OLD DOMINION FREIGHT LINE INC/VA
Form DEF 14A
April 16, 2018

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

SCHEDULE 14A
(Rule 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

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

Filed by the Registrant ý
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))
ý Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

OLD DOMINION FREIGHT LINE, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):
ý No fee required.
¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

OLD DOMINION FREIGHT LINE, INC.

500 Old Dominion Way
Thomasville, North Carolina 27360

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The Annual Meeting of Shareholders of Old Dominion Freight Line, Inc. will be held Wednesday, May 16, 2018, at 10:00 a.m. Eastern Daylight Time, at our principal executive offices, 500 Old Dominion Way, Thomasville, North Carolina 27360, for the following purposes:

1. To elect eleven directors to our Board of Directors for one-year terms and until their respective successors have been elected and qualified or until their death, resignation, removal or disqualification or until there is a decrease in the number of directors, as set forth in the accompanying proxy statement.

2. To approve, on an advisory basis, the compensation of our named executive officers.

3. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018.

4. To transact such other business, if any, as may be properly brought before the meeting or any adjournment thereof.

Shareholders of record at the close of business on March 8, 2018, are entitled to notice of and to vote at the meeting.

By Order of the Board of Directors
Ross H. Parr
Senior Vice President - Legal Affairs,
General Counsel and Secretary

Thomasville, North Carolina
April 16, 2018

If you do not intend to be present at the meeting, we ask that you vote your shares using a toll-free telephone number, the Internet or by signing, dating and returning the accompanying proxy card promptly so that your shares of common stock may be represented and voted at the Annual Meeting. Instructions regarding the different voting options that we provide are contained in the accompanying proxy statement.

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OLD DOMINION FREIGHT LINE, INC.

Principal Executive Offices: 500 Old Dominion Way
Thomasville, North Carolina 27360

PROXY STATEMENT

Important Notice Regarding the Availability of Proxy Materials
for the Shareholder Meeting to be held on May 16, 2018:
The Notice of Annual Meeting of Shareholders, Proxy Statement, Form of Proxy and 2017 Annual Report to Shareholders are available on our corporate website at www.odfl.com/company/proxy.shtml.
This proxy statement is first being sent to shareholders on or about April 16, 2018, in connection with the solicitation of proxies by and on behalf of the Board of Directors of Old Dominion Freight Line, Inc. for use at the Annual Meeting of Shareholders to be held at our principal executive offices, 500 Old Dominion Way, Thomasville, North Carolina 27360 on Wednesday, May 16, 2018, at 10:00 a.m. Eastern Daylight Time, and at any adjournment thereof. If you need directions so you can attend the Annual Meeting and vote in person, please contact our Corporate Secretary at (336) 889-5000.

2018 PROXY STATEMENT SUMMARY
This summary highlights information contained elsewhere in this proxy statement. This summary does not contain all of the information that you should consider, and you should read the entire proxy statement carefully before voting.

Annual Meeting of Shareholders

• Time and Date	10:00 a.m., Wednesday, May 16, 2018
• Place	Old Dominion’s principal executive offices 500 Old Dominion Way Thomasville, North Carolina 27360
• Record Date	March 8, 2018
• Voting	Shareholders as of the record date are entitled to vote. Each share of common stock is entitled to one vote for each director nominee and one vote for each of the proposals to be voted on at the meeting.
• Admission	If you decide to attend the meeting in person, upon your arrival you will need to register with our receptionist in the main lobby of our principal executive offices. See page 5 for

further instructions.

Meeting Agenda/Proposals

	Board Vote Recommendation	Page Reference (for more detail)
• Election of eleven directors	FOR ALL	9
• Approval, on an advisory basis, of the compensation of our named executive officers	FOR	48
• Ratification of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018	FOR	49
• Transact other business that properly comes before the meeting		

Election of Directors

Our directors are elected annually for one-year terms. The following table provides summary information about each director nominee. Upon the recommendation of its Governance and Nomination Committee, the Board has determined to increase its size from nine directors to eleven directors. The eleven nominees below are comprised of nine current directors and Sherry A. Aaholm, a nominee of the Board's Governance and Nomination Committee, and Greg C. Gantt, a nominee of the Board's Governance and Nomination Committee who currently serves as our President and Chief Operating Officer and will serve as our President and Chief Executive Officer effective May 16, 2018 as previously announced. The nominees receiving a plurality of the votes cast at the meeting will be elected as directors.

						Committees		
Name	Age	Director Since	Occupation	Experience/ Qualification	Independent	AC	CC	GNC
Earl E. Congdon	87	1952	Executive Chairman of the Board of Directors, Old Dominion*	Leadership, Industry, Operations, Strategy				
David S. Congdon	61	1998	Vice Chairman of the Board of Directors and CEO, Old Dominion**	Leadership, Industry, Operations, Strategy				
Sherry A. Aaholm	55	2018	Vice President and Chief Information Officer, Cummins, Inc.	Leadership, Technology, Logistics, Transportation	X			
John R. Congdon, Jr.	61	1998	Private investor	Leadership, Fleet Management, Logistics				
Robert G. Culp,	71	2003	Chairman of the Board of Directors,	Leadership, Global	X	X	C	

III			Culp, Inc.								
Bradley R. Gabosch	66	2016	Private investor	Leadership, Accounting, Management	X			X		X	
Greg C. Gantt	62	2018	President and Chief Operating Officer, Old Dominion***	Leadership, Industry, Operations, Strategy							
Patrick D. Hanley	73	2016	Private investor	Leadership, Accounting, Logistics	X			X	X		

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Election of Directors (continued)

John D. Kasarda, Ph.D.	72	2008	Professor Emeritus and Director of Center for Air Commerce at the University of North Carolina at Chapel Hill's Kenan-Flagler Business School; CEO of Aerotropolis Business Concepts LLC	Leadership, Economic Development, Logistics	X			C
Leo H. Suggs	78	2009	Private investor	Leadership, Logistics, Operations	X		X	X
D. Michael Wray	57	2008	President, Riverside Brick & Supply Company, Inc.	Leadership, Accounting, Management	X	C	X	

AC - Audit Committee

GNC - Governance and Nomination Committee

CC - Compensation Committee

C - Committee Chair

* Effective May 16, 2018, Mr. Earl E. Congdon will transition to the role of Senior Executive Chairman.
** Effective May 16, 2018, Mr. David S. Congdon will transition to the role of Executive Chairman.
*** Effective May 16, 2018, Mr. Gantt will transition to the role of President and Chief Executive Officer.

Approval, on an Advisory Basis, of the Compensation of our Named Executive Officers

We are asking our shareholders to approve, on a non-binding, advisory basis, the compensation of our named executive officers. The Board believes that our executive compensation policies are designed appropriately and are functioning as intended to produce long-term value for our shareholders.

Fiscal 2017 Executive Compensation Elements

Type	Form	General Purpose and Terms
Cash	Base Salary	Retention component that is reviewed annually and adjusted as needed, and executives are generally eligible for an annual increase.
	Non-Equity Performance Incentive Plan ("PIP")	Motivates and rewards performance by linking a significant portion of compensation to profitability. Earned monthly based upon a fixed percentage, or participation factor, of our pre-tax income. No payment unless pre-tax income exceeds a required minimum performance threshold.
Equity-Based	Restricted Stock	Aligns executive compensation with Company performance and shareholder value. Any shares earned generally vest in increments of 33% per year on the anniversary of the

		grant date, subject to continued service requirements.
	401(k) Plan	Retirement plan with Company match; executive officers receive the same benefit as all employees.
Other Employee Benefits	Nonqualified Deferred Compensation Plan	Supplemental retirement benefit; can defer significant percentages of annual base salary and monthly non-equity performance-based incentive compensation.

Fiscal 2017 Compensation Decisions

The principal factors in the Compensation Committee's executive compensation decisions for 2017 were our financial performance, the relationship of executive compensation to our pre-tax income, the amount of compensation that is performance-based, and the review and analysis conducted by its independent compensation consultant, Pearl Meyer. Based on our industry-leading financial results for 2017 and our outlook for 2018, the Compensation Committee approved a 3.0% increase in the base salaries for our named executive officers effective in January 2018. In keeping with our philosophy of pay-for-performance, PIP payments to our named executive officers increased in 2017 as compared to 2016, as these payments were directly aligned with our financial performance.

Fiscal 2017 Compensation Summary

The following table summarizes the compensation of our Chief Executive Officer, our Chief Financial Officer, and our next three most highly compensated executive officers, to whom we refer to collectively as our named executive officers, for the fiscal year ended December 31, 2017.

Name	Salary ($)	Stock Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total Compensation ($)
Earl E. Congdon Executive Chairman of the Board	611,833	378,973	6,090,369	85,485	7,166,660
David S. Congdon Vice Chairman of the Board and Chief Executive Officer	611,833	378,973	6,090,369	114,176	7,195,351

Greg C. Gantt President and Chief Operating Officer	557,969	345,625	2,342,449	18,379	3,264,422
Adam N. Satterfield Senior Vice President – Finance, Chief Financial Officer and Assistant Secretary	275,065	170,366	1,171,225	28,722	1,645,378
Kevin M. Freeman Senior Vice President – Sales	280,214	173,537	1,171,225	32,901	1,657,877

Ratification of the Appointment of our Independent Registered Public Accounting Firm

As a matter of good corporate governance, we are asking our shareholders to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the year ending December 31, 2018.

2019 Annual Meeting

- Shareholder proposals submitted pursuant to Securities and Exchange Commission ("SEC") Rule 14a-8 must be received by us by December 17, 2018.

- Notice of shareholder proposals outside of SEC Rule 14a-8 must be received by us no earlier than November 17, 2018 and no later than December 17, 2018.

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GENERAL INFORMATION

The accompanying proxy is solicited by and on behalf of our Board of Directors (the "Board"), and the entire cost of such solicitation will be borne by us. This solicitation is being made by mail and may also be made in person or by fax, telephone, or Internet by our officers or employees. In addition, arrangements will be made with brokerage houses and other custodians, nominees and fiduciaries to send proxy materials to their principals, and we will reimburse them for their reasonable expenses in connection therewith.

The accompanying proxy is for use at the 2018 Annual Meeting of Shareholders (the “Annual Meeting”) if a shareholder either will be unable to attend in person or will attend but wishes to vote by proxy. “Registered holders” who have shares registered in the owner's name through our transfer agent may vote by either: (i) completing the enclosed proxy card and mailing it in the postage-paid envelope provided; (ii) voting over the Internet by accessing the website identified on the proxy card and following the on-line instructions; or (iii) calling the toll-free telephone number identified on the proxy card. Proxies submitted via the Internet or by telephone must be received by 11:59 p.m. Eastern Daylight Time on Tuesday, May 15, 2018.

For shares held in “street name,” that is, shares held in the name of a brokerage firm, bank or other nominee, you should receive a voting instruction form from that institution in lieu of a proxy card. The voting instruction form should indicate whether the institution has a process for beneficial holders to vote over the Internet or by telephone. Many banks and brokerage firms participate in the online program offered by Broadridge Financial Solutions, Inc. This program provides eligible shareholders who receive a paper copy of the proxy statement the opportunity to vote over the Internet or by telephone. The Broadridge Internet and telephone voting facilities will close at 11:59 p.m. Eastern Daylight Time on Tuesday, May 15, 2018. The Broadridge Internet and telephone voting procedures are designed to authenticate the shareholder's identity and to allow shareholders to vote their shares and confirm that their instructions have been properly recorded. If the voting instruction form does not reference Internet or telephone information, or if the shareholder prefers to vote by mail, please complete and return the paper voting instruction form in accordance with the instructions provided to you.

If you decide to attend the meeting in person, upon your arrival you will need to register with our receptionist in the main lobby of our principal executive offices at 500 Old Dominion Way, Thomasville, North Carolina 27360. Please be sure to have your state or government issued photo identification with you at the time of registration. After a determination that you are a registered holder of Old Dominion common stock as of the record date, you will be allowed to access the meeting room and attend our Annual Meeting. If you are not a registered shareholder but beneficially own shares of our common stock as of the record date, please be sure that you bring your state or government issued photo identification as well as either (i) a proxy issued to you in your name by your brokerage firm, bank or other nominee, or (ii) a brokerage statement showing your beneficial ownership of our common stock as of the record date (and a legal proxy from your brokerage firm, bank or other nominee if you wish to vote your shares at the Annual Meeting) to present to us at the time of registration.

The Board of Directors has fixed March 8, 2018 as the record date for the determination of shareholders entitled to notice of and to vote at the Annual Meeting. On March 8, 2018, there were 82,336,522 outstanding shares of our common stock, each entitled to one vote. The presence in person or by proxy of a majority of the shares of common stock outstanding on the record date constitutes a quorum for purposes of conducting business at the Annual Meeting. Shareholders do not have cumulative voting rights in the election of directors.

Brokers that are members of certain securities exchanges and that hold shares of our common stock in street name on behalf of beneficial owners have authority to vote on certain items when they have not received instructions from beneficial owners. Under the applicable rules governing such brokers, the proposal to ratify the appointment of our independent registered public accounting firm is considered a “discretionary” item. This means that brokers may vote using their discretion on this proposal on behalf of beneficial owners who have not furnished voting instructions. In contrast, certain items are considered “non-discretionary,” and a “broker non-vote” occurs when brokers do not receive voting instructions from beneficial owners with respect to such items because the brokers are not entitled to vote such uninstructed shares. All proposals in this proxy statement, with the exception of the proposal to ratify the appointment of our independent registered public accounting firm, are considered “non-discretionary,” which means that brokers cannot vote your uninstructed shares when they do not receive voting instructions from you.

Assuming the existence of a quorum at the Annual Meeting, the voting options for each proposal presented in this proxy statement, as well as the vote required to approve each proposal at the Annual Meeting, are as follows:

Proposal 1 - Election of Directors: With respect to this proposal, you may cast your vote “for all,” “withhold all” or “for all except” with respect to the director nominees. The nominees receiving a plurality of the votes cast will be elected as directors.

Proposal 2 - Approval, on an Advisory Basis, of the Compensation of Our Named Executive Officers: With respect to this proposal (the results of which will not be binding upon Old Dominion or the Board), you may vote “for,” “against,” or “abstain” from voting. For this non-binding vote to be approved by the shareholders, the votes cast “for” this proposal must exceed the votes cast “against” this proposal.

Proposal 3 - Ratification of the Appointment of Our Independent Registered Public Accounting Firm: With respect to this proposal, you may vote “for,” “against,” or “abstain” from voting. For this proposal to be approved by the shareholders, the votes cast “for” this proposal must exceed the votes cast “against” this proposal.

Abstentions, shares that are withheld as to voting and broker non-votes (if any) will be counted for determining the existence of a quorum, but will not be counted as a vote cast with respect to any of these proposals and, therefore, will have no effect on the outcome of the vote for any of these proposals.

Where a choice is specified on any proxy as to the vote on any matter to come before the Annual Meeting, the proxy will be voted in accordance with such specification. If no specification is made but the proxy is otherwise properly completed, the shares represented thereby will be voted “for” the election of the director nominees named in this proxy statement, “for” the approval, on an advisory basis, of the compensation of our named executive officers, and “for” the ratification of the appointment of our independent registered public accounting firm. Any shareholder submitting the accompanying proxy has the right to revoke it by notifying our Corporate Secretary in writing at any time prior to the voting of the proxy. A proxy is suspended if the person giving the proxy attends the Annual Meeting and properly elects to vote in person.

Management is not aware of any matters, other than those specified above, that will be presented for action at the Annual Meeting. If any other matters do properly come before the Annual Meeting, the persons named as agents in the proxy will vote upon such matters in accordance with their best judgment.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN BENEFICIAL OWNERS

The following table sets forth information with respect to the beneficial ownership of our common stock, $0.10 par value, our only class of voting security, as of March 8, 2018, or such other date as indicated in the footnotes to the table, for: (i) each person known by us to own beneficially more than five percent of our common stock; (ii) each director and director nominee; (iii) each executive officer; and (iv) all current directors, nominees and executive officers as a group. Beneficial ownership is determined in accordance with the rules of the SEC. Unless otherwise indicated, the address of all listed shareholders is c/o Old Dominion Freight Line, Inc., 500 Old Dominion Way, Thomasville, NC 27360. As of March 8, 2018, and in compliance with our securities trading policy, none of our directors or executive officers have pledged our common stock.

Name and Address of Beneficial Owner	Shares Beneficially Owned (1)	Percent
Capital Research Global Investors (2) 333 South Hope Street Los Angeles, CA 90071	6,231,955	7.5%
BlackRock, Inc. (3) 55 East 52nd Street New York, NY 10055	5,999,272	7.3%
The Vanguard Group (4) 100 Vanguard Boulevard Malvern, PA 19355	5,737,717	7.0%
David S. Congdon (5)	4,610,523	5.6%
John R. Congdon, Jr. (6)	3,591,162	4.4%
Earl E. Congdon (7)	2,202,404	2.7%
Greg C. Gantt (8)	15,360	*
Adam N. Satterfield (9)	11,950	*
Kevin M. Freeman (10)	7,631	*
Cecil E. Overbey, Jr. (11)	7,100	*
John D. Kasarda	6,476	*
Robert G. Culp, III (12)	6,412	*
David J. Bates (13)	5,603	*
Leo H. Suggs	5,644	*
Ross H. Parr (14)	5,167	*
D. Michael Wray	4,894	*
Christopher T. Brooks (15)	4,257	*
Bradley R. Gabosch	2,644	*
Patrick D. Hanley	2,644	*
Sherry A. Aaholm	--	*
All Directors, Nominees and Executive Officers as a Group (17 persons) (16)	9,843,895	12.0%

* Less than 1%

(1) Except as indicated in the footnotes to this table and under applicable community property laws, each shareholder named has sole voting and dispositive power with respect to the shares set forth opposite the shareholder's name. Beneficial ownership was determined from public filings, representations by the named shareholders and the Old Dominion Freight Line, Inc. 401(k) Plan.

(2) Information was obtained from a Schedule 13G/A filed on February 14, 2018 with the SEC by Capital Research Global Investors ("Capital Research"). Capital Research reported sole power to vote, or direct the vote of, and dispose of, or direct the disposition of, 6,231,955 shares. Capital Research acts as an investment adviser to various

investment companies and has disclaimed beneficial ownership pursuant to Rule 13d-4 under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

(3) Information was obtained from a Schedule 13G/A filed on January 29, 2018 with the SEC by BlackRock, Inc. ("BlackRock"). BlackRock reported sole power to vote, or direct the vote of, 5,592,405 shares, and sole power to dispose of, or direct the disposition of, 5,999,272 shares. As reported, various persons have the right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of, the shares. No one person holds more than five percent of the total outstanding common shares.

(4) Information was obtained from a Schedule 13G/A filed on February 9, 2018 with the SEC by The Vanguard Group ("Vanguard"). Vanguard reported: (i) sole power to vote, or direct the vote of, 48,637 shares; (ii) sole power to dispose of, or direct the disposition of, 5,683,817 shares; (iii) shared power to vote, or direct the vote of, 10,663 shares; and (iv) shared power to dispose of, or direct the disposition of, 53,900 shares.

(5) Includes: (i) 7,738 shares held directly by David Congdon; (ii) 56,119 shares held in Mr. Congdon's 401(k) retirement plan; (iii) 597,243 shares held as trustee of the David S. Congdon Revocable Trust, dated December 3, 1991; (iv) 92,715 shares held as trustee of an Irrevocable Trust, dated December 18, 1998, fbo Marilyn Congdon; (v) 92,716 shares held as trustee of an Irrevocable Trust, dated December 18, 1998, fbo Kathryn Congdon; (vi) 92,716 shares held as trustee of an Irrevocable Trust, dated December 18, 1998, fbo Ashlyn Congdon; (vii) 307,225 shares held as trustee of the Audrey L. Congdon Irrevocable Trust #2, dated May 28, 2004; (viii) 50,615 shares owned by the shareholder's daughter as trustee of the Kathryn Leigh Congdon Revocable Declaration of Trust, dated May 23, 2006; (ix) 75,615 shares owned by the shareholder's daughter as trustee of the Marilyn Marie Congdon Revocable Declaration of Trust, dated May 23, 2006; (x) 152,293 shares owned by the shareholder's daughter as trustee of the Ashlyn Lane Congdon Revocable Inter Vivos Trust, dated December 7, 2010; (xi) 316,405 shares held through shared voting and investment rights as co-trustee of the 1998 Earl E. Congdon Family Trust; (xii) 318,357 shares held through shared voting and investment rights as co-trustee of the Earl and Kathryn Congdon Family Irrevocable Trust - 2011; (xiii) 89,384 shares held through shared voting and investment rights with the shareholder's spouse as trustee of the Helen S. Congdon Revocable Inter Vivos Trust, dated April 24, 2012; (xiv) 299,251 shares held through shared voting and investment rights with the shareholder's spouse as trustee of the David S. Congdon Irrevocable Trust #2, dated November 18, 1999; (xv) 645,976 shares held through shared voting and investment rights as co-trustee of the Earl E. Congdon GRAT Remainder Trust; (xvi) 25,000 shares beneficially owned by the shareholder's daughter through the Marilyn Congdon Nowell Grantor Retained Annuity Trust 2017; (xvii) 50,000 shares beneficially owned by the shareholder's daughter through the Kathryn Congdon Harrell Grantor Retained Annuity Trust 2017; (xviii) 175,598 shares held as trustee of the David S. Congdon Grantor Retained Annuity Trust 2016; (xix) 150,000 shares held as trustee of the David S. Congdon Grantor Retained Annuity Trust 2017; (xx) 209,926 shares held through shared voting and investment rights with the shareholder's spouse as trustee of the David S. Congdon Irrevocable Trust #1 fbo Marilyn Nowell; (xxi) 209,925 shares held through shared voting and investment rights with the shareholder's spouse as trustee of the David S. Congdon Irrevocable Trust #1 fbo Kathryn Harrell; (xxii) 209,925 shares held through shared voting and investment rights with the shareholder's spouse as trustee of the David S. Congdon Irrevocable Trust #1 fbo Ashlyn Congdon; (xxiii) 192,890 shares held as trustee of the Audrey Congdon Irrevocable Trust #1 fbo Megan Oglesby; and (xxiv) 192,891 shares held as trustee of the Audrey Congdon Irrevocable Trust #1 fbo Seth Yowell.

(6) Includes: (i) 2,644 shares held directly by John R. Congdon, Jr.; (ii) 1,542,824 shares held as trustee of the John R. Congdon, Jr. Revocable Trust; (iii) 28,417 shares held as trustee of the John R. Congdon, Jr. 2013 GRAT #2; (iv) 66,519 shares held as trustee of the John R. Congdon, Jr. 2016 GRAT; (v) 66,263 shares held as trustee of the John R. Congdon, Jr. 2016 GRAT #2; (vi) 26,013 shares held through shared voting and investment rights as co-trustee of the Susan C. Terry Irrevocable Trust Agreement fbo Natalie Grace Bagwell; (vii) 26,013 shares held through shared voting and investment rights as co-trustee of the Susan C. Terry Irrevocable Trust Agreement fbo Leyton Andrew Bagwell; (viii) 26,013 shares held through shared voting and investment rights as co-trustee of the Susan C. Terry Irrevocable Trust Agreement fbo Harley Virginia Terry; (ix) 26,013 shares held through shared voting and investment rights as co-trustee of the Susan C. Terry Irrevocable Trust Agreement fbo Brinkley Louise Terry; (x)

26,013 shares held through shared voting and investment rights as co-trustee of the Susan C. Terry Irrevocable Trust Agreement fbo Lillian Everett Terry; (xi) 26,013 shares held through shared voting and investment rights as co-trustee of the Susan C. Terry Irrevocable Trust Agreement fbo Jack Daniel Terry; (xii) 26,013 shares held through shared voting and investment rights as co-trustee of the Susan C. Terry Irrevocable Trust Agreement fbo Bailey Hunter Terry; (xiii) 26,013 shares held through shared voting and investment rights as co-trustee of the Susan C. Terry Irrevocable Trust Agreement fbo Henry Lawson Bagwell; (xiv) 368,255 shares held as trustee of the John R. Congdon Trust for Mark Ross Congdon; (xv) 367,877 shares held as trustee of the

John R. Congdon Trust for Jeffrey Whitefield Congdon, Jr.; (xvi) 321,623 shares held as trustee of the Jeffrey W. Congdon GRAT Remainder Trust; (xvii) 641 shares held through shared voting and investment rights as co-trustee of the Trust fbo Natalie Grace Bagwell under the Kathryn Lawson Bagwell 2016 Irrevocable Trust Agreement dtd February 10, 2016; (xviii) 641 shares held through shared voting and investment rights as co-trustee of the Trust fbo Leyton Andrew Bagwell under the Kathryn Lawson Bagwell 2016 Irrevocable Trust Agreement dtd February 10, 2016; (xix) 641 shares held through shared voting and investment rights as co-trustee of the Trust fbo Henry Lawson Bagwell under the Kathryn Lawson Bagwell 2016 Irrevocable Trust Agreement dtd February 10, 2016; (xx) 1,730 shares held as trustee of the Jeffrey W. Congdon 2016 Irrevocable Trust Agreement fbo Lillian Grace Congdon; (xxi) 1,510 shares held as trustee of the Jeffrey W. Congdon, Jr. 2016 Irrevocable Trust Agreement fbo Jeffrey W. Congdon, III; (xxii) 1,730 shares held as trustee of the Jeffrey W. Congdon 2017 Irrevocable Trust fbo Addison Elizabeth Congdon; (xxiii) 46,064 shares held by the shareholder’s spouse as trustee of the John R. Congdon, Jr. 2015 Irrevocable Trust for Benefit of Michael M. Demo; (xxiv) 46,064 shares held by the shareholder’s spouse as trustee of the John R. Congdon, Jr. 2015 Irrevocable Trust for Benefit of Brian H. Demo; (xxv) 98,996 shares held as trustee of the Jeffrey W. Congdon 2012 Irrevocable Trust Agreement fbo Jeffrey W. Congdon, Jr.; and (xxvi) 98,996 shares held as trustee of the Jeffrey W. Congdon 2012 Irrevocable Trust Agreement fbo Mark Ross Congdon. This amount also includes 321,623 shares held by the John R. Congdon, Jr. GRAT Remainder Trust, with respect to which John R. Congdon, Jr. disclaims beneficial ownership.

(7) Includes: (i) 10,958 shares held directly by Earl Congdon; (ii) 861,447 shares held as trustee of the Earl E. Congdon Trust - 1990; (iii) 233,647 shares held as trustee of the Earl E. Congdon Grantor Retained Annuity Trust 2016; and (iv) 35,711 shares owned in the named shareholder’s 401(k) retirement plan. Also includes: (i) 276,094 shares owned beneficially by Kathryn W. Congdon, Earl E. Congdon’s spouse, as trustee of the Kathryn W. Congdon Trust - 1990; (ii) 138,571 shares owned beneficially by Kathryn W. Congdon as trustee of the Kathryn W. Congdon Grantor Retained Annuity Trust 2016; and (iii) 645,976 shares owned beneficially by the Earl E. Congdon 2003 GRAT Remainder Trust, with respect to all of which Earl E. Congdon disclaims beneficial ownership.

(8) Includes 4,840 shares owned in Mr. Gantt’s 401(k) retirement plan.

(9) Includes 6,552 shares owned in Mr. Satterfield’s 401(k) retirement plan.

(10) Includes 2,256 shares owned in Mr. Freeman’s 401(k) retirement plan.

(11) Includes 1,728 shares owned in Mr. Overbey’s 401(k) retirement plan.

(12) Includes 3,768 shares owned by Mr. Culp’s spouse.

(13) Includes 330 shares owned in Mr. Bates’ 401(k) retirement plan.

(14) Includes 201 shares owned in Mr. Parr’s 401(k) retirement plan.

(15) Includes 461 shares owned in Mr. Brooks’ 401(k) retirement plan.

(16) The group of all current directors, nominees and executive officers includes 645,976 shares that have shared voting power between individuals within the group. These shares are counted only once in the total for the group.

PROPOSAL 1 - ELECTION OF DIRECTORS

Our Bylaws currently provide that the number of directors shall be not less than five nor more than twelve. Upon the recommendation of its Governance and Nomination Committee, the Board has determined to increase its size from nine directors to eleven directors. The Board, upon the recommendation of its Governance and Nomination Committee, has nominated nine current directors and two new nominees - Sherry A. Aaholm and Greg C. Gantt - for election to the Board at the Annual Meeting. The Governance and Nomination Committee discussed multiple candidates as potential director nominees following an extensive selection process, including due consideration of diversity and other criteria as set forth in our Corporate Governance Guidelines relating to the recommendation of director nominees, and also obtained input from our CEO and other members of management as appropriate. In recruiting Ms. Aaholm, the Board paid a fee to a third-party search firm to help identify director prospects, perform candidate outreach, and provide other related services. Following completion of this process and multiple meetings with members of the Board and Old Dominion's management team, Ms. Aaholm was formally nominated for election to the Board at the Annual Meeting. Mr. Gantt, who will assume the role of the Company's President and Chief Executive Officer on May 16, 2018, was formally nominated to the Board based on his experience in serving as our President and Chief Operating Officer and our long-standing practice of having our Chief Executive Officer serve as a member of the Board. If elected, the eleven nominees identified herein will serve until our 2019 annual meeting of shareholders and until their respective successors have been elected and qualified or until their death, resignation, removal or disqualification or until there is a decrease in the number of directors. Unless authority is withheld, it is intended that proxies received in response to this solicitation will be voted in favor of the nominees.

The age and a brief biographical description of each director nominee, his or her position with us, certain board memberships, and the nominee's specific experience, qualifications, attributes and skills that led our Board to conclude that the candidate is well-qualified to serve as a member of our Board are set forth below. This information and certain information regarding beneficial ownership of securities by such nominees contained in this proxy statement has been furnished to us by the nominees or obtained from filings with the SEC. All of the nominees have consented to serve as directors, if elected.

Earl E. Congdon (87) joined us in 1949 and has served as a director since 1952. Mr. Congdon was our President and Chief Executive Officer from 1962 until 1985 and served as Chairman of our Board of Directors and Chief Executive Officer from 1985 through 2007. In October 2007, the Board of Directors appointed Mr. Congdon to his current position as Executive Chairman of the Board of Directors, effective January 1, 2008. On March 8, 2018, the Board elected and appointed Mr. Congdon to the position of Senior Executive Chairman, effective May 16, 2018. He is the son of E. E. Congdon, one of our founders, the father of David S. Congdon and the uncle of John R. Congdon, Jr. Through his 69 years of experience with us, including 45 years as our Chief Executive Officer, Mr. Congdon helped transform Old Dominion from a small regional company to a leading, publicly-traded, less-than-truckload ("LTL") company through geographic expansion and acquisitions. As a result, he brings to our Board first-hand knowledge of the opportunities and challenges in our LTL industry. Mr. Congdon has valuable insight into the execution of our strategic, long-term objectives and is keenly aware of the operating complexities of the transportation industry.

David S. Congdon (61) was appointed Vice Chairman of the Board and Chief Executive Officer in May 2015, having previously served as our President and Chief Executive Officer since January 2008. On March 8, 2018, the Board elected and appointed Mr. Congdon to the position of Executive Chairman, effective May 16, 2018. He was our President and Chief Operating Officer from May 1997 to December 2007 and served in various positions in operations, maintenance and engineering between 1978 and 1997. He was first elected a director in 1998 and is the son of Earl E. Congdon. Mr. Congdon, through his 39 years of service to us, including 21 years of service as an executive officer of Old Dominion, has played a critical role in helping us develop our strategic plan and grow our operations through geographic expansion and acquisitions. He has experience leading us through difficult operating conditions and has guided Old Dominion to sustained profitability. The Board benefits from Mr. Congdon's critical knowledge of the LTL industry, as well as his deep understanding of the operational and regulatory complexities that we must address as a publicly-traded transportation company.

Greg C. Gantt (62) was nominated by our Board's Governance and Nomination Committee as further described under "Proposal 1 - Election of Directors." Mr. Gantt, who will serve as our President and Chief Executive Officer effective May 16, 2018, has served as our President and Chief Operating Officer since May 2015. He previously served as our Executive Vice President and Chief Operating Officer from June 2011 to May 2015, and as our Senior Vice President - Operations from January 2002 to June 2011. He joined us in November 1994 and served as one of our regional Vice Presidents until January 2002. Prior to his employment with us, Mr. Gantt served in many operational capacities with Carolina Freight Carriers Corporation, including Vice President of its Southern Region. Mr. Gantt, through his ever-increasing roles and responsibilities with us over the past 24 years, has played a critical role in the development

of our operational plan and offers the Board significant expertise in LTL industry leadership and business strategy.
Sherry A. Aaholm (55) was nominated by our Board's Governance and Nomination Committee as further described under "Proposal 1 - Election of Directors." Since June 2013, Ms. Aaholm has served as Vice President - Chief Information Officer of Cummins, Inc. (NYSE: CMI), a global power leader that designs, manufactures,

distributes and services diesel and natural gas engines and related technologies. From August 1999 to December 2012, Ms. Aaholm served as Executive Vice President, Information Technology of FedEx Services. The Board will benefit from her over 30 years of overseeing mission critical information system resources, with extensive experience in technology and information security, including in the transportation and logistics industries.

John R. Congdon, Jr. (61) was first elected a director in 1998. Prior to their acquisition by Penske Truck Leasing in July 2017, Mr. Congdon served as the Chairman of the Board of Directors and Chief Executive Officer for each of Old Dominion Truck Leasing, Inc. ("Leasing") and Dominion Dedicated Logistics, Inc. Mr. Congdon has 39 years of experience in the trucking industry and brings to the Board extensive knowledge of dedicated logistics, fleet management services and the purchase and sale of equipment. Having previously served as Chairman of the Board of Leasing, Mr. Congdon also brings experience in board management.

Robert G. Culp, III (71) was first elected a director in 2003 and has served as our Lead Independent Director since 2010. Mr. Culp is the Chairman of the Board of Directors of Culp, Inc. (NYSE: CULP), one of the world's largest marketers of mattress fabrics for bedding and upholstery fabrics for residential and commercial furniture, which he co-founded in 1972. Mr. Culp, who served as the CEO of Culp, Inc. for several decades, has significant knowledge regarding business leadership and the complex financial and regulatory requirements facing public companies. Mr. Culp has also gained experience regarding the challenges and opportunities associated with developing global operations, as Culp, Inc. expanded its operations into Canada and China under his leadership. Mr. Culp serves on the Board of Directors of Leggett & Platt, Incorporated (NYSE: LEG), a diversified manufacturer and member of the S&P 500 that designs and produces engineered components and products that can be found in most homes, automobiles, and offices. Mr. Culp formerly served on the Board of Directors of Stanley Furniture Company, Inc. until he resigned from that position effective in December 2011. His guidance in international business matters relating to our global service offerings is valuable to our Board.

Bradley R. Gabosch (66) was first elected as a director in May 2016. Mr. Gabosch previously served as Managing Director for the public accounting firm Grant Thornton LLP from August 2014 to May 2016. Mr. Gabosch also served in various positions at Grant Thornton LLP, including as Carolinas Managing Partner from October 2009 until his retirement as partner in July 2013. Mr. Gabosch brings over 42 years of experience in the public accounting profession, of which 29 years were spent as an audit partner. Mr. Gabosch brings to the Board extensive knowledge of accounting and management and a strong understanding of financial statement oversight and disclosure matters.

Patrick D. Hanley (73) was first elected as a director in May 2016. Mr. Hanley has an extensive history in the trucking industry where he previously served as Senior Vice President - Finance and Accounting of UPS Freight (formerly Overnite Corporation) from August 2005 to October 2007. Mr. Hanley also served on the board of directors of Overnite Corporation and as Director, Senior Vice President and Chief Financial Officer of Overnite Transportation from June 1996 to August 2005. Prior to UPS Freight and Overnite Corporation, Mr. Hanley served in various senior financial positions at Union Pacific Resources Group and Union Pacific Corporation. Mr. Hanley has served on the Board of Directors of NewMarket Corporation (NYSE: NEU), which develops, manufactures, blends and delivers petroleum additives that enhance the performance of automotive and industrial products, since 2004. Mr. Hanley served as Chairman of the Board of Directors of Gallium Technologies, LLC from January 2011 to January 2016, having previously served as its President and Chief Executive Officer from July 2009 to January 2011. He also served on the Board of Directors for Xenith Bankshares, Inc. from January 2010 to July 2016. Mr. Hanley brings to the Board significant knowledge in the management of public companies and significant leadership experience in accounting and finance within the trucking industry.

John D. Kasarda, Ph.D. (72) has served as a director since January 2008. Dr. Kasarda is Professor Emeritus and Director of the Center for Air Commerce at the University of North Carolina at Chapel Hill's Kenan-Flagler Business School. He has been employed by this university since 1977. Dr. Kasarda also serves as the President and Chief Executive Officer of Aerotropolis Business Concepts LLC. He is considered the leading developer of the aerotropolis concept, which brings together air logistics and surface transportation to foster airport-linked business development. Dr. Kasarda previously served on the Board of Directors of Prologis Institutional Alliance REIT II from 2004 to 2014. Dr. Kasarda is currently Editor-in-Chief of Logistics, an international journal of transportation and supply chain management, and brings a unique perspective and creative insights to our Board due to his breadth of knowledge in business strategy, transportation, logistics and global supply chain management, combined with his thought-leadership and worldwide experiences in the transportation industry.

Leo H. Suggs (78) was first elected as a director in May 2009. Mr. Suggs has a long and distinguished career in the trucking industry that began in 1958, holding a wide range of positions that included Chairman, President and Chief Executive Officer of Overnite Transportation Company from 1996 to 2005 and President and Chief Executive Officer of UPS Freight from 2005 to 2006. As President and Chief Executive Officer of Overnite Transportation, and as a member of its Board of Directors from November 2003 to May 2005, Mr. Suggs gained extensive knowledge about managing a union-free motor carrier in the LTL industry. He understands the opportunities and challenges associated with the LTL industry, and has first-hand knowledge of merger and acquisition considerations and strategies. Mr. Suggs previously served on the Board of Directors of privately-held Greatwide Logistics Services, a provider of transportation and logistics management services, from July 2011 to December 2014, and The Kenan Advantage Group, Inc., a privately-held tank truck hauler and logistics provider, from July 2010 to July 2015. We believe that Mr. Suggs is invaluable to our Board as an adviser on logistics services and LTL operations.

D. Michael Wray (57) was first elected as a director in 2008 and is the President of Riverside Brick & Supply Company, Inc., a distributor of masonry materials in central Virginia. Mr. Wray has served in that position since 1998 and was formerly its Vice President and General Manager from 1996 to 1998. From 1992 to 1995, Mr. Wray was employed by Ruff Hewn, Inc., an apparel designer and manufacturer, where he held positions including Chief Financial Officer and Treasurer. Mr. Wray also served in various audit and management positions with Price Waterhouse from 1982 to 1992. The Board benefits from his experience in public accounting, which includes experience with the transportation industry. In addition, he has extensive knowledge of accounting and a valuable understanding of financial statement oversight and disclosure considerations gained from his experience as a chief financial officer. Mr. Wray also brings company leadership and business management expertise to his service on our Board as a result of his ongoing responsibilities as President of Riverside Brick & Supply Company, Inc.

The nominees receiving a plurality of the votes cast will be elected as directors.

THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS A VOTE “FOR” THE ELECTION OF EACH OF THE NOMINEES IDENTIFIED ABOVE.

EXECUTIVE OFFICERS

The following provides certain information about our executive officers who are not directors or nominees:

David J. Bates (53) was appointed Senior Vice President - Operations in October 2011 after serving as our Vice President - Central States Region since July 2007. From March 2002 to July 2007, Mr. Bates served as our service center manager in Harrisburg, Pennsylvania. Mr. Bates has also served in various other positions in operations since joining us in December 1995.

Christopher T. Brooks (47) was appointed Senior Vice President - Human Resources & Safety effective January 1, 2018 after serving as our Vice President - Human Resources from June 2015 to December 2017. Prior to joining us, he served as Senior Vice President of Human Resources at National General Insurance from January 2015 to June 2015 after serving as Vice President of Human Resources at National General Insurance from January 2010 to December 2014.

Kevin M. Freeman (59) was appointed Senior Vice President - Sales in January 2011 after serving as our Vice President of Field Sales since May 1997. Mr. Freeman has 39 years of experience in the transportation industry, and has held various positions in sales with Old Dominion since joining us in February 1992.

Cecil E. Overbey, Jr. (56) was appointed Senior Vice President - Strategic Development in January 2011 after serving as our Vice President of National Accounts and Marketing since July 2000. Mr. Overbey has 34 years of experience in the transportation and distribution industries, and since joining us in June 1995 as a National Account Executive, has held various other management positions in sales and marketing.

Ross H. Parr (46) was appointed Senior Vice President - Legal Affairs, General Counsel and Secretary effective January 1, 2016, after serving as our Vice President - Legal Affairs, General Counsel and Secretary since May 2012. Mr. Parr joined us in August 2011 and served as our Vice President, Deputy General Counsel and Assistant Secretary until May 2012. From August 2003 to December 2007 Mr. Parr was an associate, and from January 2008 to August 2011 he was a member, at the law firm Womble Carlyle Sandridge & Rice (now known as Womble Bond Dickinson (US) LLP).

Adam N. Satterfield (43) was appointed Senior Vice President - Finance, Chief Financial Officer and Assistant Secretary effective January 1, 2016, after serving as our Vice President - Treasurer since June 2011. Mr. Satterfield also served as our Director - Finance and Accounting from August 2007 to June 2011 and as our Manager - SEC Reporting from October 2004 to August 2007. Prior to joining us in October 2004, he was an Audit Manager with KPMG LLP, a global accounting firm. Mr. Satterfield is a Certified Public Accountant.

CORPORATE GOVERNANCE

Board Leadership Structure

Historically, our Chairman of the Board has also served as our Chief Executive Officer, and these dual roles were held for many years by our current Executive Chairman of the Board, Earl E. Congdon. In 2007, however, following Earl E. Congdon's decision to resign from the Chief Executive Officer position effective on January 1, 2008, the Board determined that it was in the best interests of our shareholders to appoint David S. Congdon, who had been serving as our President and Chief Operating Officer, as our Chief Executive Officer and to redesignate Earl E. Congdon as Executive Chairman of the Board. The Board took these actions because it wanted to preserve the ability of Earl E. Congdon to continue to have a significant executive role on our management team. The Board also believes that strong, independent Board leadership is an important aspect of effective corporate governance and, as a result, appointed Robert G. Culp, III in January 2010 to serve as our Lead Independent Director. Our Lead Independent Director's responsibilities and authority include presiding at meetings of our independent directors, coordinating with our Executive Chairman and Chief Executive Officer on Board meeting agendas, schedules and materials and otherwise acting as a liaison between the independent directors, our Executive Chairman and our Chief Executive Officer. For these reasons, the Board believes that this leadership structure, as further enhanced by the changes described below effective May 16, 2018, is appropriate for us. The Board believes that there is no specific generally accepted leadership structure that applies to all companies, nor is there one specific leadership structure that permanently suits us. As a result, our decision as to whether to combine, separate or add to the positions of Chairman and Chief Executive Officer and whether to have a Lead Independent Director may vary from time to time, as industry or our own conditions and circumstances warrant. The independent directors of the Board consider the Board's leadership structure on an annual basis to determine the structure that is most appropriate for the governance of Old Dominion.

On March 8, 2018, the Board, as part of its designed succession plan, approved strategic leadership changes effective May 16, 2018. Specifically, Greg C. Gantt will serve as our President and Chief Executive Officer, David S. Congdon will serve as our Executive Chairman and Earl E. Congdon will serve as our Senior Executive Chairman. These changes will continue to maintain the general characteristics of the leadership structure described above, while preserving the ability of Earl E. Congdon and David S. Congdon to have significant roles on our management team.

Independent Directors

In accordance with the listing standards of The Nasdaq Stock Market, LLC (“Nasdaq”), our Board of Directors must consist of a majority of independent directors. The Board, upon the recommendation of the Governance and Nomination Committee, has determined that current directors Messrs. Culp, Gabosch, Hanley, Kasarda, Suggs and Wray and director nominee Ms. Aaholm are each independent in accordance with Nasdaq listing standards. The Board performed a review to determine the independence of its members and Ms. Aaholm and made a subjective determination as to each that no transactions, relationships or arrangements exist that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director of Old Dominion. In making these determinations, the Board considered information provided by the current directors as well as Ms. Aaholm and Mr. Gantt, in addition to information obtained by us, with regard to each individual's business and personal activities as they may relate to us and our management. Our Corporate Governance Guidelines direct the independent directors of the Board to meet in executive session at least twice each year, and they met five times in 2017. Shareholders may communicate with the independent directors by following the procedures set forth in “Shareholder Communications with the Board” in this proxy statement.

Attendance and Committees of the Board

Pursuant to our Corporate Governance Guidelines, directors are expected to attend the Annual Meeting and all meetings of the Board, including all meetings of Board committees of which they are members. All directors then in office were present at the 2017 Annual Meeting that was held on May 17, 2017. Our Board of Directors held five meetings during 2017. The Board of Directors has three standing committees: the Audit Committee, the Compensation Committee and the Governance and Nomination Committee. Each member of the Audit Committee, the Compensation Committee and the Governance and Nomination Committee is an “independent director” as such term is defined under applicable SEC rules and regulations and Nasdaq listing standards. In 2017, all incumbent directors attended at least 75% of the aggregate meetings held by the Board and their assigned committees during the period for which they served on the Board or such committees.

Audit Committee

The Audit Committee, which is a separately-designated standing Audit Committee established in accordance with section 3(a)(58)(A) of the Exchange Act, currently consists of D. Michael Wray (Chair), Robert G. Culp, III, Bradley R. Gabosch, and Patrick D. Hanley, each of whom the Board of Directors has determined is independent pursuant to applicable SEC rules and regulations and Nasdaq listing standards. The Board of Directors has determined that all Audit Committee members are financially literate and that Messrs. Gabosch, Hanley and Wray each qualify as an “audit committee financial expert” as defined by applicable SEC rules. Please refer to the experience described for each of these members under “Proposal 1 - Election of Directors” in this proxy statement.

The Audit Committee is governed by a written charter approved by the Board of Directors, which is available on our website at http://www.odfl.com/Content/corpGovernance.faces. The Committee annually reviews this charter to reassess its adequacy and recommends any proposed changes to the Board of Directors for approval. Committee members are nominated annually by the Governance and Nomination Committee and approved by our Board of Directors to serve for one-year terms. Information regarding the functions performed by this committee is set forth in the “Report of Audit Committee,” which is included in this proxy statement. The Audit Committee met four times and held seven telephonic meetings in 2017. The Audit Committee holds telephonic meetings after each quarterly period to discuss with both management and our independent registered public accounting firm, Ernst & Young LLP (“EY”), the financial results to be included in our periodic filings with the SEC prior to their release.

Compensation Committee

Our Compensation Committee currently consists of Robert G. Culp, III (Chair), Patrick D. Hanley, Leo H. Suggs and D. Michael Wray, each of whom the Board of Directors has determined to be independent pursuant to applicable SEC rules and regulations and Nasdaq listing standards. Committee members are nominated annually by the Governance and Nomination Committee and approved by our Board of Directors to serve for one-year terms.

The Compensation Committee is responsible for reviewing the components of our compensation plans for our officers, including an evaluation of the components of compensation, the standards of performance measurements and the relationship between performance and compensation. The Compensation Committee is also responsible for reviewing the results of our most recent “say-on-pay” vote and any shareholder feedback from our shareholder outreach initiatives, and considering whether any adjustments to our compensation policies and practices are necessary or appropriate in light of such “say-on-pay” vote or shareholder feedback. Please refer to our compensation philosophy described in the “Compensation Discussion and Analysis” section of this proxy statement for further discussion, including the role of executive officers in determining or recommending the amount or form of executive and director compensation. The Compensation Committee also reviews and evaluates our non-employee director compensation program, and recommends changes as deemed necessary to maintain alignment with our compensation philosophy.

The Compensation Committee is governed by a written charter approved by the Board of Directors, which is available on our website at http://www.odfl.com/Content/corpGovernance.faces. The Committee annually reviews this charter to reassess its adequacy and recommends any proposed changes to the Board of Directors for approval. The Committee meets periodically and is authorized to obtain opinions or reports from external or internal sources as it may deem appropriate or necessary to assist and advise it in connection with its responsibilities. The Compensation Committee met four times in 2017. In addition, the Chair of the Compensation Committee meets periodically with our Chief Executive Officer and our President to review and evaluate our executive compensation program and the relationship between performance and compensation. In accordance with its charter, the Committee may delegate authority to one or more members of the Committee as deemed necessary to fulfill its responsibilities. No such authority was delegated in 2017.

To assist the Compensation Committee with its review and analysis of executive, non-employee director and employee compensation matters, the Compensation Committee has engaged the services of an independent compensation consulting firm, Pearl Meyer, periodically since 2013. In July 2015, Pearl Meyer was instructed to conduct a review and analysis of our executive compensation program as well as our non-employee director compensation program. In June 2016, Pearl Meyer was instructed to conduct a review and analysis of our executive compensation program. In July 2017, the Compensation Committee once again engaged Pearl Meyer to review the competitiveness of and provide recommendations for our executive compensation program, to analyze our business performance and executive compensation relative to our peer group, to provide input on our short- and long-term incentive programs, and to conduct a review and analysis of our non-employee director compensation program. For a more detailed discussion of the nature and scope of the role of Pearl Meyer with respect to our compensation programs, please see “Compensation Discussion and Analysis - Role of the Compensation Consultant” and “Director Compensation - Components of Compensation” below.

Governance and Nomination Committee

The Governance and Nomination Committee currently consists of John D. Kasarda (Chair), Bradley R. Gabosch and Leo H. Suggs, each of whom the Board of Directors has determined is independent pursuant to applicable Nasdaq listing standards. This Committee makes recommendations concerning the size and composition of the Board of Directors, evaluates and recommends candidates for election as directors (including nominees recommended by shareholders), coordinates the orientation (in conjunction with our Chief Executive Officer) and educational requirements of new and existing directors, develops and implements our corporate governance policies and assesses the effectiveness of the Board of Directors and its committees. We also maintain a corporate membership in the National Association of Corporate Directors (“NACD”), which provides our Board members with opportunities and resources to continue to enhance their knowledge of current governance best practices and emerging issues faced by public company directors.

The Governance and Nomination Committee is governed by a written charter approved by the Board of Directors, which is available on our website at http://www.odfl.com/Content/corpGovernance.faces. The Committee annually reviews this charter to reassess its adequacy and recommends any proposed changes to the Board of Directors for approval. Committee members are appointed annually by a majority of the Board of Directors to serve for one-year terms. The Governance and Nomination Committee met four times in 2017.

Corporate Governance Guidelines

The Board has adopted written Corporate Governance Guidelines, which provide the framework for fulfillment of the Board's duties and responsibilities in light of various best practices in corporate governance and applicable laws and regulations. The Corporate Governance Guidelines address a number of matters applicable to directors, including director qualification standards, our withhold vote policy, meeting requirements and responsibilities of the Board and its committees. The Corporate Governance Guidelines are available on our website at http://www.odfl.com/Content/corpGovernance.faces.

Code of Business Conduct

We have adopted a Code of Business Conduct that applies to all of our directors, officers (including our Chief Executive Officer, Chief Financial Officer, principal accounting officer and any person performing similar functions) and employees. Our Code of Business Conduct is available on our website at http://www.odfl.com/Content/corpGovernance.faces. To the extent permissible under applicable law, the rules of the SEC and Nasdaq listing standards, we intend to disclose on our website any amendment to our Code of Business Conduct, or any grant of a waiver from a provision of our Code of Business Conduct, that requires disclosure under applicable law, the rules of the SEC or Nasdaq listing standards.

Shareholder Communications with the Board

Any shareholder desiring to contact the Board or any individual director serving on the Board may do so by written communication mailed to: Board of Directors (Attention: (name of director(s), as applicable)), care of the Corporate Secretary, Old Dominion Freight Line, Inc., 500 Old Dominion Way, Thomasville, North Carolina 27360. Any communication so received will be processed by our Corporate Secretary and be promptly delivered to the appropriate member(s) of the Board.

Director Nominations

The Governance and Nomination Committee will consider qualified director nominees recommended by shareholders when such recommendations are submitted in accordance with our bylaws and policies regarding director nominations. Shareholders may submit in writing the names and qualifications of potential director nominees to our Corporate Secretary (500 Old Dominion Way, Thomasville, North Carolina 27360) for delivery to the Chair of the Governance and Nomination Committee for consideration. When submitting a nomination to the Governance and Nomination Committee for consideration, a shareholder must provide the following minimum information for each director nominee: (i) full name, age, business address and, if known, residence address; (ii) principal occupation or employment; (iii) number of our shares of common stock beneficially owned; (iv) all information relating to such person that would be required to be disclosed in a proxy statement for the election of directors (including such person's written consent to being named in the proxy statement as a nominee and serving as a director if elected); and (v) a description of all direct and indirect compensation or other material monetary agreements during the past three years, and any other material relationships between or among the nominating shareholder (and his respective affiliates and associates) and the director nominee (and his respective affiliates and associates). The shareholder's nomination must also include, among other things, information regarding that shareholder's economic, voting and other interests that may be material to our and our shareholders' evaluation of the director nominee.

Shareholder nominations for director must also be made in a timely manner and otherwise in accordance with our bylaws, as described in more detail in Article 3, Section 6 of our bylaws. If the Governance and Nomination Committee receives a director nomination from a shareholder or group of shareholders who (individually or in the aggregate) have beneficially owned greater than 5% of our outstanding stock for at least one year prior to the date of nomination, we, to the extent required by applicable securities law, will identify the candidate and shareholder or group of shareholders recommending the candidate and will disclose in our proxy statement whether the Governance and Nomination Committee chose to nominate the candidate, as well as certain other information required by SEC rules and regulations.

In addition to any director nominees submitted by shareholders, the Governance and Nomination Committee considers any candidates submitted by directors, as well as self-nominations by directors, and it also may consider candidates submitted by a third-party search firm hired for the purpose of identifying director candidates. Also, from time to time the Governance and Nomination Committee may also consider candidates identified through outside networks or other sources focused on diversity in gender, race, ethnicity, culture/viewpoint, geography, or other qualities or attributes that the Governance and Nomination Committee believes are important in evaluating qualified director candidates. The Governance and Nomination Committee investigates potential director candidates and their individual qualifications, and all such candidates, including those submitted by shareholders, are similarly evaluated by the Governance and Nomination Committee.

In evaluating prospective nominees, the Governance and Nomination Committee considers the criteria outlined in our Corporate Governance Guidelines, which include personal and professional ethics, integrity and values; director independence; relevant educational and business experience; willingness to devote the time required to fulfill the duties of a director and to develop additional insight into our operations; and a willingness to represent the best interests of us and our shareholders and be objective in evaluating management's effectiveness. The Governance and Nomination Committee also considers various skills, attributes and qualities of prospective nominees, as well as current Board members, that are particularly relevant to our business and a strong and effective Board, which include the following:

- Industry - Extensive knowledge and experience in the freight transportation and logistics industry;

- Executive Management - Senior level experience in operations, strategic planning, risk management and oversight, finance and economics, and treasury and securities markets;
- Diversity - Diverse talents, perspectives and backgrounds (including with respect to gender, race, ethnicity and national origin);
- Human Resources and Safety - Knowledge of employee relations, safety and environmental issues;
- Shareholder Relations - Understanding of public company governance and institutional investor considerations;
- Customer Relations - Insight into marketing, sales and customer relationship management;
- Information Technology - Understanding of information technology, cybersecurity, information systems and related issues;
- International/Global - Knowledge of global trends and considerations relating to supply chain management and multimodal transportation solutions; and
- Legal/Regulatory/Government Affairs - Understanding of legal and regulatory implications, including a strong grasp of the workings of government and public policy on a local, state and national level.

In addition to these specific categories, the Governance and Nomination Committee considers a number of other factors in considering director candidates, including board dynamics, reputation of potential nominees, and expected contributions of the nominee to the Board and its committees.

In seeking and evaluating prospective director nominees, diversity in gender, race, ethnicity, culture, tenure of Board service, viewpoint, geography, and other qualities and attributes are important factors to consider in connection with the criteria outlined above and equal opportunity principles. Although we do not have a formal policy for the consideration of diversity in identifying director nominees, we and the Governance and Nomination Committee are committed to the consideration of diversity in connection with the criteria outlined above and as set forth in our Corporate Governance Guidelines when recommending director nominees so that the Board, as a whole, will possess the appropriate background, skills, experience and expertise to oversee our business. Although we and the Governance and Nomination Committee believe that the current composition of the Board of Directors, together with Ms. Aaholm and Mr. Gantt, reflects a highly talented group of individuals best suited to perform oversight responsibilities for us and our shareholders at this time, we will continue to consider diversity factors as we evaluate the current and future composition of our Board. The Governance and Nomination Committee regularly monitors the effectiveness of its prospective director evaluation process, including its consideration of diversity, through our internal self-evaluation process in which directors discuss and evaluate the composition and functioning of the Board and its committees.

After the prospective director evaluation process is concluded, the Governance and Nomination Committee selects and submits nominees to the Board for further consideration and approval.

Effect of Withheld Votes on an Uncontested Election

In an uncontested election of directors, any director nominee who receives a greater number of votes "withheld" from his or her election than votes "for" such election shall immediately offer his or her resignation for consideration by the Governance and Nomination Committee. This resignation is conditioned upon the Board's acceptance and thus shall not be effective unless and until the Board of Directors, after considering the recommendation of the Governance and Nomination Committee, accepts the director nominee's offer to resign. Nevertheless, if the director nominee does not wish to remain a director, he or she shall so state and shall tender a non-conditional resignation, which shall be effective as of the date thereof.

The Governance and Nomination Committee will promptly consider the director nominee's offer to resign and will recommend to the Board of Directors whether to accept or reject it. In making this recommendation, the Governance and Nomination Committee will consider all factors deemed relevant by its members, including, without limitation, the stated reasons, if any, why shareholders "withheld" votes for election from such director nominee, the length of service and qualifications of the director nominee, the director nominee's contributions to us, our Corporate Governance Guidelines, whether accepting the offered resignation would cause us to fail to meet any applicable SEC or Nasdaq requirements and whether the director's resignation from the Board of Directors would be in the best interests of us and our shareholders.

The Board of Directors will act on the Governance and Nomination Committee's recommendation no later than 90 days following the date of the shareholders' meeting at which the election occurred. In considering the Governance and Nomination Committee's recommendation, the Board of Directors will consider the information and factors considered by the Governance and Nomination Committee and such additional information and factors as the Board of Directors deems relevant.

Any director nominee who offers his or her resignation for consideration pursuant to our Corporate Governance Guidelines will not participate in the Governance and Nomination Committee or Board of Directors deliberations regarding whether to accept the director nominee's offer to resign.

Risk Management

The Board is responsible for the oversight of our policies, procedures and systems in place to manage our risk exposure. Our Chief Executive Officer and Chief Financial Officer are responsible for the assessment and management of our risks and regularly report their findings to our Board directly or through their communications with our Audit Committee. Our Corporate Risk Manager is responsible for identifying, assessing and monitoring risks inherent to our business and providing guidance to senior management and our Audit Committee regarding our enterprise risk management, insurance portfolio, business continuity programs, crisis management, claims management and governance, record retention, and risk and compliance initiatives. Our Director of Internal Audit also reports risks that are identified during the internal audit process and our Information Technology Security Team reports on the risks associated with our information technology systems. After gathering and assessing information about our risk exposure, our Audit Committee reports the results of its review to the Board on a regular basis.

Other committees of the Board have risk oversight responsibility as well. The Governance and Nomination Committee is responsible for the oversight of risks associated with succession planning and corporate governance matters, and the Compensation Committee is primarily responsible for the oversight of risks associated with employment agreements, compensation arrangements and the attraction and retention of qualified employees. The Chairs of both the Governance and Nomination Committee and the Compensation Committee report the results of their meetings and reviews to the Board on a regular basis.

Our Lead Independent Director promotes effective communication and consideration of matters presenting significant risks to us through his role in coordinating with our Executive Chairman and Chief Executive Officer on meeting agendas, advising committee chairmen, chairing meetings of the independent directors and communicating between the independent directors, our Executive Chairman and our Chief Executive Officer.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee has adopted a written policy that requires advance approval of all audit services, audit-related services, tax services and other services performed by our independent registered public accounting firm. The policy provides for pre-approval by the Audit Committee of specifically defined audit and permissible non-audit services. Unless the specific service has been pre-approved with respect to that year, the Audit Committee must approve the permitted service before the independent registered public accounting firm is engaged to perform it. The Audit Committee has delegated to the Chair of the Audit Committee authority to pre-approve permitted services under $20,000 provided that the Chair reports any decisions to all members of the Audit Committee at the earliest convenience. In the event the Chair is unavailable, the remaining members must unanimously approve any request for permitted services, not to exceed $20,000, and notify the Chair at the earliest convenience.

Policy for Accounting Complaints

The Audit Committee has established procedures for (i) the receipt, retention and processing of complaints related to accounting, internal accounting controls and auditing matters, and (ii) the confidential, anonymous submission by our employees of concerns regarding questionable accounting or auditing matters. The Audit Committee has contracted with a third party to provide a toll-free telephone number and internet service that is staffed 24 hours a day, seven days a week. This service documents the complaint, assigns a reference number to the complaint for tracking purposes and forwards that information, through email, to the Audit Committee Chair and the Director of Internal Audit. In the event the complaint concerns an internal audit matter, only the Audit Committee Chair is notified. Either the Audit Committee Chair or Director of Internal Audit, using whatever resources are required, investigates the complaint. Corrective action, if deemed necessary, is decided upon by the Audit Committee Chair and then implemented as needed. The identity of the individual submitting the complaint and the details of the complaint remain anonymous throughout this process. We periodically test this process to ensure that complaints are handled in accordance with these procedures.

Compensation Committee Interlocks and Insider Participation

The current members of the Compensation Committee are Messrs. Culp (Chair), Hanley, Suggs and Wray. None of the current members of the Compensation Committee has ever served as an officer or employee of our Company or had any relationship during the year ended December 31, 2017 that would be required to be disclosed pursuant to the SEC's Item 404 of Regulation S-K. No interlocking relationships exist between our current Board of Directors, executive officers or Compensation Committee and the board of directors or compensation committee of any other company.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act requires certain of our officers, directors and persons who own more than 10% of a registered class of our equity securities to file reports of ownership and changes in ownership with the SEC. Such officers, directors and shareholders are required by SEC regulations to furnish us with copies of all such reports that they file. Based solely on a review of copies of the reports filed with the SEC since January 1, 2017 and on representations by certain officers and directors, all persons subject to the reporting requirements of Section 16(a) filed the reports required to be filed on a timely basis.

REPORT OF AUDIT COMMITTEE

The Audit Committee oversees our financial reporting, internal controls and audit functions on behalf of the Board of Directors and operates under a written charter, which is reviewed on an annual basis and was most recently revised on May 17, 2017. The Audit Committee is comprised solely of independent directors as defined by SEC rules and regulations and Nasdaq listing standards. Three of the four members of the Audit Committee, including the Chair, have been designated as “audit committee financial experts” as that term is defined by SEC rules and regulations. The Chair reports the Audit Committee's actions and deliberations to the Board at quarterly scheduled Board meetings.

During the fiscal year ended December 31, 2017, the Audit Committee fulfilled its duties and responsibilities as outlined in the charter. Among its actions, the Audit Committee:

- reviewed and discussed our quarterly earnings releases and the quarterly financial statements filed on Forms 10-Q with the SEC, with management and our independent registered public accounting firm, EY;
- reviewed with management, the internal auditor and EY the audit scope and plan for the audit of the fiscal year ended December 31, 2017; and
- met with the internal auditor and EY individually, outside the presence of management, to discuss, among other things, our financial disclosures, accounting policies and principles and internal controls.

In fulfilling its oversight responsibilities, the Audit Committee also reviewed and discussed the audited financial statements in the Annual Report on Form 10-K with management. The Audit Committee also has reviewed and discussed with management and EY management's assessment of the effectiveness of our internal control over financial reporting and EY's evaluation of our internal control over financial reporting.

The Audit Committee has discussed with EY the matters required to be discussed by Auditing Standard 1301, Communications with Audit Committees, issued by the Public Company Accounting Oversight Board (the "PCAOB"). In addition, the Audit Committee has received the written disclosures and the letter from EY required by applicable requirements of the PCAOB regarding EY's communications with the Audit Committee concerning independence, and has discussed with EY that firm's independence.

Based on the review and discussions referred to above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in our Annual Report on Form 10-K for the year ended December 31, 2017 for filing with the SEC.

The Audit Committee,
D. Michael Wray, Chair
Robert G. Culp, III
Bradley R. Gabosch
Patrick D. Hanley

COMPENSATION DISCUSSION AND ANALYSIS

Overview

Our guiding principles in the development of our executive compensation philosophy have been to align executive compensation with both our business objectives and the interests of our shareholders. We have attempted to balance the principal elements of our compensation program (base salary, short-term performance-based pay and longer-term incentives) to motivate our executives to achieve our short-term financial objectives as well as our long-term objectives of increasing our market share and shareholder value, which is substantially dependent on our achievement of our short-term objectives. We believe a significant portion of executive compensation should be based upon performance, and we have designed our elements of compensation accordingly. We do not believe the elements of our executive compensation program encourage excessive risk-taking, and we and our Board review our program periodically to ensure it is operating in accordance with our objectives.

Our executive compensation program ties a significant portion of current cash compensation directly to corporate performance primarily through the Performance Incentive Plan (the “PIP”). As described below, the PIP provides for monthly bonuses of a specified percentage of our monthly pre-tax income to the plan participants, subject to a minimum profitability threshold requirement. We believe this plan has been instrumental in motivating our named executive officers and other participating officers to consistently achieve and sustain superior profitability in our industry.

We believe long-term incentives are also necessary to align pay with performance, reward loyalty, and create shareholder value. As in 2016, all equity grants issued to named executive officers and other officers in 2017 were made under the Old Dominion Freight Line, Inc. 2016 Stock Incentive Plan (the “2016 Plan”), our primary plan for equity-based incentive compensation. Equity grant levels are tied to performance requirements, with any earned shares provided in the form of restricted stock subject to continued service vesting provisions to further enhance retention. Other elements of our executive compensation program include employee deferrals of short-term cash compensation into our Nonqualified Deferred Compensation Plan and contributions to our 401(k) retirement plan, which are also described in more detail below.

The principal factors in the Compensation Committee’s executive compensation decisions for 2017 were our financial performance, the relationship of executive compensation to the Company’s pre-tax income, the amount of compensation that is performance-based, and the review and analysis conducted by its independent compensation consultant.

The Company ended 2017 with strong growth in revenue, an industry-leading operating ratio, and a strong balance sheet, which we believe will strategically position us for growth in 2018. As a result, the Compensation Committee approved an increase of 3.0% in the base salaries for our named executive officers effective in January 2018. This increase followed an earlier increase of approximately 3.0% provided to non-officer employees effective in September 2017. In keeping with our philosophy of pay-for-performance, PIP payments to our named executive officers increased in 2017 as compared to 2016, as these payments were directly aligned with our financial performance. As a result, total annual cash compensation for our named executive officers as a group increased

20% in 2017 from 2016, which was consistent with the 20% increase in the Company’s income before taxes for the same period.

Objectives of Our Executive Compensation Program
Our executive compensation program is designed to achieve the following objectives, consistent with the principles and philosophy outlined above:

- provide meaningful and competitive compensation opportunities with a primary emphasis on variable incentives to encourage superior corporate performance and long-term shareholder value creation;
- motivate and reward our executives to increase Company earnings; and
- promote and foster an environment of cooperation and “OD family spirit.”

We also believe it is critical that our executive compensation program is structured to:

- attract talented, knowledgeable and experienced executives, who are critical to our success in the highly competitive transportation industry;
- retain our executives so they can add further value in current and future roles by providing long-term incentives that reward loyalty, retention and growth in shareholder value; and
- provide a reasonable level of compensation protection to our executive officers to offset some of the risks of a change in ownership.

In 2017, we believe the strengthening economy and a favorable pricing environment, coupled with the discipline instilled across our organization by the named executive officers to remain committed to our yield philosophy during a period of tightening industry capacity, yielded strong financial results. We also delivered strong total shareholder returns for the one, three, and five-year periods ended December 31, 2017 that significantly outperformed the companies in our peer group. These results reinforce the determination by our Compensation Committee and Board of Directors that our executive compensation program is achieving its desired objectives.

Role of Compensation Committee and Independent Directors
The Compensation Committee is comprised entirely of independent directors, and this committee is charged with recommending to our Board the compensation of our Chief Executive Officer and determining the compensation paid to our other named executive officers. Additionally, the Compensation Committee makes recommendations to the Board regarding the adoption of, and changes to, our executive compensation plans.

David S. Congdon, our current Vice Chairman of the Board and Chief Executive Officer, has a significant role in the compensation-setting process, including:

- providing recommendations to the Compensation Committee on business performance targets and objectives;
- evaluating individual performance; and
- providing recommendations to the Compensation Committee for salary and equity or non-equity based awards.

Neither Earl E. Congdon, our current Executive Chairman, nor David S. Congdon participates in the Compensation Committee’s deliberations regarding his individual performance, salary level, non-equity incentive plan compensation or other compensation that may be granted to him.

The Compensation Committee has the authority to hire outside advisers, such as compensation consultants, to render guidance and assistance when the Committee deems it appropriate and advisable. The

Compensation Committee, at its discretion, determines both the frequency that outside consultants are engaged and the scope of work these consultants perform. Prior to selecting or receiving advice from a compensation consultant or other adviser, the Compensation Committee assesses the independence of such adviser and thereafter conducts an annual assessment of any potential conflicts of interest raised by the work of such adviser.

Role of the Compensation Consultant
Since 2013, the Compensation Committee has periodically engaged Pearl Meyer & Partners, LLC, an independent compensation consulting firm, to assist it with its review and analysis of executive and non-employee director compensation matters. The Compensation Committee initially selected and has continued to engage Pearl Meyer based primarily on its skill sets, strengths, professionals, industry knowledge and resources.

In July 2017, the Compensation Committee engaged Pearl Meyer to conduct a review and analysis of the Company's executive compensation program for officers and a separate review and analysis of the Company's non-employee director compensation program. With respect to the executive compensation program, Pearl Meyer conducted a competitive market review, business performance analysis, total shareholder return analysis and pay and performance alignment review. In conducting its analysis, Pearl Meyer determined that the same publicly-traded companies included in Pearl Meyer's analysis conducted during 2016 continued to be appropriate, with the exception of Roadrunner Transportation Systems, Inc., which was removed from the peer group given that company's restatement of its prior period financial statements. As a result, the peer group consisted of the thirteen publicly-traded transportation companies listed below. Subsequent to Pearl Meyer's peer group analysis, the previously announced merger of Knight Transportation, Inc. and Swift Transportation Company was completed in September 2017.

XPO Logistics, Inc.	Swift Transportation Company	Werner Enterprises, Inc.
J.B. Hunt Transport Services, Inc.	Landstar System, Inc.	Saia, Inc.
YRC Worldwide, Inc.	ArcBest Corporation	Ryder System, Inc.
C.H. Robinson Worldwide, Inc.	Expeditors International of Washington, Inc.	Hub Group, Inc.
Knight Transportation, Inc.		

Following the peer group selection by the Compensation Committee, Pearl Meyer conducted a review and analysis of our executive compensation program, which would be considered by the Compensation Committee and the Board when making 2018 compensation decisions. With respect to our executive compensation program, Pearl Meyer was requested to review the competitiveness of the program and analyze recent business results in order to evaluate the strength of the relationship between pay and performance. Pearl Meyer's analysis of our executive compensation program: (i) included each of our executive officer positions; (ii) focused on position level pay data (with respect to base salary, short-term incentives, total cash compensation, long-term incentives and total direct compensation (sum of base salary, short-term incentives and long-term incentives)); and (iii) comparisons to market (based on publicly available proxy statements and further supplemented by published survey data).

Based on its review and analysis, Pearl Meyer determined, among other things, that: (i) our aggregate total direct compensation levels were above the 75th percentile of the market; (ii) our performance was above the 75th percentile results for the thirteen publicly-traded transportation companies identified above based on a variety of financial and stockholder metrics over multiple time periods; (iii) our executive pay structure yields a much higher variable compensation mix as compared to market; and (iv) our executive compensation program continues to align pay and performance and receive strong shareholder support. For these reasons, Pearl Meyer did not recommend any changes to our executive compensation program.

The Compensation Committee has reviewed and considered the results of Pearl Meyer's analysis and will continue to consider these results in making future compensation decisions. Although peer data is utilized in Pearl Meyer's analysis, and the Compensation Committee reviews and considers such data in making compensation decisions, we do not benchmark compensation to any particular peer group percentile for any of our named executive officers. Given our strong financial performance, the large majority of total compensation for our named executive officers over the past several years has been delivered through the PIP. The Compensation Committee periodically reviews all aspects of our compensation program, including the pay mix for officers, to ensure alignment with desired objectives.

In connection with its engagement of Pearl Meyer, the Compensation Committee conducted a conflict of interest assessment and determined that Pearl Meyer was independent and that its engagement did not present any conflicts of interest. During fiscal 2017, Pearl Meyer only worked for the Compensation Committee and performed no additional services for the Company or any of the named executive officers. The Compensation Committee pre-approved all work performed by Pearl Meyer.

During fiscal 2017, neither the Compensation Committee nor our management used the services of any other compensation consultant other than Pearl Meyer.

Elements of Compensation

The following discusses each of the components of our executive compensation program and the decisions the Compensation Committee made in connection with 2017 and, where appropriate, 2018 compensation.

Annual Base Salary

Base salaries for our executives are designed to reflect job responsibilities and to provide competitive, fixed pay to balance performance-based risks. We have historically increased the base salaries of our named executive officers annually for an inflationary factor and, in some instances, an incremental adjustment attributable to our overall growth and financial performance. The Compensation Committee may also approve additional salary increases for certain officers, including certain named executive officers, when job performance, promotions and increased job responsibilities and/or other factors warrant. Base salaries have historically been positioned conservatively compared to companies in our peer group due to our executive compensation program's primary emphasis on variable, performance-based incentives.

The Compensation Committee determined that our named executive officers should receive an increase in annual base salary of 3.0%, effective in January 2018. This followed an increase of approximately 3.0% for our non-officer employees that was effective in September 2017. The table below reflects the annual base salaries for our named executive officers that have been approved by the Compensation Committee for 2018, and the actual base salaries that were approved and paid in 2017 and 2016:

Named Executive Officer	2018 Base Salary (1) ($)	2017 Base Salary (1) ($)	2016 Base Salary (1) ($)
Earl E. Congdon (2)	630,895	612,519	594,679
David S. Congdon	630,895	612,519	594,679
Greg C. Gantt (3)	575,353	558,595	542,325
Adam N. Satterfield	283,635	275,374	267,353 (4)
Kevin M. Freeman	288,945	280,529	272,358

(1) The base salaries reported in this table and corresponding amounts reflected in the Summary Compensation Table may differ due to the timing of effective dates for base salary changes.

(2) As previously disclosed, effective May 16, 2018, Mr. Earl E. Congdon will transition to the role of Senior Executive Chairman, and his base salary will be reduced, effective June 1, 2018, to $400,000. See "Compensation Discussion and Analysis - Executive Leadership Team Transition" below.

(3) As previously disclosed, effective May 16, 2018, Mr. Gantt will transition to the role of President and Chief Executive Officer, and his base salary will be increased, effective June 1, 2018, to $650,000. See "Compensation Discussion and Analysis - Executive Leadership Team Transition" below.

(4) Mr. Satterfield's 2016 annual base salary was increased from $228,989 to $267,353, effective July 1, 2016.

In approving the increases in base salary for our named executive officers that became effective in January 2018, the Compensation Committee considered the salaries of executive officers at peer companies, the 3.0% increase provided to non-officer employees in September 2017, the Company's industry-leading financial results for 2017 and the Company's outlook for 2018. Based on the data and analysis pr