

SPEEDWAY MOTORSPORTS, INC.
BOARD OF DIRECTORS
CORPORATE GOVERNANCE GUIDELINES

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THE MISSION OF THE SPEEDWAY MOTORSPORTS BOARD OF DIRECTORS

The Speedway Motorsports Board of Directors represents the stockholders' interest in perpetuating a successful business, including optimizing long-term financial returns. The Board is responsible for determining that the Company is managed in such a way to ensure this result. The Board has the responsibility to ensure that in good times, as well as difficult ones, management is capably executing its responsibilities. The Board's responsibility is to regularly monitor the effectiveness of management policies and decisions and the execution of its strategies.

GUIDELINES ON SIGNIFICANT CORPORATE GOVERNANCE ISSUES

Selection and Composition of the Board

1) Board Membership Criteria

The Nominating/Corporate Governance Committee (the "Governance Committee") is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment should include issues of judgment, knowledge, diversity, age and skills, all in the context of an assessment of the perceived needs of the Board at that point in time.

2) Selection and Orientation of New Directors

The Board is responsible for selecting its own members and in recommending them for election by the stockholders. The Board delegates the screening process involved to the Governance Committee with the direct input from the Chairman of the Board and the Chief Executive Officer. However, with each director nomination recommendation, the Board will consider the mix of director characteristics, experiences and skills most appropriate to the Company's needs. The Board intends that each director shall contribute knowledge, experience or skill in at least one area of importance to the Company. The Board believes that it is important to obtain a diversity of experiences and perspectives within the Board.

The Board and the Company have a complete orientation process for new Directors that includes background material, meetings with senior management and visits to Company facilities to permit them to become familiar with the Company's business, industry and corporate governance policies.

3) Extending the Invitation to a Potential Director to Join the Board

An invitation to join the Board shall be extended by the Board itself via the Chairman of the Board and Chief Executive Officer of the Company, together with an Independent Director, when appropriate.

Board Leadership

4) *Selection of Chairman of the Board and Chief Executive Officer*

The Board shall make the choice of Chairman of the Board and Chief Executive Officer however it deems best for the Company at a given point in time.

5) *Lead Independent Director*

The Independent Directors shall select one Director from the Independent Directors to serve as the Lead Independent Director. The Lead Independent Director is responsible for chairing the regular sessions of the Non-Management Directors (“Executive Sessions”). The Lead Independent Director along with the other Non-Management Directors will develop the agendas for the Executive Sessions. The Lead Independent Director shall coordinate feedback from other Non-Management Directors members of the Board to the Chief Executive Officer and other Company management.

Board Composition and Performance

6) *Size of the Board*

The Board in recent years has been comprised of seven to nine members. The Board currently intends to maintain the Board at this size. However, the Board would consider changing the size to accommodate the availability of an outstanding candidate(s) or other contingencies. However, the Company’s By-Laws currently limits the size of the Board to ten members.

7) *Mix of Independent and Non-Independent Directors*

Because the Company is a “controlled-company” as defined in the New York Stock Exchange corporate governance rules, the Board is not required to be comprised of a majority of Independent Directors. Therefore, the Board may or may not be comprised of a majority of Independent Directors at any time, depending on the Board’s determination of available outstanding candidates and such other factors and contingencies that it may deem appropriate in its discretion.

8) *Individual Director Responsibilities*

Directors must actively participate in Board meetings, review relevant materials in advance of meetings, serve on Board committees, and prepare for meetings and discussions with management.

Serving on the Board requires significant time and attention on the part of the Directors. Directors must spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. The appropriate number of hours to be spent by a Director on his or her duties and the frequency and length of Board meetings will depend on the complexity of the Company’s operations and matters at hand.

Directors should exercise vigorous and diligent oversight of the Company's affairs. However, Directors should not micromanage the Company's business by performing or duplicating the tasks of the Chief Executive Officer and the senior management team.

9) ***Board Definition of what Constitutes Independence for Directors***

The Board believes there is no current relationship between any Independent Director and the Company that would be construed in any way to compromise any Independent Director being designated as independent. Compliance with the independence standards expressed in these Guidelines is reviewed annually by the Governance Committee.

The term "Independent Director" shall mean a Director the Board has affirmatively determined has no material relationship with the Company as defined by applicable rules of the Securities and Exchange Commission and the New York Stock Exchange. In addition, the Board utilizes Company's Categorical Standards for Determination of Director Independence, a copy of which is attached hereto as Appendix A.

The Board will consider all relevant facts and circumstances in determining "independence," including commercial, industrial, banking, consulting, legal, accounting, charitable and familial relationships. The basis for the Board's determination that a relationship is not material will be disclosed in the Company's annual proxy statement.

A "Non-Management Director" is a director who is not an officer of the Company. The definition would include a director who is not independent by virtue of a material relationship, former status, family relationship or for any other reason.

10) ***Former Chairman/Chief Executive Officer's Board Membership***

When a Chairman of the Board or Chief Executive Officer resigns from that position, he shall submit his written resignation from the Board at the same time. Whether the individual continues to serve on the Board is a matter for discussion at that time with the new Chairman of the Board or Chief Executive Officer and the Board and will be decided in each instance. A former Chairman of the Board or Chief Executive Officer serving on the Board will not be considered an Independent Director.

11) ***Directors Who Change Their Present Primary Occupation; Other Director Positions***

It is not the sense of the Board that in every instance the Directors who retire or change from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board, via the Nominating/Governance Committee, to review the continued appropriateness of Board membership of individual Directors who change the primary occupation they held when they were elected to the Board.

Independent Directors are encouraged to limit the number of other boards on which they serve, taking into account potential board attendance, participation and effectiveness on these boards. Independent Directors should also advise the Chairman of the Board and the Chairman of the Nominating/Governance Committee in advance of accepting an invitation to serve on

another board or committee thereof. No Audit Committee member may simultaneously serve on the audit committees of more than three public companies.

12) ***Term Limits***

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

As an alternative to term limits, the Nominating/Governance Committee, in conjunction with the Chief Executive Officer, will formally review each Director's continuation on the Board every three years prior to standing for re-election. This will also allow each Director the opportunity to conveniently confirm his/her desire to continue as a member of the Board.

13) ***Retirement Age***

The Board does not believe it should establish a retirement age. Age may be a consideration in any formal review of a Director's continuation on the Board previously noted.

14) ***Board Compensation***

It is appropriate for the staff of the Company to report once a year to the Compensation Committee the status of Board compensation in relation to other similarly situated U.S. companies. As part of a Director's total compensation and to create a direct linkage with corporate performance, the Board believes that a meaningful portion of a Director's compensation should be provided and held in common stock. Changes in Board compensation, if any, should come at the suggestion of the Compensation Committee, but with full discussion and concurrence by the Board.

The Board should be aware that questions as to Directors' independence may be raised where Directors' fees and emoluments exceed what is customary. Similar concerns may be raised when the Company makes substantial charitable contributions to organizations in which a Director is affiliated, or enters into consulting contracts with (or provides other indirect forms of compensation to) a Director.

15) ***Executive Sessions of Non-Management Directors***

The Non-Management Directors of the Board will meet in Executive Session without management not less than quarterly at scheduled meetings. Executive Sessions will be chaired by the Lead Independent Director. The Company shall publicly disclose the name of the Lead Independent Director and that the Lead Independent Director presides over the Executive Sessions. The format of these meetings may include a discussion with the Chairman of the Board and the Chief Executive Officer or other members of management, for a portion of the Executive Session as determined by the chairman of the meeting. Interested parties may make their concerns known to the Non-Management Directors by communicating directly with the

Lead Independent Director through any reasonable method established by the Lead Independent Director.

16) ***Assessing the Board's Performance***

The Nominating/Governance Committee is responsible to report annually to the Board its assessment of the Board's performance. This will be discussed with the full Board. This should be done following the end of each fiscal year and at the same time as the report on Board membership criteria.

This assessment should be of the Board's contribution as a whole and specifically review areas in which the Board, in consultation with management, believes a better contribution could be made. Its purpose is to increase the effectiveness of the Board, not to target individual Board members.

Notwithstanding the forgoing, the Board may choose to forgo an annual evaluation of the Nominating and Corporate Governance Committee and the Compensation Committee pursuant to the exemption provided to "controlled companies" under the rules of the NYSE for so long as the Company remains a controlled company.

17) ***Board's Interaction with Institutional Investors, Press, Sanctioning Bodies, Sponsors, Customers, Etc.***

The Board believes that management speaks for the Company. Individual Board members may, from time to time at the request of the management, meet or otherwise communicate with various constituencies that are involved with the Company. If comments from the Board are appropriate, they should, in most circumstances, come from the Chairman of the Board.

18) ***Director Continuing Education***

Directors have an affirmative obligation to become and remain independently familiar with Company operations. Directors should not rely exclusively on information provided to them by the Chief Executive Officer.

Board Relationship to Senior Management

19) ***Regular Attendance of Non-Directors at Board Meetings***

The Board welcomes the regular attendance at each Board meeting of non-Board members who are in the most senior management positions of the Company. Should the Chairman of the Board or the Chief Executive Officer want to add additional people as attendees on a regular basis, it is expected that this suggestion would be made to the Board for its concurrence.

20) ***Board Access to Senior Management***

Board members have complete access to management.

It is assumed that Board members will use judgment to be sure that this contact is not distracting to the business operation of the Company and that such contact, if in writing, will be copied to the Chairman of the Board or Chief Executive Officer, as appropriate.

Furthermore, the Board encourages management to, from time to time, bring managers into Board meetings who (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

21) ***Independent Advisors***

The Board and Committees are authorized to seek advice from outside advisors, independent of management, with respect to matters within their responsibility, as they may deem appropriate. Such matters may include, without limitation, risk assessment and risk management, conflict of interest situations and compensation consultation.

Meeting Procedures

22) ***Selection of Agenda Items for Board Meetings***

The Chairman of the Board will establish the agenda for each Board meeting, after consultation with management. Each Board member is free to suggest the inclusion of item(s) on the agenda.

23) ***Board Materials Distributed in Advance***

Information and data that is important to the Board's understanding of the business will be distributed in writing to the Board before the Board meets. Management will make every attempt to see that this material efficiently and effectively provides the desired information.

24) ***Board Presentations***

As a general rule, presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. On those occasions in which the subject matter is too sensitive to put on paper, the presentation will be discussed at the meeting. Presentations should be scheduled to allow for question-and-answer sessions and open discussion.

25) ***Related Party Transaction***

The Audit Committee, shall from time to time review and evaluate all related person transactions involving the Company, consider issues of possible conflicts of interest, if such issues arise and review and evaluate the Company's related person transaction policies and procedures.

Committee Matters

26) Number, Structure and Independence of Committees

From time to time, the Board may form a new committee or disband a current committee depending upon the circumstances. The current Board committees are Audit, Compensation and Nominating/Corporate Governance. The Audit, Compensation and Nominating/Corporate Governance Committee membership will be determined in accordance with applicable law and the criteria for membership on the committees as specified in the applicable rules of the New York Stock Exchange.

27) Assignment and Rotation of Committee Members

The Nominating/Governance Committee is responsible, after consultation with the Chairman of the Board and with consideration of the desires of individual Board members, for the assignment of Board members to various committees.

The Board will consider rotating committee members periodically at five-year intervals. However, such a rotation is not mandated because there may be reasons at a given point in time to maintain an individual Director's committee membership for a longer period.

28) Frequency and Length of Committee Meetings

The committee chairman, in consultation with committee members, will determine the frequency and length of the meetings of his or her committee.

29) Committee Agenda

The chairman of a committee, in consultation with the appropriate members of the committee and management, will develop a committee's agenda.

Leadership Development

30) Formal Evaluation of the Chairman of the Board and the Chief Executive Officer

Independent Directors will evaluate the Chairman of the Board and the Chief Executive Officer annually. The Chairman of the Nominating/Governance Committee will communicate the evaluation to the Chairman of the Board and the Chief Executive Officer. The evaluation shall be based on objective criteria, including performance of the business, accomplishment of long-term strategic objectives and development of management. The evaluation will be used by the Compensation Committee in the course of its deliberations when considering the compensation of the Chairman of the Board and the Chief Executive Officer.

31) Succession Planning

The Chief Executive Officer will report annually to the Compensation Committee on succession planning. The Compensation Committee will identify and periodically update the

qualities and characteristics necessary for an effective Chief Executive Officer. The Compensation Committee will periodically monitor and review the development and progress of potential internal candidates against these standards. There shall also be available, on a continuing basis, the Chairman of the Board's and the Chief Executive Officer's recommendations regarding a successor.

32) *Management Development*

The Chief Executive Officer will report to the Board annually regarding the Company's program for management development. This report should be given to the Board near the time the succession planning report is given to the Compensation Committee, as noted previously.

APPENDIX A

Categorical Standards for Determination of Director Independence

No director qualifies as independent under the New York Stock Exchange (“NYSE”) corporate governance rules unless the board of directors affirmatively determines that the director has no material relationship with the Company. The NYSE’s corporate governance rules include several “bright line” tests for director independence. No director who has a direct or indirect relationship that is covered by one of those tests qualifies as an independent director. To assist the board of directors in making determinations of independence about relationships individual directors may have that are not covered by one of those “bright line” tests, the board of directors has adopted categorical standards for director independence that are set forth below.

* * * *

The Board of Directors has determined that the following relationships with the Company, either directly or indirectly, will not be considered material relationships for purposes of determining whether a director is independent:

- **Relationships in the ordinary course of business.** Relationships involving (1) the purchase or sale of products or services or (2) lending, deposit, banking or other financial service relationships, either by or to the Company or its subsidiaries and involving a director, his or her immediate family members, or an organization of which the director or an immediate family member is a partner, greater than 3% shareholder, officer, employee or director if the following conditions are satisfied:
 - any payments made to, or payments received from, the Company or its subsidiaries in any single fiscal year within the last three years do not exceed the greater of (i) \$1 million or (ii) 2% of such other organization’s consolidated gross revenues; provided that if the director is a non-employee director of the Company and a non-employee director or greater than 3% shareholder of the other organization, the payments may not exceed the greater of (i) \$1 million or (ii) 5% of such other organization’s consolidated gross revenues;
 - the products and services are provided in the ordinary course of business and on substantially the same terms and conditions, including price, as would be available to similarly situated customers;
 - the relationship does not involve consulting, legal, investment banking or accounting services provided to the Company or its subsidiaries; and
 - any extension of credit was in the ordinary course of business and was made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with other similarly situated borrowers;

- **Relationships with organizations to which a director is connected solely as a shareholder, member or partner.** Any other relationship between the Company or one of its subsidiaries and a company (including a limited liability company) or partnership to which a director is connected solely as a shareholder, member or partner as long as the director is not a principal shareholder or partner of the organization. For purposes of this categorical standard, a person is a principal shareholder of a company if he or she directly or indirectly, or acting in concert with one or more persons, owns, controls or has the power to vote more than 10% of any class of voting securities of the company. A person is a principal partner of a partnership if he or she directly or indirectly, or acting in concert with one or more persons, owns, controls or has the power to vote a 25% or more general partnership interest, or more than a 10% overall partnership interest. Shares, membership interests or partnership interests owned or controlled by a director's immediate family member who shares the director's home are considered to be held by the director.
- **Relationships with organizations, in which the Company owns, directly or indirectly, a 50% or greater equity interest, and to which the director is connected solely as a member of the organizations board of directors or board of managers.** Any other relationship in which the director is connected with an organization, in which the Company owns, directly or indirectly, a 50% or greater equity interest, solely as a member of the organization's board of directors or board of managers, regardless of the amount of any payments made to, or payments received from, the Company or its subsidiaries, in any single fiscal year within the last three years.
- **Contributions to charitable organizations.** Contributions made or pledged by the Company, its subsidiaries or by any foundation sponsored by or associated with the Company or its subsidiaries to a charitable organization of which a director or an immediate family member is an executive officer, director, or trustee if the following conditions are satisfied:
 - within the preceding three years, the aggregate amount of such contributions during any single fiscal year of the charitable organization did not exceed the greater of \$1 million or 2% of the charitable organization's consolidated gross revenues for that fiscal year
 - the charitable organization is not a family foundation created by the director or an immediate family member

For purposes of this categorical standard, contributions made to any charitable organization pursuant to a matching gift program maintained by the Company or by its subsidiaries or by any foundation sponsored by or associated with the Company or its subsidiaries shall not be included in calculating the materiality threshold set forth above.

- **Equity relationship.** If the director, or an immediate family member, is an executive officer of another organization in which the Company owns an equity interest, and the amount of the Company's interest is less than 10% of the total voting interest in the other organization.

- **Stock ownership.** The director is the beneficial owner (as that term is defined under Rule 13d-3 of the Securities Exchange Act of 1934, as amended) of less than 10% of the Company's outstanding capital stock.
- **Other family relationships.** A relationship involves a director's relative who is not an immediate family member of the director.
- **Employment relationship.** The director has not been an employee of the Company or any of its subsidiaries during the last five years.
- **Employment of immediate family members.** No immediate family member of the director is a current employee, or has been an executive officer during the last five years, of the Company or any of its subsidiaries.
- **Relationships with acquired or joint venture entities.** In the last five years, the director has not been an executive officer, founder or principal owner of a business organization acquired by the Company, or of a firm or entity that was part of a joint venture or partnership including the Company.
- **Voting arrangements.** The director is not a party to any contract or arrangement with any member of the Company's management regarding the director's nomination or election to the Board, or requiring the director to vote with management on proposals brought before the Company's shareholders.

Definitions of Terms Used in these Categorical Standards

- "immediate family member" includes a person's spouse, parents, children, siblings, mothers and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than domestic employees) who shares such person's home.
- "executive officer" means the president, principal financial officer, principal accounting officer, any vice-president in charge of a principal business unit, division or function (such as sales, administration or finance) or any other person who performs similar policy-making functions for an organization.