

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): April 24, 2024

Universal Logistics Holdings, Inc.

(Exact name of Registrant as Specified in Its Charter)

Michigan  
(State or Other Jurisdiction  
of Incorporation)

0-51142  
(Commission File Number)

38-3640097  
(IRS Employer  
Identification No.)

12755 E. Nine Mile Road  
Warren, Michigan  
(Address of Principal Executive Offices)

48089  
(Zip Code)

Registrant's Telephone Number, Including Area Code: 586 920-0100

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, no par value	ULH	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

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

**Item 2.02 Results of Operations and Financial Condition.**

On April 25, 2024, Universal Logistics Holdings, Inc. (“ULH,” “we,” or “our”) issued a press release announcing its financial and operating results for the thirteen weeks ended March 30, 2024, a copy of which is furnished as Exhibit 99.1 to this Form 8-K.

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

We held our 2024 Annual Meeting of Shareholders on April 24, 2024. At the Annual Meeting, our shareholders approved the Universal Logistics Holdings, Inc. 2024 Equity Incentive Plan, which replaces the Universal Logistics Holdings, Inc. 2014 Amended and Restated Stock Option and Incentive Plan. Outstanding awards granted under the prior plan will continue to be governed by the terms of the prior plan, but no awards may be made under the prior plan after April 24, 2024. Under the new plan, we reserved 750,000 shares of our common stock for awards we intend to grant under the new plan. Officers, directors, employees, and consultants who provide services to us are eligible to participate in the new plan.

We included a description of the material terms of the new plan in our Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on March 29, 2024, and mailed to our shareholders commencing on or about March 29, 2024 in connection with the Annual Meeting. The description of the new plan in the Proxy Statement is incorporated by reference into this Item 5.02 of this Current Report on Form 8-K. The foregoing summary is qualified in its entirety by reference to the full text of the new plan, which is filed as Exhibit 10.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Also on April 24, 2024, our Board of Directors approved the form of our equity award agreements for grants of non-qualified stock options and restricted stock awards issued under the new plan. The forms of these agreements are filed as Exhibits 10.2 and 10.3 to this Current Report on Form 8-K and incorporated herein by reference.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

Our shareholders voted on three proposals at the Annual Meeting, and each proposal is described in detail in our Proxy Statement.

***Proposal No. 1: Election of Directors***

<u>Nominee</u>	<u>For</u>	<u>Withheld</u>
Grant E. Belanger	21,295,406	4,404,208
Frederick P. Calderone	21,015,379	4,684,235
Daniel J. Deane	21,342,633	4,356,981
Clarence W. Gooden	21,923,706	3,775,908
Marcus D. Hudson	24,340,574	1,359,040
Matthew J. Moroun	20,681,242	5,018,372
Matthew T. Moroun	20,121,048	5,578,566
Tim Phillips	20,542,204	5,157,410
Michael A. Regan	21,923,706	3,775,908
Richard P. Urban	20,786,035	4,913,579
H.E. “Scott” Wolfe	21,044,725	4,654,889

There were 283,296 broker non-votes with respect to this proposal.

***Proposal No. 2: Approval of the Universal Logistics Holdings, Inc. 2024 Equity Incentive Plan***

Our shareholders approved the 2024 Equity Incentive Plan as disclosed in the Proxy Statement.

<u>For</u>	<u>Against</u>	<u>Abstain</u>
25,229,550	446,921	23,143

There were 283,296 broker non-votes with respect to this proposal.

***Proposal No. 3: Ratification of the Appointment of the Independent Registered Public Accounting Firm***

Our shareholders ratified the appointment of Grant Thornton LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2024.

<u>For</u>	<u>Against</u>	<u>Abstain</u>
25,874,402	105,867	2,641

**Item 7.01 Regulation FD Disclosure.**

We issued a press release on April 25, 2024 announcing that our Board of Directors declared a cash dividend of \$0.105 per share of common stock. The dividend is payable on July 1, 2024 to shareholders of record on June 3, 2024. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K.

**Item 9.01 Financial Statements and Exhibits.**

- 10.1 [Universal Logistics Holdings, Inc. 2024 Equity Incentive Plan.](#)
  - 10.2 [Form of Non-Statutory Stock Option Agreement under the 2024 Equity Incentive Plan.](#)
  - 10.3 [Form of Restricted Stock Award Agreement under the 2024 Equity Incentive Plan.](#)
  - 99.1 [Press Release dated April 25, 2024.](#)
  - 104 Cover Page Interactive Data File (formatted as Inline XBRL)
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**SIGNATURES**

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

UNIVERSAL LOGISTICS HOLDINGS, INC.

Date: April 25, 2024

By: /s/ Steven Fitzpatrick

Steven Fitzpatrick  
Secretary

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## UNIVERSAL LOGISTICS HOLDINGS, INC.

## 2024 EQUITY INCENTIVE PLAN

1. **Purposes of the Plan.** The purposes of this Plan are (a) to attract and retain the best available personnel to ensure the Company's success and accomplish the Company's goals; (b) to incentivize Employees, Directors and Consultants with long-term equity-based compensation to align their interests with the Company's shareholders, and (c) to promote the success of the Company's business. The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units, Performance Shares and unrestricted Common Stock.
2. **Definitions.** As used herein, the following definitions will apply:
  - a. "**Administrator**" means the Board or the Committee of the Board that will be administering the Plan, in accordance with Section 4 of the Plan.
  - b. "**Affiliate**" means, at the time of determination, any Parent or Subsidiary of the Company.
  - c. "**Applicable Laws**" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where Awards are, or will be, granted under the Plan.
  - d. "**Award**" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units, Performance Shares or unrestricted Common Stock.
  - e. "**Award Agreement**" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.
  - f. "**Beneficial Owner**" means the definition given in Rule 13d-3 and Rule 13d-5 of the Exchange Act.
  - g. "**Board**" means the Board of Directors of the Company.
  - h. "**Change in Control**" except as may otherwise be provided in an Award Agreement, means the occurrence of any of the following:
    - i. The consummation of a merger or consolidation of the Company with or into another entity or any other corporate reorganization, if the Company's shareholders immediately prior to such merger, consolidation or reorganization cease to directly or indirectly own immediately after such merger, consolidation or reorganization at least a majority of the combined voting power of the continuing or surviving entity's securities outstanding immediately after such merger, consolidation or other reorganization; provided that any Person who (1) was a Beneficial Owner of the voting securities of the Company immediately prior to such merger or consolidation, and (2) is a Beneficial Owner of more than twenty percent (20%) of the securities of the Company immediately after such merger or consolidation, and (3) is not a Moroun Family Shareholder or any group in which a Moroun Family Shareholder is a member, shall be excluded from the list of "the Company's shareholders immediately prior to such merger, consolidation or reorganization" for purposes of the preceding calculation;
    - ii. The consummation of the sale, transfer or other disposition of all or substantially all of the Company's assets (other than (x) to a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company or by one or more Moroun Family Shareholders, (y) to a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company or (z) to a continuing or surviving entity described in Section 2(h)(i) in connection with a merger, consolidation or corporate reorganization which does not result in a Change in Control under Section 2(h)(i)); or
    - iii. The consummation of any transaction as a result of which any Person or group (other than a Moroun Family Shareholder or any group in which any a Moroun Family Shareholder is a member) becomes the Beneficial Owner, directly or indirectly, of securities of the Company representing at least fifty percent (50%) of the total voting power represented by the Company's then outstanding voting securities. For purposes of this subparagraph (iii), the term "Person" shall exclude: (1) a trustee or other fiduciary holding securities under an employee benefit plan of the

Company or an Affiliate of the Company; (2) a corporation or other entity owned directly or indirectly by the shareholders of the Company in substantially the same proportions as their ownership of the common stock of the Company; (3) the Company; (4) a corporation or other entity of which at least a majority of its combined voting power is owned directly or indirectly by the Company; and (5) a trustee or receiver appointed for the purpose of a complete winding up, liquidation or dissolution of the Company. A transaction shall not constitute a Change in Control if its sole purpose is to change the state of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transactions.

iv. Notwithstanding the foregoing subparagraphs (i) through (iii) above, to the extent necessary to comply with Section 409A of the Code with respect to the payment of "nonqualified deferred compensation" (as defined for purposes of Section 409A of the Code), "Change in Control" shall be limited to a "change in control event" as defined under Section 409A of the Code.

i. "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder shall include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

j. "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 hereof.

k. "Common Stock" means the common stock of the Company.

l. "Company" means Universal Logistics Holdings, Inc., a Michigan corporation, or any successor thereto.

m. "Consultant" means any person, including an advisor, engaged by the Company or an Affiliate to render services to such entity (as the terms consultant and advisor are defined and interpreted for purposes of Form S-8 under the Securities Act of 1933, as amended, or any successor form).

n. "Director" means a member of the Board.

o. "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

p. "Effective Date" means the date the Plan is approved by shareholders of the Company.

q. "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

r. "Exchange Act" means the Securities Exchange Act of 1934, as amended.

s. "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

i. If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the Nasdaq Global Select Market, the Nasdaq Global Market or the Nasdaq Capital Market of The Nasdaq Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

ii. If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the day of determination, as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

iii. In the absence of an established market for the Common Stock, the Fair Market Value will be determined in

good faith by the Administrator.

- t. “Fiscal Year” means the fiscal year of the Company.
- u. “Incentive Stock Option” means an Option that is designated by the Committee as an incentive stock option within the meaning of Section 422 of the Code and the regulations promulgated thereunder.
- v. “Inside Director” means a Director who is an Employee.
- w. “Moroun Family Shareholder” means Matthew T. Moroun, Matthew J. Moroun, their immediate family members (as defined in Rule 16a-1(e)) and any trust established for the benefit of any such Person who constitutes the Beneficial Owner of the subject shares for purposes of Rule 16a-1(a)(1) or Rule 16a-1(a)(2).
- x. “Nonstatutory Stock Option” means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.
- y. “Officer” means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.
- z. “Option” means a stock option granted pursuant to the Plan.
- aa. “Outside Director” means a Director who is not an Employee.
- bb. “Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of the corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Parent after the adoption of the Plan shall be considered a Parent commencing as of such date.
- cc. “Participant” means the holder of an outstanding Award.
- dd. “Performance Goal” means a performance goal established by the Administrator pursuant to Section 10(c) of the Plan.
- ee. “Performance Share” means an Award denominated in Shares which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine pursuant to Section 10.
- ff. “Performance Unit” means an Award which may be earned in whole or in part upon attainment of Performance Goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.
- gg. “Period of Restriction” means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and, therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.
- hh. “Person” has the meaning set forth in Section 13(d) and 14(d) of the Exchange Act.
- ii. “Plan” means this 2024 Equity Incentive Plan.
- jj. “Restricted Stock” means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan.
- kk. “Restricted Stock Unit” means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.
- ll. “Rule 16a-1(e)” means Rule 16a-1(e) of the Exchange Act or any successor to Rule 16a-1(e), as in effect when discretion is being exercised with respect to the Plan.

mm. “Rule 16b-3” means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

nn. “Section 16(b)” means Section 16(b) of the Exchange Act.

oo. “Service Provider” means an Employee, Director or Consultant.

pp. “Share” means a share of the Common Stock, as adjusted in accordance with Section 13 of the Plan.

qq. “Stock Appreciation Right” means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

rr. “Subsidiary” means any corporation (other than the Company) in an unbroken chain of corporations beginning with the Company if each of the corporations other than the last corporation in the unbroken chain owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain. A corporation that attains the status of a Subsidiary after the adoption of the Plan shall be considered a Subsidiary commencing as of such date.

### 3. Stock Subject to the Plan.

a. Stock Subject to the Plan. Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan is 750,000 Shares (the “Share Reserve”). The Shares may be authorized, but unissued, or reacquired Common Stock. The maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in this Section 3(a).

b. Lapsed Awards. To the extent an Award expires, is surrendered or becomes unexercisable without having been exercised or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to the Company due to failure to vest, the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the forfeited Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has terminated). With respect to Stock Appreciation Rights, the total number of shares of Common Stock subject to such Stock Appreciation Rights (and not the net number of shares of Common Stock actually issued pursuant to such Stock Appreciation Rights) will cease to be available under the Plan. Notwithstanding the foregoing (and except with respect to Shares of Restricted Stock that are forfeited rather than vesting), Shares that have actually been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan. Shares subject to an Award under the Plan may not again be made available for issuance under the Plan if such Shares are (x) Shares that were subject to an Option or a stock-settled Stock Appreciation Right and were not issued upon the net settlement or net exercise of such Option or Stock Appreciation Right, or (y) Shares delivered to or withheld by the Company to pay the exercise price or the withholding taxes under Options, Stock Appreciation Rights or other Awards. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. In addition, shares of Common Stock repurchased by the Company with the proceeds of the exercise prices for any Options may not be reissued under the Plan.

c. Substitute Awards. In connection with a merger or consolidation of an entity with the Company or the acquisition by the Company of property or stock of an entity, the Board may grant Awards in substitution for any options or other stock or stock-based awards granted by such entity or an affiliate thereof (“Substitute Awards”). The terms and conditions of such Substitute Awards shall be set forth in an Award Agreement and shall, except as may be inconsistent with any provision of the Plan, to the extent practicable provide the recipient with benefits (including economic value) substantially similar to those provided to the recipient under the existing award which such Substitute Award is intended to replace. Substitute Awards shall not count against the overall share limit set forth in the Plan, except as may be required by reason of Section 422 and related provisions of the Code but shall be available under the Plan by virtue of the Company’s assumption of the plan or arrangement of the acquired company or business.

d. Prior Plan. Following the approval of the Plan by the shareholders of the Company, no new awards may be granted under the Company’s 2014 Amended and Restated Stock Incentive Plan, as amended (the “2014 Plan”). Awards outstanding under the 2014 Plan shall remain in full force and effect under the 2014 Plan according to its terms.



4. Administration of the Plan.

a. Procedure.

i. Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

ii. Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

iii. Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

b. Powers of the Administrator. Subject to the provisions of the Plan, the Administrator will have the authority, in its discretion:

i. to determine the Fair Market Value;

ii. to select the Service Providers to whom Awards may be granted hereunder;

iii. to determine the number of Shares to be covered by each Award granted hereunder;

iv. to approve forms of Award Agreements for use under the Plan;

v. to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may vest and be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

vi. to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

vii. to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations established for the purpose of satisfying applicable foreign laws, for qualifying for favorable tax treatment under applicable foreign laws or facilitating compliance with foreign laws; and sub-plans may be created for any of these purposes;

viii. to modify or amend each Award (subject to Section 19 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(a) and Section 6(b) of the Plan);

ix. to allow Participants to satisfy withholding or other tax obligations in such manner as prescribed in Section 15 of the Plan;

x. to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator; and

xi. to make all other determinations deemed necessary or advisable for administering the Plan.

c. Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

d. No Option or Stock Appreciation Right Repricing Without Shareholder Approval. Except as provided in Section 14(a) hereof relating to certain anti-dilution adjustments, unless the approval of the holders of a majority of the Shares that are present in person or by proxy and entitled to vote at any annual or special meeting of the Company's shareholders is obtained, (i) Options and Stock Appreciation Rights issued under the Plan shall not be amended to lower their exercise price, (ii) Options and Stock Appreciation Rights issued under the Plan will not be exchanged for other Options or Stock Appreciation Rights with lower exercise prices, (iii) Options and Stock Appreciation Rights issued under the Plan with an exercise price in excess of the Fair Market Value of the underlying Shares will not be exchanged for cash or other property, and (iv) no other action shall be taken with respect to Options or Stock

Appreciation Rights that would be treated as a repricing under the rules of the principal stock exchange or market system on which the Shares are listed.

e. Delegation by the Board. Subject to any requirements of Applicable Law, the Board may delegate to one or more officers of the Company the power to grant Awards (subject to any limitations under the Plan) to Employees of the Company and to exercise such other powers under the Plan as the Board may determine, provided that the Board shall fix the terms of Awards to be granted by such officers, the maximum number of shares subject to Awards that the officers may grant, and the time period in which such Awards may be granted; and provided further, that no officer shall be authorized to grant Awards to any “executive officer” of the Company (as defined by Rule 3b-7 under the Exchange Act) or to any Officer of the Company.

5. Award Eligibility and Limitations.

a. Award Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares, Performance Units and unrestricted Common Stock may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

b. Limit on Awards to Outside Directors. The aggregate value of all compensation granted or paid, as applicable, to any individual for service as an Outside Director with respect to any fiscal year, including Awards granted and cash fees paid by the Company to such Outside Director, will not exceed seven hundred and fifty thousand dollars (\$750,000) in total value, calculating the value of any Awards based on the grant date fair value of such Awards for financial reporting purposes. The Board may make an exception to the applicable limit in this Section 5(b) for any Outside Director in extraordinary circumstances, as the Board may determine in its discretion, provided that any Outside Director who is granted or paid such additional compensation may not participate in the decision to grant or pay such additional compensation.

c. Rights Under the Plan. No Person shall have any rights as a shareholder with respect to any shares of Common Stock covered by or relating to any Award until the date of the issuance of such shares on the books and records of the Company. Except as otherwise expressly provided in Section 13 hereof, no adjustment of any Award shall be made for dividends or other rights for which the record date occurs prior to the date of such issuance. Nothing in this Section 5(c) is intended, or should be construed, to limit authority of the Administrator to cause the Company to make payments based on the dividends that would be payable with respect to any share of Common Stock if it were issued or outstanding, or from granting rights related to such dividends.

6. Stock Options.

a. Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted. With respect to the Committee’s authority in Section 4(b)(viii), if, at the time of any such extension, the exercise price per Share of the Option is less than the Fair Market Value of a Share, the extension shall, unless otherwise determined by the Committee, be limited to the earlier of (1) the maximum term of the Option as set by its original terms, or (2) ten (10) years from the grant date. Unless otherwise determined by the Committee, any extension of the term of an Option pursuant to this Section 4(b)(viii) shall comply with Code Section 409A to the extent necessary to avoid taxation thereunder.

b. Term of Option. The term of each Option will be stated in the Award Agreement and will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

c. Option Exercise Price and Consideration.

i. Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

1. In the case of an Incentive Stock Option,

- a. granted to an Employee who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant; and
- b. granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

2. In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

ii. Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

iii. Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration for both types of Options may consist entirely of: (1) cash; (2) check; (3) other Shares, provided that (A) such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised, (B) such Shares are not subject to any repurchase, forfeiture, unfulfilled vesting or other similar requirements, and (C) accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (4) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (5) for Nonstatutory Stock Options, by net exercise; (6) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (7) any combination of the foregoing methods of payment.

d. Exercise of Option.

i. Procedure for Exercise; Rights as a Shareholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a shareholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

ii. Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the

Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

iii. Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

iv. Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the Option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

## 7. Restricted Stock.

a. Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

b. Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

c. Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

d. Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate. Unless provided otherwise in an Award Agreement, the Participant shall have no right to vote or to receive dividends or other distributions with respect to shares of Restricted Stock that have not vested.

e. Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

f. Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

8. Restricted Stock Units.

a. Grant. Subject to the terms and conditions of the Plan, Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

b. Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, business unit, or individual goals (including, but not limited to, continued employment), or any other basis (including the passage of time) determined by the Administrator in its discretion.

c. Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

d. No Dividend Equivalents On Unvested Restricted Stock Units. The Award Agreement for Restricted Stock Units may provide a Participant with the right to receive an amount equal to any dividends or other distributions declared and paid on an equal number of outstanding Shares (“Dividend Equivalents”). Dividend Equivalents may be settled in cash and/or Shares, shall be subject to the same restrictions on transfer and forfeitability as the Restricted Stock Units with respect to which paid, and shall not be settled prior to vesting of the Restricted Stock Units with respect to which paid. No interest will be paid on Dividend Equivalents.

e. Form and Timing of Payment. Payment of earned Restricted Stock Units will be made upon the date determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may settle earned Restricted Stock Units in cash, Shares, or a combination of both.

f. Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

9. Stock Appreciation Rights.

a. Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

b. Number of Shares. Subject to the terms and conditions of the Plan, the Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

c. Exercise Price and Other Terms. The per share exercise price for the Shares underlying an Award of Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

d. Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the number of Shares underlying the Award, the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

e. Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire upon the date determined by the Administrator, in its sole discretion, and set forth in the Award Agreement. Notwithstanding the foregoing, the rules of Section 6(b) relating to the maximum term and Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

f. Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

- i. The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; multiplied by
- ii. The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon a Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

#### 10. Performance Units and Performance Shares.

a. Grant. Subject to the terms and conditions of the Plan, Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion, and the Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

b. Value. Subject to the terms and conditions of the Plan, each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant and each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

c. Performance Objectives and Other Terms. The Administrator will set Performance Goals or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units or Performance Shares that will be paid out to the Service Provider. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, may determine.

d. Measurement of Performance Goals. Performance Goals shall be established by the Administrator on the basis of targets to be attained with respect to one or more measures of business or financial performance (each, a "Performance Measure"), subject to the following:

i. Performance Measures. For each Performance Period, the Administrator shall establish the Performance Measures, if any, and any particulars, components and adjustments relating thereto, applicable to each Participant. The Performance Measures, if any, will be based upon the achievement of a specified percentage or level in one or more discretionary or non-discretionary factors preestablished by the Administrator. Performance Measures may be one or more of the following or based on such other performance criteria as the Administrator may deem appropriate, and may be determined pursuant to generally accepted accounting principles ("GAAP"), non-GAAP or other basis, in each case as determined by the Committee: (i) total revenue; (ii) fuel surcharge revenue; (iii) revenue, excluding fuel surcharge; (iv) operating income; (v) operating ratio; (vi) income or earnings before taxes, interest, depreciation and/or amortization; (vii) income or earnings from continuing operations; (viii) effective tax rates; (ix) cash taxes; (x) net income; (xi) pre-tax income or after-tax income; (xii) operating expenses, or any component expense thereof; (xiii) financing or capital transactions; (xiv) gross margin; (xv) operating margin or profit margin; (xvi) capital expenditures, cost targets, and expense management; (xvii) total assets; (xviii) return on assets (gross or net), return on investment, return on capital, or return on shareholder equity; (xix) cash flow, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, or cash flow in excess of cost of capital; (xx) stock price or total shareholder return; (xxi) earnings or book value per share (basic or diluted); (xxii) economic value created; (xxiii) pre-tax profit or after-tax profit; (xxiv) freight rates or any other customer pricing measure; (xxv) customer growth, retention or diversification; (xxvi) goals relating to divestitures, joint ventures, mergers, acquisitions and similar transactions; (xxvii) changes in revenue equipment counts or utilization; (xxviii) goals relating to human capital management, including but not limited to driver or other employee recruiting, retention or turnover, results from employee surveys, employee safety, employee accident and/or injury rates, headcount, performance management, or completion of employee training initiatives; (xxix) goals relating to transportation safety measures, ratings, incidents or initiatives; (xxx) goals related to equipment maintenance; and (xxxi) key regulatory objectives. The Administrator may specify that such Performance Measures shall be adjusted to exclude any one or more of (a) extraordinary items, (b) gains or losses on the dispositions of assets, (c) the cumulative effects of changes in accounting principles, (d) the writedown of any asset, (e) unusual and/or infrequent events impacting Company performance, and (f) any other events affecting the Company, as determined by the Administrator.

- ii. Administrator Discretion on Performance Measures. As determined in the discretion of the Administrator,

the Performance Measures for any Performance Period may (a) differ from Participant to Participant and from Award to Award, (b) be based on the performance of the Company as a whole or the performance of a specific Participant or one or more subsidiaries, divisions, departments, regions, locations, segments, functions or business units of the Company, (c) be measured on a per share, per truck, trailer or other revenue equipment unit, per mile, per lane, per customer, per employee, and/or other objective or subjective basis, (d) be measured on a pre-tax or after-tax basis, and (e) be measured on an absolute basis or in relative terms (including, but not limited to, the passage of time and/or against other companies, financial metrics and/or an index). Without limiting the foregoing, the Administrator shall adjust any performance criteria, Performance Measures or other feature of an Award that relates to or is wholly or partially based on the number of, or the value of, any stock of the Company, to reflect any stock dividend or split, repurchase, recapitalization, combination, or exchange of shares or other similar changes in such stock, and may take into account other factors (including subjective factors).

e. Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding Performance Goals or other vesting provisions have been achieved. Notwithstanding any provision of the Plan, the Administrator may adjust downwards the cash or number of Shares payable pursuant to such an award if it determines, in its sole discretion, that such adjustment is appropriate.

f. Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made upon the time set forth in the applicable Award Agreement. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

g. No Dividends on Unvested Performance Units/Shares. Notwithstanding any provision of this Plan to the contrary, dividends and dividend equivalents shall not be paid with respect to unvested Performance Units/Shares prior to the time of vesting of the underlying Performance Units/Shares, or portion thereof, with respect to which the dividend or dividend equivalent is accrued.

h. Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Unrestricted Stock. The Committee may cause the Company to grant unrestricted shares of Common Stock to Participants at such time or times, in such amounts and for such reasons as the Committee, in its sole discretion, shall determine. Unrestricted Common Stock shall immediately vest and shall not be subject to any restricted period. Except as required by Applicable Laws, no payment shall be required for shares of unrestricted Common Stock. The Company shall issue, in the name of each Participant to whom unrestricted Shares have been granted, the total number of Shares granted to the Participant as soon as reasonably practicable after the date of grant or on such later date as the Committee shall determine at the time of grant.
12. Leaves of Absence; Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence unless contrary to Applicable Law. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Participant's employer or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If such leave exceeds three (3) months and reemployment upon expiration of a leave of absence approved by the Participant's employer is not so guaranteed, the employment relationship shall be deemed to have terminated on the first day immediately following such three (3)-month period, and such Incentive Stock Option held by the Participant shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option on the first (1<sup>st</sup>) day immediately following a three (3)-month period from the date the employment relationship is deemed terminated.
13. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

14. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

a. Adjustments. In the event of a stock split, reverse stock split, stock dividend, combination, consolidation, recapitalization (including a recapitalization through a large nonrecurring cash dividend) or reclassification of the Shares, subdivision of the Shares, a rights offering, a reorganization, merger, spin-off, split-up, repurchase, or exchange of Common Stock or other securities of the Company or other significant corporate transaction, or other change affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number, kind and class of securities that may be delivered under the Plan and/or the number, class, kind and price of securities covered by each outstanding Award, the numerical Share limits and Share counting provisions in Section 3 of the Plan. Notwithstanding the forgoing, all adjustments under this Section 14 are intended to be made in a manner that does not result in taxation under Code Section 409A.

b. Dissolution or Liquidation. In the event of the proposed winding up, dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Award will terminate immediately prior to the consummation of such proposed action.

c. Change in Control. Except as set forth in an Award Agreement, to the extent the successor corporation in a merger or Change in Control does not assume or substitute for outstanding Awards under the Plan, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all Performance Goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more Performance Goals will not be considered assumed if the Company or its successor modifies any of such Performance Goals without the Participant's consent; provided, however, a modification to such Performance Goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

15. Tax.

a. Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or prior to any time the Award or Shares are subject to taxation, the Company and/or the Participant's employer will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation or social insurance contributions) required to be withheld with respect to such Award (or exercise thereof).

b. Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (a) paying cash, (b) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to all or part of the Participant's estimated federal, state, local, foreign or other tax



obligations with respect to such Award (or exercise thereof), or (c) delivering to the Company already-owned Shares having a Fair Market Value equal to all or part of such estimated tax obligations with respect to such Award (or exercise thereof). Except as otherwise determined by the Administrator, the Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

c. Compliance With Code Section 409A. Awards are intended to be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A (or an exemption therefrom) and will be construed and interpreted in accordance with such intent. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A, it is intended that the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A (or an exemption therefrom), such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A. Except as provided in an individual Award Agreement initially or by amendment, if and to the extent (i) any portion of any payment, compensation or other benefit provided to a Participant pursuant to the Plan in connection with his or her employment termination constitutes “nonqualified deferred compensation” within the meaning of Code Section 409A and (ii) the Participant is a specified employee as defined in Code Section 409A(a)(2)(B)(i), in each case as determined by the Company in accordance with its procedures, by which determinations the Participant (through accepting the Award) agrees that he or she is bound, such portion of the payment, compensation or other benefit shall not be paid before the day that is six months plus one day after the date of “separation from service” (as determined under Code Section 409A) (the “New Payment Date”), except as Code Section 409A may then permit. The aggregate of any payments that otherwise would have been paid to the Participant during the period between the date of separation from service and the New Payment Date shall be paid to the Participant in a lump sum on such New Payment Date, and any remaining payments will be paid on their original schedule. In no event will the Company be responsible for or reimburse a Participant for any taxes or other penalties incurred as a result of the application of Code Section 409A.

16. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant’s relationship as a Service Provider with the Company, or (if different) the Participant’s employer, nor will they interfere in any way with the Participant’s right or the Participant’s employer’s right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.
17. Clawback Policy. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy adopted by the Company or that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company’s securities are listed or as is otherwise required by Applicable Laws. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate.
18. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination to grant such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.
19. Term of Plan. The Plan will continue in effect for a term of ten (10) years from the Effective Date, unless terminated earlier under Section 20 of the Plan.
20. Amendment and Termination of the Plan.
  - a. Amendment and Termination. The Committee may at any time amend, alter, suspend or terminate the Plan.
  - b. Shareholder Approval. The Company will obtain shareholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.
  - c. Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator’s ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

21. Conditions Upon Issuance of Shares.

a. Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

b. Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

c. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority will not have been obtained.

d. Governing Law. The Plan and all Awards hereunder shall be construed in accordance with and governed by the laws of the State of Michigan, but without regard to its conflict of law provisions.

Adopted by the Board of Directors on February 14, 2024, and approved by the Company's shareholders on April 24, 2024.

**UNIVERSAL LOGISTICS HOLDINGS, INC.**  
**2024 EQUITY INCENTIVE PLAN**  
**NON-STATUTORY STOCK OPTION AGREEMENT**

**THIS NON-STATUTORY STOCK OPTION AGREEMENT** (the “**Agreement**”) is made on [•] (the “**Effective Date**”), by and between Universal Logistics Holdings, Inc., a Michigan corporation (the “**Company**”), and the undersigned Participant.

Name of Participant	Grant Date	Expiration Date	No. of Shares	Exercise Price / Share
[•]	[•]	[•]	[•]	[•]

The Company hereby grants to Participant an option (the “**Option**”) to purchase such number of shares (the “**Shares**”) of the Company’s common stock (the “**Common Stock**”) set forth above, at the above-referenced exercise price, subject to the terms, definitions and provisions of this Agreement. The Company makes this Award under and pursuant to the terms of the Company’s 2024 Equity Incentive Plan (the “**Plan**”). The Option is intended to be a non-qualified stock option and is not intended to be treated as an option that complies with Section 422 of the Internal Revenue Code of 1986, as amended.

**1. Vesting and Exercise.**

(a) *Vesting.* The Option will become exercisable in accordance with the following vesting schedule:

Vesting Date	Percentage of Option that Vests on Vesting Date
[•]	[•%]
[•]	[•%]
[•]	[•%]

(b) *Continuous Service.* All vesting is dependent and conditioned on the Participant’s service with the Company or an Affiliate, whether as an Employee, Director or Consultant (“**Continuous Service**”), not being interrupted or terminated before the Vesting Date, provided that the Participant’s Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service. The right of exercise shall be cumulative so that to the extent the Option is not exercised in any period to the maximum extent permissible it shall continue to be exercisable, in whole or in part, with respect to all Shares for which it is vested until the earlier of the Final Exercise Date or the termination of this Option under Section 1(d) hereof or the Plan.

(b) *Form of Exercise.* Each election to exercise this Option shall be in writing, signed by the Participant (which election and signature may be electronic, to the extent provided by the Company), and received by the Company at its principal office, accompanied by this Agreement, and payment in full in the manner provided in the Plan. The Participant is only permitted to use the methods of payment in Sections 6 of the Plan and, to the extent approved by the Administrator, any other lawful consideration permitted under the Plan as the Administrator may determine, including by combination of any of the foregoing permitted forms of payment. The Participant may purchase less than the number of Shares covered hereby; provided, however, no partial exercise of this Option may be for any fractional Share.

(c) *Restrictions on Exercise.* As a condition to the exercise of this Option, the Company may require the Participant to make any representation and warranty to the Company as may be required by Applicable Laws.

(d) *Termination, Death or Disability.*

(i) If the Participant’s Continuous Service ceases for any reason, then, except as provided in subparagraphs (ii) and (iii) below, the right to exercise this Option shall terminate three months after such cessation (but in no event after the Expiration Date); provided, however, this Option shall be exercisable only to the extent that the Participant was entitled to exercise this Option on the date of such cessation. Notwithstanding the foregoing, if the Participant, prior to the Expiration Date, violates any non-competition or confidentiality provisions of any employment contract, confidentiality and nondisclosure

agreement or other agreement between the Participant and the Company or its Affiliates, the right to exercise this Option shall terminate immediately upon such violation.

(ii) If the Participant's Continuous Service ceases as a result of his or her death or disability (within the meaning of Section 22(e)(3) of the Code) prior to the Expiration Date and neither the Company nor any of its Affiliates has terminated its relationship with the Participant for "Cause" as specified in subparagraph (iii) below, this Option shall be exercisable, within the period of one year following the date of death or disability of the Participant, by the Participant (or in the case of death by an authorized transferee), provided, however, this Option shall be exercisable only to the extent that this Option was exercisable by the Participant on the date of his or her death or disability, and provided, further, that this Option shall not be exercisable after the Expiration Date.

(iii) If, prior to the Expiration Date, the Participant's Continuous Service ceases as a result of being terminated by Cause by the Company or its Affiliate, then the right to exercise this Option shall terminate immediately upon the effective time of such termination of employment or other relationship; provided, however, if the determination that the Participant is terminated for Cause is made by the Administrator after the time of such termination of employment or other relationship, the right to exercise this Option shall terminate immediately upon the date the Participant is given notice by the Company that it has determined that the termination is for Cause (or such other date, not later than the Expiration Date, that is specified in such notice). If, prior to the Expiration Date, the Participant is given notice by the Company of the termination of his or her employment or other relationship for Cause, and the effective time of such employment or other termination is subsequent to the time of the delivery of such notice, the right to exercise this Option shall be suspended from the time of the delivery of such notice until the earlier of (x) such time as it is determined or otherwise agreed that the Participant's employment or other relationship shall not be terminated for Cause as provided in such notice or (y) the effective time of such termination of employment or other relationship (in which case the right to exercise this Option shall, pursuant to the preceding sentence, terminate immediately upon the effective time of such termination of employment or other relationship).

(vi) This Option shall terminate on the Expiration Date, unless terminated prior thereto as provided herein or in the Plan.

**2. Non-transferability of Option.** This Option shall not be sold, assigned, transferred, pledged or otherwise encumbered by the Participant, either voluntarily or by operation of law, except by will or the laws of descent and distribution or, pursuant to a qualified domestic relations order, and, during the life of the Participant, shall be exercisable only by the Participant; provided, however, that, this Option may be gratuitously transferred by the Participant to or for the benefit of any immediate family member, family trust or other entity established for the benefit of the Participant and/or an immediate family member thereof if the Company would be eligible to use a Form S-8 under the Securities Act for the registration of the sale of the Common Stock subject to this Option to such proposed transferee; provided further, that the Company shall not be required to recognize any such permitted transfer until such time as such permitted transferee shall, as a condition to such transfer, deliver to the Company a written instrument in form and substance satisfactory to the Company confirming that such transferee shall be bound by all of the terms and conditions of this Option. For the avoidance of doubt, nothing contained in this Section 2 shall be deemed to restrict a transfer to the Company. No interest or right in this Option shall be liable for the debts, contracts or engagements of the Participant or his or her successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition of an interest or right in this Option shall be null and void and of no effect, except to the extent that such disposition is permitted by the preceding provisions of this Section 2.

**3. Stock Subject to the Option.** The Company and the Participant agree that the Shares of Common Stock of the Company acquired upon exercise of the Option shall not be sold or transferred for 180 days after issuance and shall be subject to the other restrictions set forth in the Plan and subject to the restriction as set out in Paragraph 4 of this Agreement.

**4. Right of First Refusal.** The Participant shall not sell or transfer the Shares issued upon exercise of the Option without first providing to the Company a notice of intent to sale (the "Notice") at least five (5) days prior to the intended sale date. After the Notice, the Company shall have until the close of business on the fourth business day after the Notice to agree to purchase the Shares intended for sale. If the Company exercises its right to purchase the Shares, the purchase shall be on the fifth day after the Notice and the purchase price shall be the fair market value of the Common Stock on that day. If the Company does not exercise its right, then the Participant shall have ten (10) business days thereafter to sell the Shares. If the Participant does not sell the Shares within such 10-day period, this right of first refusal shall be applicable to any subsequent sale of the subject Shares.

**5. Notices.** Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or to either party at such other address as either party hereto may hereafter designate in writing to the other party. Any such notice shall be deemed effective upon receipt thereof by the addressee.

**6. No Right to Continued Employment.** Neither the Plan nor this Agreement shall be construed as giving the Participant the right to be retained in the employ of, or in any consulting relationship to, the Company. Further, the Company may at any time terminate the employment of the Participant or discontinue any consulting relationship, free from any liability or any claim under the Plan or this Agreement, except as otherwise expressly provided herein.

**7. Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon the successors, assigns and heirs of the respective parties. All obligations imposed upon the Participant and all rights granted to the Company under this Agreement shall be binding upon Participant's heirs, legal representatives, and successors. This Agreement shall be the sole and exclusive source of any and all rights which the Participant, his or her heirs, legal representatives or successors may have in respect to the Plan or any options or Common Stock granted or issued hereunder, whether to himself or to any other person.

**8. Withholding.** Participant shall be required to pay to the Company, and the Company shall have the right and is hereby authorized to withhold, any applicable withholding taxes in respect of an Option, its exercise or any payment or transfer under an Option or under the Plan and to take such other action as may be necessary in the opinion of the Company to satisfy all obligations for the payment of such withholding taxes.

**9. Governing Plan and Plan Amendments.** By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received a copy of the Plan. The Award and this Agreement are subject to the terms and conditions of the Plan. The Plan is incorporated into this Agreement by reference. By signing this Agreement, Participant accepts this Award, acknowledges receipt of a copy of the Plan and acknowledges that the Award is subject to all the terms and provisions of the Plan and this Agreement. You further agree to accept as binding, conclusive and final all decisions and interpretations by the Administrator of the Plan upon any questions arising under the Plan. This Agreement shall be subject to the terms of the Plan except that this Agreement may not in any way be restricted or limited by any Plan amendment or termination approved after the date of this Agreement without the Participant's written consent.

**10. Terms.** Any capitalized terms used in this Agreement that are not otherwise defined shall have the meanings ascribed to them in the Plan.

**11. Data Privacy Notice.** In order to assist in the administration of the Plan, the Company may process personal data about the Participant. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about the Participant such as home address and business addresses and other contact information, payroll information and any other information that might be deemed appropriate by the Company to facilitate the administration of the Plan. By accepting this Option, the Participant gives explicit consent to the Company to process any such personal data. The Participant also gives explicit consent to the Company to transfer any such personal data outside or within the country in which the Participant works or is employed, including, with respect to non-U.S. resident Participants, to the United States, to transferees who shall include the Company, a broker retained by the Participant or the Company for the purpose of assisting with an exercise of options and other persons who are designated by the Company to administer or assist with the implementation, administration or management of the Plan. The Participant may object to the collection, use, processing or transfer of such data by notifying the Secretary of the Company in writing. The Participant understands that such objection may impair his or her ability to participate in the Plan.

**12. Compensation Recovery; Other Policies.** By signing this Agreement, Participant acknowledges and agrees that any Award previously granted to the Participant by the Company (under this Plan or any other current or prior equity plan of the Company), including the Option subject to this Award, and any amounts or benefits arising from such Awards, including but not limited to shares of Common Stock issued or cash paid pursuant to such Awards (including any dividends or distributions) or proceeds realized by the Participant (on a pre-tax basis) due to the sale or other transfer of Shares of Common Stock issued pursuant to such Awards shall be subject to (i) any recoupment, clawback, equity holding, stock ownership or similar policies adopted and amended by the Company from time to time and (ii) recoupment, clawback, equity holding, stock ownership or similar requirements law, regulation or listing standards applicable to the Company from time to time.

**13. Code Section 409A.** It is intended that this Award be exempt from or comply with Section 409A of the Code and this Agreement shall be interpreted and administered in a manner which effectuates such intent; provided, however, that in no event

shall the Company or any Subsidiary be liable for any additional tax, interest or penalty imposed upon or other damage suffered by the Participant on account of this Award being subject to but not in compliance with Section 409A of the Code.

**14. Entire Agreement.** This Agreement contains the entire understanding of the parties and shall not be modified or amended except in writing and duly signed by the parties. No waiver by either party of any default under this Agreement shall be deemed a waiver of any later default.

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**COMPANY:**

Universal Logistics Holdings, Inc.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS AGREEMENT, NOR IN THE COMPANY'S 2024 EQUITY INCENTIVE PLAN, WHICH IS INCORPORATED INTO THIS AGREEMENT BY REFERENCE, CONFERS ON THE PARTICIPANT ANY RIGHT WITH RESPECT TO CONTINUATION AS A SERVICE PROVIDER OR DIRECTOR OF THE COMPANY OR ANY AFFILIATE OF THE COMPANY, NOR INTERFERES IN ANY WAY WITH THE PARTICIPANT'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE PARTICIPANT'S SERVICE OR DIRECTOR RELATIONSHIP AT ANY TIME, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT PRIOR NOTICE.**

**BY ACCEPTING THIS AGREEMENT, THE PARTICIPANT ACKNOWLEDGES RECEIPT OF A COPY OF THE PLAN AND REPRESENTS THAT THE PARTICIPANT IS FAMILIAR WITH THE TERMS AND PROVISIONS OF THE PLAN. THE PARTICIPANT ACCEPTS THE OPTIONS AND SHARES SUBJECT TO ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THE PARTICIPANT HAS REVIEWED THE PLAN AND THIS AGREEMENT IN THEIR ENTIRETY. THE PARTICIPANT AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE ADMINISTRATOR UPON ANY QUESTIONS ARISING UNDER THE PLAN OR THIS AGREEMENT.**

**PARTICIPANT:**

\_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**UNIVERSAL LOGISTICS HOLDINGS, INC.**  
**2024 EQUITY INCENTIVE PLAN**  
**RESTRICTED STOCK AWARD AGREEMENT**

**THIS RESTRICTED STOCK AWARD AGREEMENT** (the “**Agreement**”) contains the terms and conditions of the restricted stock award granted to Participant by Universal Logistics Holdings, Inc., a Michigan corporation (the “**Company**”), under the 2024 Equity Incentive Plan adopted by the Company’s shareholders on April 24, 2024 (the “**Plan**”).

Name of Participant	Grant Date	Total No. of Shares
[•]	[•]	[•]

The Company hereby grants to Participant, effective on the Grant Date, the right to receive the number of shares shown above of Common Stock of the Company (“**Shares**”) on the Vesting Date (as defined below). Before the Shares are vested, they are referred to in this Agreement as “**Restricted Stock**.”

- 1. Payment.** The Award is granted to Participant without requirement of payment.
- 2. Shareholder Rights.** The Restricted Stock will be held for Participant by the Company or by a designated transfer agent until the applicable Vesting Date. Participant shall have all the rights of a shareholder only with respect to shares of Restricted Stock that have vested. Without limiting the generality of the foregoing, with respect to your unvested Restricted Stock, Participant shall have neither the right to vote such shares at any meeting of shareholders of the Company nor the right to receive any dividends paid in cash or otherwise with respect to such shares.

**3. Vesting of Restricted Stock.**

(a) *Vesting.* Except as otherwise provided in this Agreement, provided that the Participant has not incurred or experienced one of the conditions set forth in Section 3(b) of this Agreement (a “**Forfeiture Condition**”) on or before such date (each, a “**Vesting Date**”), the Shares of Restricted Stock subject to this Agreement shall vest in accordance with the following schedule:

Vesting Date	Incremental Number of Shares Vesting on Vesting Date
[•]	[•] [(•%)]
[•]	[•] [(•%)]
[•]	[•] [(•%)]

(b) *Forfeiture Conditions.* Subject to Section 3(c), the shares of Restricted Stock that would otherwise vest on a Vesting Date will not vest and shall be forfeited if, after the Grant Date and prior to the Vesting Date:

(i) the Participant’s service with the Company or an Affiliate, whether as an Employee, Director or Consultant (“**Continuous Service**”), is not interrupted or terminated before the Vesting Date, provided that the Participant’s Continuous Service shall not be deemed to have terminated merely because of a change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Consultant or Director or a change in the entity for which the Participant renders such service; or

(ii) the Participant is discussing or negotiating the possibility of becoming or are considering an offer to become, or have accepted an offer or entered into an agreement to become an employee, officer, director, partner, manager, consultant to, or agent of, or otherwise becoming affiliated with, any entity competing or seeking to compete with the Company or an affiliate of the Company; or

(iii) the Participant is subject to an administrative suspension, unless the Participant is reinstated as an Employee in good standing at the end of the administrative suspension period, in which case the applicable number of shares of Restricted Stock would vest as of the date of such reinstatement.



(c) *Accelerated Vesting; Vesting Notwithstanding Termination.* The Restricted Stock will vest earlier than described in Paragraph 3(a) if the Administrator, in its discretion, at any time accelerates the vesting of the Participant's Restricted Stock on such terms and conditions as it deems appropriate.

**4. Forfeiture of Restricted Stock.** If the Administrator determines that Participant has suffered a Forfeiture Condition prior to the Vesting Date, Participant will immediately forfeit the Restricted Stock and all of Participant's rights to and interest in the Restricted Stock shall terminate without payment of any consideration. Forfeited Restricted Stock shall be reconveyed to the Company.

**5. Tax Withholding.** The Participant shall, not later than the date as of which the receipt of this Award becomes a taxable event for federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any federal, state, and local taxes required by Applicable Laws to be withheld on account of such taxable event. The Company has the right to withhold any such taxes from any compensation paid to an Employee Participant to the extent permitted by Section 409A of the Code. The amount that will be due from the Participant, if any, will be determined at the time the risk of forfeiture is removed and vesting occurs, or if a Section 83(b) election (discussed below) is made, as of the Grant Date. In the event that a Section 83(b) election is not made, the Participant may elect to have the Company cause the required tax withholding obligation to be satisfied, in whole or in part, by (i) withholding from the Shares to be issued or released by the transfer agent a number of Shares with an aggregate Fair Market Value that would satisfy the withholding amount due; or (ii) causing its transfer agent to sell from the number of Shares to be issued or released by the transfer agent, the number of Shares necessary to satisfy the federal, state and local taxes required by law to be withheld from the Participant on account of such transfer.

**6. Election Under Section 83(b).** The Participant and the Company hereby agree that the Participant may, within 30 days following the Grant Date of this Award, file with the Internal Revenue Service and the Company an election under Section 83(b) of the Code. In the event the Participant makes such an election, he or she agrees to provide a copy of the election to the Company. The Participant acknowledges that he or she is responsible for obtaining the advice of his or her tax advisors with regard to the Section 83(b) election and that he or she is relying solely on such advisors and not on any statements or representations of the Company or any of its agents with regard to such election.

**7. Non-Transferability of Award.** Without the express written consent of the Administrator, which may be withheld for any reason in its sole discretion, neither the Restricted Stock nor any interest in the Restricted Stock may be assignable, alienable, saleable, pledged, hypothecated, encumbered or transferable by the Participant, except for a transfer by will or by the laws of descent and distribution as a result of the death of the Participant; provided that, unless approved by shareholders, in no event shall any Award be transferable for consideration. The terms of the Plan and this Agreement shall be binding upon the Participant's executors, administrators, heirs, successors and assigns. Any attempt to transfer, assign, pledge, hypothecate or borrow against the Restricted Stock in violation of this Section 7 in any manner shall be null and void and without legal force or effect.

**8. Right of First Refusal.** After the Vesting Date, the Participant shall not sell or transfer the Shares without first providing to the Company a notice of intent to sale (the "Notice") at least five (5) days prior to the intended sale date. After the Company's receipt of the Notice, the Company shall have until the close of business on the fourth business day after receipt of the Notice to agree to purchase the Shares intended for sale. If the Company exercises its right to purchase the Shares, the purchase shall be on the fifth day after the Notice and the price shall be the fair market value of the Common Stock on that day. If the Company does not exercise its right, then the Participant shall have ten (10) business days thereafter to sell the Shares. If the Participant does not sell the Shares within such 10-day period, this right of first refusal shall be applicable to any subsequent sale of said Shares.

**9. Acquired Rights.** The Participant acknowledges and agrees that: (a) the Company may terminate or amend the Plan at any time; (b) the Award of the Restricted Stock made under this Agreement is completely independent of any other Award and is made in the discretion of the Company; (c) no past grants or awards (including, without limitation, the Restricted Stock awarded hereunder) give the Participant any right to any grants or awards in the future whatsoever; and (d) none of the benefits granted under this Agreement are part of the Participant's ordinary salary or compensation, and shall not be considered as part of such salary or compensation in the event of or for purposes of determining the amount of or entitlement to severance, redundancy or resignation or benefits under any employee benefit plan.

**10. Restricted Stock Certificate Legend.** The Company will either issue a stock certificate or certificates representing the shares of Restricted Stock (the "Certificate") and register the Certificate in the Participant's name (and deposited with the Company or its designee, together with a stock power endorsed in blank), or make such other arrangements with its stock

transfer agent to issue uncertificated interests, including in book-entry form (“**Book Entry**”). If a Certificate is issued, each Certificate representing shares of Restricted Stock granted pursuant to this Agreement shall initially bear the following legend: “THE SALE OR OTHER TRANSFER OF THE SHARES OF COMMON STOCK REPRESENTED BY THIS CERTIFICATE, WHETHER VOLUNTARY, INVOLUNTARY, OR BY OPERATION OF LAW, IS SUBJECT TO CERTAIN RESTRICTIONS ON TRANSFER SET FORTH IN THE UNIVERSAL LOGISTICS HOLDINGS, INC. 2024 EQUITY INCENTIVE PLAN, AND IN A RESTRICTED STOCK AWARD AGREEMENT. A COPY OF THE PLAN AND SUCH RESTRICTED STOCK AWARD AGREEMENT MAY BE OBTAINED FROM THE SECRETARY OF THE COMPANY.” If a Certificate is issued it will be deposited with the Company together with a stock power endorsed in blank by the Participant. After the Vesting Date applicable to the Restricted Stock, the Company shall deliver to the Participant the stock certificates for such Shares, which shall be reissued without the legend set forth above; provided that the Administrator may determine instead that such Shares shall be evidenced by book-entry registration. If stock certificates or book-entry registrations were previously issued for the Shares and a legend had been placed on such certificate or book-entry registration, the Company shall cause such certificates or book-entry registrations to be reissued without the legend.

**11. Notices.** Any notice necessary under this Agreement shall be addressed to the Company in care of its Secretary at the principal executive office of the Company and to the Participant at the address appearing in the personnel records of the Company for the Participant or at such other address as either party hereto may designate in writing to the other party. Any such notice shall be deemed effective upon receipt thereof by the addressee.

**12. No Right to Continued Employment.** Neither the Plan nor this Agreement shall be construed as giving the Participant the right to be retained in the employ of, or in any consulting relationship to, the Company. Further, the Company may at any time terminate the employment of the Participant or discontinue any consulting relationship, free from any liability or any claim under the Plan or this Agreement, except as otherwise expressly provided herein.

**13. Benefits of Agreement.** This Agreement shall inure to the benefit of and be binding upon the successors, assigns and heirs of the respective parties. All obligations imposed upon the Participant and all rights granted to the Company under this Agreement shall be binding upon Participant’s heirs, legal representatives, and successors. This Agreement shall be the sole and exclusive source of any and all rights which the Participant, his heirs, legal representatives or successors may have in respect to the Plan or any Shares granted or issued hereunder, whether to himself or to any other person.

**14. Governing Plan and Plan Amendments.** By entering into this Agreement, the Participant agrees and acknowledges that the Participant has received a copy of the Plan. The Award and this Agreement are subject to the terms and conditions of the Plan. The Plan is incorporated into this Agreement by reference. Any capitalized terms used in this Agreement that are not defined in this Agreement shall have the meanings given to them in the Plan. By signing this Agreement, Participant accepts this Award, acknowledges receipt of the Plan and acknowledges that the Award is subject to all the terms and provisions of the Plan and this Agreement. Participant further agrees to accept as binding, conclusive and final all decisions and interpretations by the Administrator of the Plan upon any questions arising under the Plan. This Agreement shall be subject to the terms of the Plan except that this Agreement may not in any way be restricted or limited by any Plan amendment or termination approved after the date of this Agreement without the Participant’s written consent.

**15. Compensation Recovery; Other Policies.** By signing this Agreement, Participant acknowledges and agrees that any Award previously granted to the Participant by the Company (under this Plan or any other current or prior equity plan of the Company), including the Restricted Stock subject to this Award, and any amounts or benefits arising from such Awards, including but not limited to shares of Common Stock issued or cash paid pursuant to such Awards (including any dividends or distributions) or proceeds realized by the Participant (on a pre-tax basis) due to the sale or other transfer of shares of Common Stock issued pursuant to such Awards shall be subject to (i) any recoupment, clawback, equity holding, stock ownership or similar policies adopted and amended by the Company from time to time and (ii) recoupment, clawback, equity holding, stock ownership or similar requirements law, regulation or listing standards applicable to the Company from time to time.

**16. Code Section 409A.** It is intended that this Award be exempt from or comply with Section 409A of the Code and this Agreement shall be interpreted and administered in a manner which effectuates such intent; provided, however, that in no event shall the Company or any Subsidiary be liable for any additional tax, interest or penalty imposed upon or other damage suffered by the Participant on account of this Award being subject to but not in compliance with Section 409A of the Code.

**17. Data Privacy Notice.** In order to assist in the administration of the Plan, the Company may process personal data about the Participant. Such data includes but is not limited to the information provided in this Agreement and any changes thereto, other appropriate personal and financial data about the Participant such as home address and business addresses and other contact information, payroll information and any other information that might be deemed appropriate by the Company to

facilitate the administration of the Plan. By accepting this Award, the Participant gives explicit consent to the Company to process any such personal data. The Participant also gives explicit consent to the Company to transfer any such personal data outside or within the country in which the Participant works or is employed, including, with respect to non-U.S. resident Participants, to the United States, to transferees who shall include the Company, a broker retained by the Participant or the Company for the purpose of assisting with an exercise of options and other persons who are designated by the Company to administer or assist with the implementation, administration or management of the Plan. The Participant may object to the collection, use, processing or transfer of such data by notifying the Secretary of the Company in writing. The Participant understands that such objection may impair his or her ability to participate in the Plan.

**18. Entire Agreement.** This Agreement contains the entire understanding of the parties and shall not be modified or amended except in writing and duly signed by the parties. No waiver by either party of any default under this Agreement shall be deemed a waiver of any later default.

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**COMPANY:**

Universal Logistics Holdings, Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**THE PARTICIPANT ACKNOWLEDGES AND AGREES THAT NOTHING IN THIS RESTRICTED STOCK AWARD AGREEMENT, NOR IN THE COMPANY'S 2024 EQUITY INCENTIVE PLAN, WHICH IS INCORPORATED INTO THIS AGREEMENT BY REFERENCE, CONFERS ON THE PARTICIPANT ANY RIGHT WITH RESPECT TO CONTINUATION AS A SERVICE PROVIDER OR DIRECTOR OF THE COMPANY OR ANY AFFILIATE OF THE COMPANY, NOR INTERFERES IN ANY WAY WITH THE PARTICIPANT'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE PARTICIPANT'S SERVICE OR DIRECTOR RELATIONSHIP AT ANY TIME, WITH OR WITHOUT CAUSE AND WITH OR WITHOUT PRIOR NOTICE.**

**BY ACCEPTING THIS AGREEMENT, THE PARTICIPANT ACKNOWLEDGES RECEIPT OF A COPY OF THE PLAN AND REPRESENTS THAT THE PARTICIPANT IS FAMILIAR WITH THE TERMS AND PROVISIONS OF THE PLAN. THE PARTICIPANT ACCEPTS THE RESTRICTED STOCK SUBJECT TO ALL OF THE TERMS AND PROVISIONS OF THIS AGREEMENT. THE PARTICIPANT HAS REVIEWED THE PLAN AND THIS AGREEMENT IN THEIR ENTIRETY. THE PARTICIPANT AGREES TO ACCEPT AS BINDING, CONCLUSIVE AND FINAL ALL DECISIONS OR INTERPRETATIONS OF THE ADMINISTRATOR UPON ANY QUESTIONS ARISING UNDER THE PLAN OR THIS AGREEMENT.**

**PARTICIPANT:**

\_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_

Date: \_\_\_\_\_



## Universal Logistics Holdings Reports First Quarter 2024 Financial Results; Declares Dividend

- **First Quarter 2024 Operating Revenues: \$491.9 million, up 12.5%**
- **First Quarter 2024 Operating Income: \$75.1 million, up \$36.9 million**
- **First Quarter 2024 Earnings Per Share: \$1.99 per share, up \$1.04 per share**
- **Declares Quarterly Dividend: \$0.105 per share**

Warren, MI – April 25, 2024 — Universal Logistics Holdings, Inc. (NASDAQ: ULH) today reported consolidated first quarter 2024 net income of \$52.5 million, or \$1.99 per basic and diluted share, on total operating revenues of \$491.9 million. This compares to net income of \$24.9 million, or \$0.95 per basic and diluted share, during first quarter 2023 on total operating revenues of \$437.4 million.

In the first quarter 2024, Universal’s operating income increased \$36.9 million to \$75.1 million, compared to \$38.2 million in the first quarter one year earlier. As a percentage of operating revenue, operating margin for the first quarter 2024 was 15.3%, compared to 8.7% during the same period last year. EBITDA, a non-GAAP measure, increased \$40.2 million during the first quarter 2024 to \$96.9 million, compared to \$56.7 million one year earlier. As a percentage of operating revenue, EBITDA margin for the first quarter 2024 was 19.7%, compared to 13.0% during the same period last year.

“I am extremely pleased with Universal’s overall results in the first quarter of 2024,” stated Universal’s CEO Tim Phillips. “Bolstered by a recently awarded program, our contract logistics segment continues to deliver significant value to our customers while serving as a meaningful differentiator in our business model. Our agent-based trucking business also generated solid returns, although our intermodal and company-managed brokerage segments experienced significant margin pressure during this prolonged freight recession. We continue to remain highly-focused on managing our controllable costs, increasing our productivity, and returning these under-performing operations back to profitability. Overall, I remain bullish on Universal’s outlook and, with our best-in-class contract logistics franchise leading the way, I am excited about our prospects for a strong 2024.”

### Segment Information:

#### Contract Logistics

- **First Quarter 2024 Operating Revenues: \$313.5 million, 48.4% increase**
- **First Quarter 2024 Operating Income: \$81.5 million, 26.0% operating margin**

In the contract logistics segment, which includes our value-added and dedicated services, first quarter 2024 operating revenues increased 48.4% to \$313.5 million, compared to \$211.3 million for the same period last year. At the end of the first quarter 2024, we managed 71 value-added programs, including a recent contract logistics award that ramped-up in the first quarter and is expected to be complete by the end of 2024. This compares to 65 programs at the end of the first quarter 2023. Included in contract logistics segment revenues were \$8.6 million in separately identified fuel surcharges from dedicated transportation services, compared to \$9.7 million during the same period last year. First quarter 2024 income from operations increased \$53.7 million to \$81.5 million, compared to \$27.8 million during the same period last year. As a percentage of revenue, operating margin in the contract logistics segment for the first quarter 2024 was 26.0%, compared to 13.1% during the same period last year.

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## Intermodal

- **First Quarter 2024 Operating Revenues: \$76.7 million, 30.9% decrease**
- **First Quarter 2024 Operating (Loss): \$(8.0) million, (10.5)% operating margin**

Operating revenues in the intermodal segment decreased 30.9% to \$76.7 million in the first quarter 2024, compared to \$111.0 million for the same period last year. Included in intermodal segment revenues for the recently completed quarter were \$10.7 million in separately identified fuel surcharges, compared to \$17.1 million during the same period last year. Intermodal segment revenues also include other accessorial charges such as detention, demurrage and storage, which totaled \$8.5 million during the first quarter 2024, compared to \$26.0 million one year earlier. Load volumes declined 14.1%, while the average operating revenue per load, excluding fuel surcharges, fell less than 1% on a year-over-year basis. In the first quarter 2024, the intermodal segment experienced an operating loss of \$(8.0) million compared to operating income of \$6.8 million one year earlier. As a percentage of revenue, operating margin in the intermodal segment for the first quarter 2024 was (10.5)%, compared to 6.1% one year earlier.

## Trucking

- **First Quarter 2024 Operating Revenues: \$69.7 million, 12.6% decrease**
- **First Quarter 2024 Operating Income: \$3.7 million, 5.3% operating margin**

In the trucking segment, first quarter 2024 operating revenues decreased 12.6% to \$69.7 million, compared to \$79.7 million for the same period last year. First quarter 2024 trucking segment revenues included \$28.6 million of brokerage services, compared to \$34.7 million during the same period last year. Also included in our trucking segment revenues were \$5.4 million in separately identified fuel surcharges during the first quarter 2024, compared to \$7.2 million in fuel surcharges during the same period last year. On a year-over-year basis, load volumes declined 7.1% and the average operating revenue per load, excluding fuel surcharges, decreased an additional 6.2%. Income from operations in the first quarter 2024 decreased slightly to \$3.7 million compared to \$3.8 million during the same period last year. As a percentage of revenue, operating margin in the trucking segment for the first quarter 2024 was 5.3% compared to 4.8% during the same period last year.

## Company-managed Brokerage

- **First Quarter 2024 Operating Revenues: \$31.0 million, 8.7% decrease**
- **First Quarter 2024 Operating (Loss): \$(2.5) million, (8.0)% operating margin**

First quarter 2024 operating revenues in the company-managed brokerage segment decreased 8.7% to \$31.0 million compared to \$34.0 million for the same period last year. Load volumes improved 8.0%; however, our average operating revenue per load, excluding fuel surcharges, decreased 12.2% on a year-over-year basis. In the first quarter 2024, the company-managed brokerage segment experienced an operating loss of \$(2.5) million compared to an operating loss of \$(0.4) million one year earlier. Included in operating results in the first quarter 2023 was a \$1.2 million charge for a previously disclosed item. As a percentage of revenue, operating margin for the first quarter 2024 was (8.0)% compared to (1.1)% during the same period last year. The claims charge recorded in the first quarter 2023 adversely impacted the company-managed brokerage segment's operating margin by 350 basis points.

## Cash Dividend

Universal Logistics Holdings, Inc. also announced today that its Board of Directors has declared a cash dividend of \$0.105 per share of common stock. The dividend is payable to shareholders of record at the close of business on June 3, 2024 and is expected to be paid on July 1, 2024.

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## Other Matters

As of March 30, 2024, Universal held cash and cash equivalents totaling \$11.1 million, and \$11.8 million in marketable securities. Outstanding debt at the end of the first quarter 2024 was \$418.4 million and capital expenditures totaled \$68.6 million.

Universal calculates and reports selected financial metrics not only for purposes of our lending arrangements but also in an effort to isolate and exclude the impact of non-operating expenses related to our corporate development activities. These statistics are described in more detail below in the section captioned “Non-GAAP Financial Measures.”

## Conference call:

We invite investors and analysts to our quarterly earnings conference call.

### *Quarterly Earnings Conference Call Dial-in Details:*

<b>Time:</b>	10:00 a.m. Eastern Time
<b>Date:</b>	Friday, April 26, 2024
<b>Call Toll Free:</b>	(800) 836-8184
<b>International Dial-in:</b>	+1 (646) 357-8785

A replay of the conference call will be available through May 3, 2024, by calling (888) 660-6345 (toll free) or +1 (646) 517-4150 (toll) and using encore replay code 80736. The call will also be available on [investors.universallogistics.com](https://investors.universallogistics.com).

**Source:** Universal Logistics Holdings, Inc.

For Further Information:

Steven Fitzpatrick, Investor Relations  
[SFitzpatrick@UniversalLogistics.com](mailto:SFitzpatrick@UniversalLogistics.com)

## About Universal:

Universal Logistics Holdings, Inc. (“Universal”) is a holding company whose subsidiaries provide a variety of customized transportation and logistics solutions throughout the United States and in Mexico, Canada and Colombia. Our operating subsidiaries provide our customers with supply chain solutions that can be scaled to meet their changing demands. We offer our customers a broad array of services across their entire supply chain, including truckload, brokerage, intermodal, dedicated and value-added services. In this press release, the terms “us,” “we,” “our,” or the “Company” refer to Universal and its consolidated subsidiaries.

## Forward Looking Statements

*Some of the statements contained in this press release might be considered forward-looking statements. These statements identify prospective information. Forward-looking statements can be identified by words such as: “expect,” “anticipate,” “intend,” “plan,” “goal,” “prospect,” “seek,” “believe,” “targets,” “project,” “estimate,” “future,” “likely,” “may,” “should” and similar references to future periods. Forward-looking statements are based on information available at the time and/or management’s good faith belief with respect to future events and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements. These forward-looking statements are subject to a number of factors that may cause actual results to differ materially from the expectations described. Additional information about the factors that may adversely affect these forward-looking statements is contained in Universal’s reports and filings with the Securities and Exchange Commission. Universal assumes no obligation to update forward-looking statements to reflect actual results, changes in assumptions or changes in other factors affecting forward-looking information except to the extent required by applicable securities laws.*

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**UNIVERSAL LOGISTICS HOLDINGS, INC.**  
Unaudited Condensed Consolidated Statements of Income  
(In thousands, except per share data)

	<b>Thirteen Weeks Ended</b>	
	<b>March 30, 2024</b>	<b>April 1, 2023</b>
<b>Operating revenues:</b>		
Truckload services	\$ 42,030	\$ 46,401
Brokerage services	59,614	68,673
Intermodal services	76,715	111,026
Dedicated services	88,316	85,232
Value-added services	225,232	126,064
<b>Total operating revenues</b>	<b>491,907</b>	<b>437,396</b>
<b>Operating expenses:</b>		
Purchased transportation and equipment rent	124,633	156,085
Direct personnel and related benefits	140,805	139,092
Operating supplies and expenses	92,824	46,189
Commission expense	6,610	8,172
Occupancy expense	10,568	11,152
General and administrative	13,507	11,916
Insurance and claims	7,167	8,079
Depreciation and amortization	20,701	18,515
<b>Total operating expenses</b>	<b>416,815</b>	<b>399,200</b>
<b>Income from operations</b>	<b>75,092</b>	<b>38,196</b>
Interest expense, net	(6,079)	(4,975)
Other non-operating income	1,104	15
<b>Income before income taxes</b>	<b>70,117</b>	<b>33,236</b>
Provision for income taxes	17,660	8,360
<b>Net income</b>	<b>\$ 52,457</b>	<b>\$ 24,876</b>
<b>Earnings per common share:</b>		
Basic	\$ 1.99	\$ 0.95
Diluted	\$ 1.99	\$ 0.95
<b>Weighted average number of common shares outstanding:</b>		
Basic	26,307	26,281
Diluted	26,328	26,314
<b>Dividends declared per common share:</b>	<b>\$ 0.105</b>	<b>\$ 0.105</b>



**UNIVERSAL LOGISTICS HOLDINGS, INC.**  
Unaudited Condensed Consolidated Balance Sheets  
(In thousands)

	<b>March 30, 2024</b>	<b>December 31, 2023</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 11,124	\$ 12,511
Marketable securities	11,762	10,772
Accounts receivable - net	280,604	287,947
Other current assets	63,635	54,243
<b>Total current assets</b>	<b>367,125</b>	<b>365,473</b>
Property and equipment - net	613,642	561,088
Other long-term assets - net	403,834	326,962
<b>Total assets</b>	<b>\$ 1,384,601</b>	<b>\$ 1,253,523</b>
<b>Liabilities and shareholders' equity</b>		
Current liabilities, excluding current maturities of debt	\$ 227,140	\$ 189,727
Debt - net	414,108	381,924
Other long-term liabilities	159,408	149,674
<b>Total liabilities</b>	<b>800,656</b>	<b>721,325</b>
<b>Total shareholders' equity</b>	<b>583,945</b>	<b>532,198</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 1,384,601</b>	<b>\$ 1,253,523</b>

**UNIVERSAL LOGISTICS HOLDINGS, INC.**  
Unaudited Summary of Operating Data

	<b>Thirteen Weeks Ended</b>	
	<b>March 30, 2024</b>	<b>April 1, 2023</b>
<b>Contract Logistics Segment:</b>		
Average number of value-added direct employees	5,480	5,494
Average number of value-added full-time equivalents	199	812
Number of active value-added programs	71	65
<b>Intermodal Segment:</b>		
Number of loads	105,037	122,299
Average operating revenue per load, excluding fuel surcharges	\$ 566	\$ 567
Average number of tractors	1,758	2,123
Number of depots	8	9
<b>Trucking Segment:</b>		
Number of loads	41,691	44,855
Average operating revenue per load, excluding fuel surcharges	\$ 1,508	\$ 1,607
Average length of haul	401	399
Average number of tractors	830	894
<b>Company-Managed Brokerage Segment:</b>		
Number of loads (a)	21,556	19,956
Average operating revenue per load (a)	\$ 1,381	\$ 1,572
Average length of haul (a)	570	619

(a) Excludes operating data from freight forwarding division in order to improve the relevance of the statistical data related to our brokerage services and improve the comparability to our peer companies.

**UNIVERSAL LOGISTICS HOLDINGS, INC.**  
Unaudited Summary of Operating Data - Continued  
(Dollars in thousands)

	<b>Thirteen Weeks Ended</b>	
	<b>March 30, 2024</b>	<b>April 1, 2023</b>
<b>Operating Revenues by Segment:</b>		
Contract logistics	\$ 313,548	\$ 211,296
Intermodal	76,715	111,026
Trucking	69,655	79,715
Company-managed brokerage	31,000	33,956
Other	989	1,403
Total	\$ 491,907	\$ 437,396
<b>Income from Operations by Segment:</b>		
Contract logistics	\$ 81,466	\$ 27,781
Intermodal	(8,046)	6,812
Trucking	3,669	3,789
Company-managed brokerage	(2,488)	(375)
Other	491	189
Total	\$ 75,092	\$ 38,196

## Non-GAAP Financial Measures

In addition to providing consolidated financial statements based on generally accepted accounting principles in the United States of America (GAAP), we are providing additional financial measures that are not required by or prepared in accordance with GAAP (non-GAAP). We present EBITDA and EBITDA margin, each a non-GAAP measure, as supplemental measures of our performance. We define EBITDA as net income plus (i) interest expense, net, (ii) income taxes, (iii) depreciation, and (iv) amortization. We define EBITDA margin as EBITDA as a percentage of total operating revenues. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis.

In accordance with the requirements of Regulation G issued by the Securities and Exchange Commission, we are presenting the most directly comparable GAAP financial measure and reconciling the non-GAAP financial measure to the comparable GAAP measure. Set forth below is a reconciliation of net income, the most comparable GAAP measure, to EBITDA for each of the periods indicated:

	Thirteen Weeks Ended	
	March 30, 2024	April 1, 2023
	( in thousands)	
<b>EBITDA</b>		
Net income	\$ 52,457	\$ 24,876
Income tax expense	17,660	8,360
Interest expense, net	6,079	4,975
Depreciation	15,902	15,330
Amortization	4,799	3,185
EBITDA	<u>\$ 96,897</u>	<u>\$ 56,726</u>
EBITDA margin (a)	19.7%	13.0%

(a) EBITDA margin is computed by dividing EBITDA by total operating revenues for each of the periods indicated.

We present EBITDA and EBITDA margin because we believe they assist investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance.

EBITDA has limitations as an analytical tool. Some of these limitations are:

- EBITDA does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- EBITDA does not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debts;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and EBITDA does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate EBITDA differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, EBITDA and EBITDA margin should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and only supplementally on EBITDA and EBITDA margin.

