEMENT
FOR ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 10, 2012

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation of proxies from the stockholders of Heartland Express, Inc., a Nevada corporation ("Heartland Express," the "Company," "we," or "us"), to be voted at the 2012 Annual Meeting of Stockholders of the Company (the "Annual Meeting"), which will be held at The Holiday Inn Conference Center, 1220 First Avenue, Coralville, Iowa 52241, on Thursday, May 10, 2012, at 8:00 a.m. local time, and any adjournment thereof. **THE ENCLOSED PROXY IS SOLICITED BY OUR BOARD OF DIRECTORS.** All costs of the solicitation will be borne by the Company. The approximate date of mailing this Proxy Statement and the enclosed form of proxy is March 23, 2012.

This year, we are using the Securities and Exchange Commission's Notice and Access model ("Notice and Access") that allows us to deliver proxy materials via the Internet. We believe Notice and Access provides stockholders with a convenient method to access the proxy materials and vote, while allowing us to conserve natural resources and reduce the costs of printing and distributing the proxy materials. A notice of Internet Availability of Proxy Materials (the "Internet Notice") was first mailed on or about March 23, 2012, to stockholders of record at the close of business on March 14, 2012 (the "Record Date"). The Internet Notice will instruct you as to how you may access and review the proxy materials. The Proxy Statement, the proxy card, and our annual report for the year ended December 31, 2011 ("Annual Report") are first being made available to shareholders on or about March 23, 2012.

How to Read this Proxy Statement

This Proxy Statement contains the proposals to be considered by stockholders at the Annual Meeting, as well as important information concerning, among other things: our management and our Board of Directors; executive compensation; transactions between us and our officers, directors, and affiliates; the stock ownership of management and other large stockholders; the services provided to us by and fees of our independent registered public accounting firm; and instructions for stockholders who want to make proposals at the 2013 Annual Meeting of Stockholders. Each stockholder should read this information before completing and returning the enclosed proxy card.

PROXY STATEMENT

Why am I receiving this proxy statement?

The Company's Board of Directors (the "Board") has made available to you the Notice of Annual Meeting, this Proxy Statement, our Annual Report, proxy card, and voter instruction card (collectively, "Proxy Solicitation Materials") either on the Internet or by mail in connection with the Heartland Express, Inc. 2012 Annual Meeting of Stockholders. You are receiving this Proxy Statement because you owned shares of Heartland Express common stock at the close of business on March 14, 2012, and that entitles you to vote at the Annual Meeting. By use of a proxy, you can vote whether or not you attend the Annual Meeting. This Proxy Statement describes the matters on which we would like you to vote and provides information on those matters so that you can make an informed decision.

What is Notice & Access and why did Heartland Express elect to use it?

We make the Proxy Solicitation Materials available to stockholders electronically via the Internet under the Notice and Access regulations of the Securities and Exchange Commission (the "SEC").

Most of our stockholders have received a Notice of Electronic Availability ("Notice") in lieu of receiving a full set of Proxy Solicitation Materials in the mail. This Notice includes information on how to access and review the Proxy Solicitation Materials, and how to vote, via the Internet. We believe this method of delivery will decrease costs, expedite distribution of Proxy Solicitation Materials to you, and reduce our environmental impact.

Stockholders who received a Notice but would like to receive a printed copy of the Proxy Solicitation Materials in the mail should follow the instructions in the Notice for requesting such materials.

What will I be voting on?

Election of directors

Ratification of the independent registered public accounting firm for 2012

How do I vote?

You can vote either in person at the Annual Meeting or by proxy without attending the meeting. We urge you to vote by proxy even if you plan to attend the Annual Meeting so that we will know as soon as possible that enough votes will be present for us to hold the meeting. If you attend the meeting in person, you may vote at the meeting and your proxy will not be counted.

To vote your shares, follow the instructions in the Notice, voting instruction form, or the enclosed proxy card.

Telephone and Internet voting is available to all registered and most beneficial holders.

Stockholders voting by proxy may use one of the following three options:

- fill out the enclosed voter instruction form or proxy card, sign it, and mail it in the enclosed postage-paid envelope;
- vote by Internet (if available, instructions are on the voter instruction form, proxy card, or Notice); or
- vote by telephone (if available, instructions are on the voter instruction form, proxy card, or Notice).

If you hold your shares in "street name," please refer to the information forwarded by your bank, broker, or other holder of record to see the options available to you.

The telephone and Internet voting facilities for stockholders will close at 11:59 p.m. Eastern Standard Time on May 9, 2012. If you vote over the Internet, you may incur costs, such as telephone and Internet access charges, for which you will be responsible. The telephone and Internet voting procedures are designed to authenticate stockholders and to allow you to confirm that your instructions have been properly recorded.

Can I change my proxy vote?

Yes. At any time before your shares are voted by proxy, you may change your vote by:

- revoking it by written notice to Thomas E. Hill, our Secretary, at the address on the cover of this Proxy Statement;
- delivering a later-dated proxy (including a telephone or Internet vote); or
- voting in person at the meeting.

If you hold your shares in "street name," please refer to the information forwarded by your bank, broker, or other holder of record for procedures on revoking or changing your proxy.

How many votes do I have?

You will have one vote for each share of Heartland Express common stock that you owned at the close of business on March 14, 2012.

How many shares are entitled to vote?

There are 86,474,350 shares of Heartland Express common stock outstanding and 351,000 shares granted under the Heartland Express, Inc. 2011 Restricted Stock Award Plan as of the Record Date that are entitled to vote at the meeting. Each share is entitled to one vote. The Company has no other class of stock outstanding. There is no cumulative voting.

How many votes must be present to hold the meeting?

In order to transact business at the Annual Meeting, a quorum must be present. A quorum is present if forty percent (40%) of the issued and outstanding shares of Common Stock as of the Record Date are represented at the Annual Meeting in person or by proxy. Shares that are entitled to vote but that are not voted at the direction of the holder (called "abstentions") and shares that are not voted by a broker or other record holder due to the absence of instructions from the beneficial owner (called "broker non-votes") will be counted for the purpose of determining whether a quorum is present.

How many votes are needed for the proposals to pass and how are votes tabulated?

The election of directors (Proposal 1) requires a plurality of the votes cast. The ratification of our independent registered public accounting firm for 2012 (Proposal 2) will require the affirmative vote of a majority of the votes cast at the meeting. For purposes of determining the number of votes cast with respect to a particular matter, only those cast "For" or "Against" are included. If no direction is specified by the Stockholder, the proxy will be voted "For" proposals

specified in this Proxy Statement, and at the

3

discretion of the proxy holders, upon such other matters as may properly come before the meeting or any adjournment thereof. Proxies marked "Abstain" and broker non-votes are counted only for purposes of determining whether a quorum is present at the meeting.

A vote to "abstain" on the election of directors will have no effect on the outcome. A vote to "abstain" on the other proposal will also have no effect on the outcome.

If you vote "abstain," your shares will be counted as present for purposes of determining whether enough votes are present to hold the Annual Meeting.

Votes cast at the Annual Meeting will be tabulated by the Inspector of Elections and the results of all items voted upon will be announced at the Annual Meeting.

What if I don't return my proxy card and don't attend the Annual Meeting?

If you are a holder of record (that is, your shares are registered in your own name with our transfer agent) and you do not vote your shares, your shares will not be voted.

If you hold your shares in "street name," and you do not give your bank, broker, or other holder of record specific voting instructions for your shares, your record holder can vote your shares on the ratification of the independent registered public accounting firm. However, your record holder cannot vote your shares without your specific instructions on the election of directors.

For the aforementioned proposals on which a broker cannot vote without your instruction, if you do not provide voting instructions to your broker, the votes will be considered "broker non-votes" and will not be counted in determining the outcome of the vote. "Broker non-votes" will be counted as present for purposes of determining whether enough votes are present to hold the Annual Meeting.

What happens if a nominee for director declines or is unable to accept election?

If you vote by proxy, and if unforeseen circumstances make it necessary for the Board to substitute another person for a nominee, we will vote your shares for that other person.

ANNUAL REPORT

Will I receive a copy of Heartland Express's Annual Report?

The information included in this Proxy Statement should be reviewed in conjunction with the Consolidated Financial Statements, Notes to Consolidated Financial Statements, Reports of our Independent Registered Public Accounting Firm, and other information included in our 2011 Annual Report to Stockholders that was made available on or about March 23, 2012, together with this Notice of Annual Meeting and Proxy Statement, to all shareholders of record as of the Record Date. A copy of our Annual Report is available free of charge on the "Investors" section of our corporate website at <http://www.heartlandexpress.com>. The information on our website (www.heartlandexpress.com) and Annual Report are not, and shall not be deemed to be, a part of this Proxy Statement nor, by reference or otherwise, incorporated into any other filings we make with the SEC.

Copies of the Company's 2011 Annual Report on Form 10-K to the SEC, including financial statements and financial statement schedule, are available through the Company's internet website, www.heartlandexpress.com, in the "Investors" section or through the SEC's website at www.sec.gov. This information may also be obtained without charge from the Company. Such report is not incorporated in this Proxy Statement and is not to be considered a part of the proxy solicitation material.

PROPOSAL 1

ELECTION OF DIRECTORS

At the Annual Meeting, the Stockholders will elect six (6) directors to serve as the Board of Directors until the 2013 Annual Meeting of Stockholders or until their successors are duly elected and qualified. The Company currently has six directors: Michael J. Gerdin, Richard O. Jacobson, Dr. Benjamin J. Allen, Lawrence D. Crouse, James G. Pratt and Dr. Tahira K. Hira. In the absence of contrary instructions, each proxy will be voted for the election of each of the existing directors.

Information Concerning Directors and Executive Officers

Information concerning the names, ages, positions with the Company, tenure as a director, and business experience of the Company's current directors and other executive officers is set forth below. All references to experience with the Company include positions with the Company's operating subsidiaries. The Board of Directors elects all executive officers annually.

NAME	AGE	POSITION	DIRECTOR SINCE
Michael J. Gerdin	42	Chairman of the Board, Chief Executive Officer, President and Director	1996
Richard O. Jacobson	75	Director	1994
Dr. Benjamin J. Allen	65	Director	1995
Lawrence D. Crouse	71	Director	1999
James G. Pratt	63	Director	2006
Dr. Tahira K. Hira	68	Director	2011
John P. Cosaert	64	Executive Vice President of Finance and Treasurer	N/A
Richard L. Meehan	66	Executive Vice President of Marketing and Operations	N/A
Thomas E. Hill	58	Vice President, Controller, and Secretary	N/A
Dennis J. Wilkinson	63	Vice President of Operations	N/A

Michael J. Gerdin has served as Chief Executive Officer, Chairman of the Board, and President of the Company since September 2011, President since May of 2006, and as a director since 1996. Mr. Michael Gerdin served as the Company's Vice President of Regional Operations from January 2001 until May 2006. In addition he previously served as President of A & M Express, Inc., a wholly-owned subsidiary of the Company, from September 1998 through December 2000. From July 1997 to September 1998, Mr. Michael Gerdin coordinated the operations departments of Heartland Express and A & M Express. From 1983 until July 1997, Mr. Michael Gerdin held a variety of positions within the Company, including positions in the operations, sales, safety, maintenance and driver recruiting departments. The selection of Mr. Michael Gerdin was based upon, among other things, his many years of industry experience and expertise and demonstrated exemplary leadership in all roles in which he has served as an employee and director of the Company. Michael J. Gerdin is the son of the late Russell A. Gerdin the founder and prior Chief Executive Officer and Chairman of the Board of the Company.

Richard O. Jacobson has served as a director since 1994 and is Chairman of the Nominating Committee and a member of the Audit and Compensation Committees. Mr. Jacobson served as Chairman from October 1998 to June 2007, and served as President and Chief Executive Officer from 1968 to October 1998, of Jacobson Warehouse Company, Inc. and Jacobson Transportation Company, Inc., in Des Moines, Iowa. Mr. Jacobson previously served as a director for Atrion Corporation and FelCor Lodging Trust, Inc. He has gained a strong knowledge of the trucking industry through his experience as Chairman of the Board of Jacobson Transportation Company and from serving as a director of the Company for the past 17 years. The Board has concluded that Mr. Jacobson is qualified and should serve as a director

based on his broad array of successful business experience, specifically within the transportation industry, and demonstrated dedicated leadership.

Dr. Benjamin J. Allen has served as a director since 1995 and is Chairman of the Compensation Committee and a member of the Audit and Nominating Committees. Dr. Allen is currently the President of the University of Northern Iowa, a position he assumed in June of 2006. Dr. Allen was the Vice President for Academic Affairs and Provost at Iowa State University in Ames, Iowa from 2002 through May 2006. He also served as a Distinguished Professor in Business at Iowa State University, a position to which he was originally appointed in 1988. In addition, Dr. Allen served as Dean of the College of Business at Iowa State University from 1994 to 2001 and as the Interim Vice President for External Affairs of Iowa State University in 2001 and 2002. Dr. Allen was a Brookings Economics Fellow in the Office of Transportation Regulatory Policy of the United States Department of

Transportation from 1976 to 1977. Dr. Allen served as Chair of the Committee for the Study of Freight Capacity for the Next Century for the National Academy of Sciences in 2001 and 2002. Dr. Allen's qualifications to serve on the Board include his extensive knowledge of the transportation industry through his experiences as a Brookings Economics Fellow and work with the Committee for the Study of Freight Capacity for the Next Century. In addition, he has gained a thorough understanding of the Company as a director for the past 16 years. His experiences in leadership roles at two of Iowa's major universities are highly valuable in the performance of his duties on board committees.

Lawrence D. Crouse has served as a director from 1986 to 1991 and from 1999 to present. Mr. Crouse is a member of the Audit, Compensation, and Nominating Committees. He served as the Chairman of the Audit Committee until August 2006. Mr. Crouse is a business consultant and the President of Oak Creek Ranch, LLC, a real estate holding company with operations in several states. Mr. Crouse served as Chairman and CEO of Crouse Cartage Company, a regional, less-than-truckload carrier based in Carroll, Iowa, from 1987 to December 1996 and as its Vice Chairman from January 1997 to May 1998. Crouse Cartage was a subsidiary of Transfinancial Holdings, Inc., a publicly traded company. Mr. Crouse served as Vice President and a director of Transfinancial Holdings, Inc. from 1991 until May 1998. He is the voting trustee of shares held by Gerdin Family Investments, a Gerdin family owned partnership, trustee of three trusts for the benefit of children of Ann Gerdin and the late Russell Gerdin, and co-trustee of ten trusts for the benefit of the Gerdins' grandchildren. The selection of Mr. Crouse was based upon his over 40 years of experience in the trucking industry in leadership roles as an owner, executive officer, and director. In addition, he has made significant contributions through his strong knowledge and substantial experience in financial matters. Mr. Crouse has served on the Company's board for 17 years including a term as the Chair of the Audit Committee, and has demonstrated a commitment to good corporate governance.

James G. Pratt has served as a director since June 2006 and is Chairman of the Audit Committee and is a member of the Compensation and Nominating Committees. Mr. Pratt is a Senior Vice President and Chief Financial Officer of Hills Bank and Trust Company in Hills, Iowa, positions he has held since 1986. In addition, he has served as the Treasurer of Hills Bancorporation, an SEC reporting one-bank holding company with over \$2 billion in assets, since 1983 and Secretary of Hills Bancorporation since 2004. Mr. Pratt is an inactive holder of the certified public accountant certification. Before joining Hills Bank and Trust Company in 1982 he was employed by Ernst & Ernst, now Ernst & Young, and McGladrey & Pullen, now RSM McGladrey. Mr. Pratt brings to our Board extensive knowledge of finance, as well as significant experience in the oversight of the operations of a successful and disciplined banking enterprise. He makes a highly valuable contribution to the oversight of risk management and financial matters. Mr. Pratt has made significant contributions to the Audit Committee in his leadership role as its Chair.

Dr. Tahira K. Hira has served as a director since her election to the Board of Directors in October 2011 and is a member of the Audit, Compensation, and Nominating Committees. Dr. Hira is currently Executive Assistant to the President at Iowa State University and a Professor of Personal Finance and Consumer Economics. Dr. Hira is internationally known as a leader in the field of Personal Finance and Consumer Economics. Dr. Hira has served as the Associate Vice Provost for ISU Extension and has taught and conducted research in family financial management, investing, consumer credit, gambling and consumer bankruptcy in the United States and abroad. Dr. Hira received B.A. and M.A. degrees in Economics from Punjab University, Pakistan, and an M.S. in Agricultural Economics in 1973, and a Ph.D. in 1976 in Family and Consumer Economics from the University of Missouri-Columbia. Dr. Hira has been employed by Iowa State University since 1980. Dr. Hira's qualifications to serve on our Board include her extensive professional experience in the fields of financial literacy, consumer bankruptcy, investment behavior, and financial planning. In addition, Dr. Hira has served on numerous national committees and boards in her field of personal finance and consumer economics including membership to President George W. Bush's Advisory Council on Financial Literacy, and chair of NYSE's Advisory Committee on Financial Literacy.

John P. Cosaert has served as the Company's Executive Vice President of Finance since April 1996. From 1986 to April 1996 he served as Vice President of Finance and Treasurer of the Company.

Richard L. Meehan has served as the Company's Executive Vice President of Marketing and Operations since April 1996. From 1986 to April 1996 he served as Vice President of Marketing of the Company.

Thomas E. Hill has served as the Company's Vice President and Controller since April 1996 and as the Company's Secretary since May 2006. Mr. Hill has served in the Company's accounting department since June 1983.

Dennis J. Wilkinson has served as the Company's Vice President of Operations since April 1990. Prior to joining the Company in 1990, Mr. Wilkinson had 23 years of experience with multiple companies in the transportation industry.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE NOMINEES FOR DIRECTOR PRESENTED IN PROPOSAL 1.

CORPORATE GOVERNANCE AND THE BOARD OF DIRECTORS

Meetings and Director Compensation

The Board of Directors of the Company meets on a regularly scheduled basis. The Board of Directors held a total of four meetings during the last fiscal year, all of which were regularly scheduled meetings. Each of the directors attended 75% or more of the meetings of the Board of Directors and the meetings held by all of the committees of the Board with the exception of the late Mr. Russell Gerdin. Mr. Russell Gerdin did not attend Board of Director meetings while he was on a leave of absence for health reasons during 2011. The Company has no formal policy regarding attendance by its directors at annual stockholders meetings. All directors, at the time of the meetings, have historically attended those meetings, and all directors with the exception of Mr. Russell Gerdin were present at the 2011 annual meeting of stockholders.

Independent Directors

Of the six members currently serving on the Board of Directors, the Board has determined that Lawrence D. Crouse, Richard O. Jacobson, Dr. Benjamin J. Allen, James G. Pratt, and Dr. Tahira K. Hira are "independent directors" as defined in the applicable NASDAQ Stock Market ("NASDAQ") listing standards and also meet the additional independence standards and other requirements for audit committee membership set forth by NASDAQ and SEC rules. The independent directors met twice in executive sessions during 2011.

Board Leadership Structure

Mr. Michael Gerdin serves as the Company's Chief Executive Officer and Chairman of the Board. Mr. Gerdin fulfilled the duties of Chief Executive Officer and Chairman of the Board for the majority of 2011 while the former Chief Executive Officer and Chairman of the Board, Mr. Russell Gerdin was on a medical leave of absence. Mr. Russell Gerdin retired from the Company in September 2011 and Mr. Michael Gerdin was appointed to Chief Executive Officer and Chairman in September 2011. Prior to becoming the Company's Chief Executive Officer and Chairman of the Board in September 2011, Mr. Michael Gerdin was the Company's President a position he has held since May 2006 and director since 1996. Mr. Michael Gerdin is the direct link between senior management and the Board and provides critical insight and perception to the Board, as well as feedback to senior management, based on his substantial experience in the industry. Mr. Michael Gerdin is involved in the day-to-day operations of the Company and has provided consistent leadership of the Company's key strategic objectives in his past and current positions. Historically, the Board has believed that given the size of the Company, the combination of the Chief Executive Officer and Chairman of the Board positions was the most appropriate and suitable structure for proper and efficient Board functioning and communication. Given Mr. Michael Gerdin's history with the Company, involvement with the Board, industry knowledge, and involvement with the day-to-day operations, the Board continues to believe the current combination of roles described above continues to be the most suitable and most efficient structure for the Company.

The Board has not formally appointed a lead independent director to reside over meetings of the Board. As the independent directors meet, a director is appointed to preside over those meetings at the time of the respective meeting.

Risk Oversight

Our Board of Directors oversees an enterprise-wide approach to risk management, designed to support the achievement of organizational objectives, including strategic objectives, to improve long-term organizational

performance and enhance shareholder value. A fundamental part of risk management is not only understanding the risks the Company faces and what steps management is taking to manage those risks, but also understanding what level of risk is appropriate for the Company. The involvement of the full Board of Directors in setting the Company's business strategy is a key part of its assessment of management's appetite for risk and also a determination of what constitutes an appropriate level of risk for the Company. While the Board of Directors has the ultimate oversight responsibility for the risk management process, various committees of the Board also have responsibility for risk management. In particular, the Audit Committee focuses on financial risk, including internal controls, and receives an annual risk assessment report from the Company's independent registered public accounting firm. The Board of Directors is focused on the Company's corporate governance practices and values independent board oversight as an essential component of strong corporate performance to enhance shareholder value. All of the members of the Board's Audit, Compensation, and Nominating Committees are independent. The Company recognizes that different board leadership structures may be appropriate for companies in different situations. The Company will continue to re-examine our corporate governance policies and leadership structures on an ongoing basis to ensure that they continue to meet the Company's needs.

The Company has determined that it is not reasonably likely that its compensation policies for all employees would have a material

adverse effect on the Company.

Committees of the Board and Other Corporate Governance Matters

The Board of Directors has a standing Audit Committee, Compensation Committee, and Nominating Committee. All three committees are composed of independent directors.

Audit Committee. The Audit Committee presently consists of James G. Pratt (Chairman), Lawrence D. Crouse, Dr. Benjamin J. Allen, Richard O. Jacobson, and Dr. Tahira K. Hira, all of which satisfy the independence and audit committee membership criteria of the NASDAQ. The Board has determined that James G. Pratt qualifies as an “audit committee financial expert,” as defined by the SEC and NASDAQ rules. The Audit Committee's primary duties include maintaining communication between the Board of Directors, the Company's independent registered public accounting firm and the Company's executive officers and accounting personnel with respect to the Company's financial affairs in general, including financial statements and audits, the adequacy and effectiveness of the internal accounting controls and systems and the retention and termination of the independent registered public accounting firm. The Audit Committee also reviews quarterly financial and operating results of the Company, through meetings and conference calls, with the Company's management, independent registered public accounting firm, and, when appropriate, the securities counsel for the Company. The Board has adopted a charter for the Audit Committee, which sets forth the purpose and responsibilities of the Audit Committee in greater detail. A copy of the charter is available on the Company's website at www.heartlandexpress.com. The Audit Committee met six times during fiscal year 2011.

Compensation Committee. The Compensation Committee presently consists of independent directors Dr. Benjamin J. Allen (Chairman), Richard O. Jacobson, James G. Pratt, Lawrence D. Crouse, and Dr. Tahira K. Hira. The primary responsibilities of the Compensation Committee are to review the compensation policies of the Company and to periodically make salary recommendations to the Board of Directors for all elected officers. The Board has adopted a charter for the Compensation Committee, which sets forth the purpose and responsibilities of the Compensation Committee in greater detail. A copy of the charter is available on the Company's website at www.heartlandexpress.com. The Compensation Committee met two times during fiscal year 2011. A description of the functions of the Compensation Committee is included in “Compensation Discussion and Analysis - Overview”.

Nominating Committee. The Nominating Committee presently consists of independent directors Richard O. Jacobson (Chairman), Lawrence D. Crouse, James G. Pratt, Dr. Benjamin J. Allen, and Dr. Tahira K. Hira. The Nominating Committee met two times during fiscal year 2011. The primary responsibilities of the Nominating Committee are to identify and recommend to the Board for nomination individuals qualified to serve as directors. The Nominating Committee will consider recommendations from many sources, including stockholders, regarding possible director candidates. Guidelines regarding the qualifications of candidates for directors, including stockholder proposed candidates, insofar as they apply to non-employees, generally favor individuals who have managed relatively large, complex business, educational, or other organizations or who, in a professional or business capacity, are accustomed to dealing with complex business or financial problems. In addition to these guidelines, the Committee will also evaluate whether the candidate's skills are complementary to the existing Board members' skills, and the Board's needs for operational, management, financial, and other expertise. With regard to specific qualities and skills, the Nominating Committee believes it is necessary that: (i) at least a majority of the members of the Board of Directors qualify as independent under NASDAQ Rules; (ii) at least three members of the Board of Directors satisfy the additional independence and other requirements for audit committee membership; and (iii) at least one member of the Board of Directors eligible to serve on the Audit Committee has sufficient knowledge, experience, and training concerning accounting and financial matters so as to qualify as an “audit committee financial expert” within the meaning of applicable SEC and NASDAQ rules.

The Board has adopted a charter for the Nominating Committee, which sets forth the purpose and responsibilities of the Nominating Committee in greater detail. A copy of the charter is available on the Company's website at www.heartlandexpress.com.

The Nominating Committee recommends that the Board of Directors nominate the six directors named in this Proxy Statement for re-election at the Annual Meeting.

It is generally the policy of the Nominating Committee to consider stockholder recommendations of proposed director nominees if such recommendations are serious and timely received. Such recommendations should be submitted to the Secretary of the Company at 901 North Kansas Avenue, North Liberty, Iowa 52317, for consideration by the Nominating Committee at least 120 days prior to the first anniversary of the date of the proxy statement for the prior year's Annual Meeting, November 23, 2012, for director candidates to be considered for nomination for election at the 2013 Annual Meeting. In addition, any stockholder director nominee recommendation must include the following information:

- the proposed nominee's name and qualifications and the reason for such recommendation;
- the name and record address of the stockholder(s) proposing such nominee;
- the number of shares of our common stock that are beneficially owned by such stockholder(s); and
- a description of any financial or other relationship between the stockholder(s) and such nominee or between the nominee and the Company including any of the Company's subsidiaries.

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

Board Diversity. We do not have a formal policy regarding diversity in identifying nominees for directorship. We consider the Board to be diverse in terms of business experience, knowledge, and abilities.

Stockholder Communications. Stockholders may send communications to any director in writing by sending them to the director in care of the Secretary of Heartland Express at 901 North Kansas Avenue, North Liberty, Iowa 52317. The Secretary will forward all such written communications to the director to whom it is addressed.

Code of Ethics. The Board of Directors has adopted a Code of Business Conduct and Ethics for all employees and directors of the Company, and a Code of Ethics for Senior Financial Officers, as recommended by the Audit Committee. Such code constitutes a "code of ethics" within the meaning of Item 406(b) of Regulation S-K. Copies of the codes are available on the Company's website at www.heartlandexpress.com.

Compensation Committee Interlocks and Insider Participation

In 2011, our Compensation Committee was comprised of Richard O. Jacobson, Dr. Benjamin J. Allen, Lawrence D. Crouse, James G. Pratt and Dr. Tahira K. Hira (since October 2011). No member of the Compensation Committee is or has been an officer or employee of the Company, or has or had any relationship with the Company requiring disclosure under Item 404 of SEC Regulation S-K. During 2011, none of our executive officers served as a member of the board of directors or compensation committee (or other committee performing equivalent functions) of any entity that had one or more executive officers serving as a member of our Board of Directors.

All compensation decisions affecting the executive officers of the Company are made by the Compensation Committee of the Board of Directors. The Committee deliberates and votes upon the compensation to be paid to each of the five executive officers. The Committee receives recommendations from the Company's Chief Executive Officer regarding the compensation of executive officers (other than the Chief Executive Officer).

Compensation Committee Report

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

The Report of the Compensation Committee shall not be deemed to be incorporated by reference into any filing made by us under the Securities Act of 1933 or the Exchange Act, notwithstanding any general statement contained in any such filings incorporating this Proxy Statement by reference, except to the extent we incorporate such report by specific reference.

Report of the Compensation Committee

We have reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on that review and discussion, we have recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

By the Members of the Compensation Committee:

Dr. Benjamin J. Allen (Chairman)

Lawrence D. Crouse

Richard O. Jacobson

James G. Pratt

Dr. Tahira K. Hira

Compensation Discussion and Analysis

Overview

The Compensation Committee assists the Board of Directors in its responsibilities relating to executive compensation and in fulfilling its responsibilities relating to our compensation and benefit programs and policies. The Compensation Committee may make recommendations with respect to our compensation plans and reviews and approves the compensation of executive officers. The Compensation Committee currently consists of five directors, all of whom are independent under applicable NASDAQ and SEC rules. The Compensation Committee receives recommendations from our Chief Executive Officer regarding the compensation of executive officers (other than the Chief Executive Officer).

Compensation Philosophy and Objectives

Our executive compensation policies are designed to achieve four primary objectives:

- attract and retain well-qualified executives who will lead us and inspire superior performance;
- provide incentives for achievement of corporate goals and individual performance;
- provide incentives for achievement of long-term stockholder return; and
- align the interests of management with those of the stockholders to encourage continuing increases in stockholder value.

Elements of Compensation

The components of compensation are intended to accomplish one or more of the compensation objectives discussed above. The Company has traditionally relied on base salaries as the primary source of compensation. Salaries and wages paid are very competitive in comparison to industry standards and the local business environment. Bonus incentives and equity-based incentives have been utilized periodically and are discretionary. The payment of such elements is based upon the economic environment and the operating results of the organization. The Company generally does not implement compensation elements for executive officers and all other employees that would create incentives to take undue risks. The Company has traditionally hired self-motivated employees who are driven by the successes and achievements of the organization.

Base Salary and Benefits. To attract and retain officers with exceptional abilities and talent, annual base salaries are set to provide competitive levels of compensation. The Compensation Committee considers each officer's

performance, current compensation, and responsibilities within our Company. The Compensation Committee does not formally benchmark salary or total executive compensation against the executive compensation of any other company or group of companies. From time to time, the Compensation Committee has considered the form and level of compensation disclosed by other publicly traded truckload carriers, cer