

MARTEN TRANSPORT Transporter



◀ FEATURE STORY

FIRST QUARTER, 2014

Driver Earnings Rise Again!

Diligent, safe efforts help lead to increased pay for Marten drivers



During 2013 Marten drivers saw reduced dock time, the initiation of inclement weather down time pay and an increase of nearly \$2,000 in annual pay. All of these factors, plus the success Marten has had in the past help set the tone for what promises to be another great year!

Welcome to 2014. Thank you for remaining safe, the excellent service you've provided to Marten, and being patient with our Road Service Team during these winter months. Without the smart decisions our employees make and the dedicated hard work they provide, we wouldn't be able to obtain the levels of success we have.

In 2013, we worked diligently to improve the quality of the driving jobs we provide. We placed a lot of focus on reducing time spent at docks. The biggest win in this area was with McDonald's/LXP. On July 1st of 2013, McDonald's/LXP

committed to giving Marten drivers priority in loading and unloading. They also agreed to detention charges after just ONE hour in the dock! Wins like this continually motivate us to improve your jobs. Many of you have probably noticed that we are no longer sending drivers to many of the places we used to. This is by design, as these "black holes" kill drive time and our drivers' ability to earn a living. Avoiding these places along with other pay initiatives, has improved average weekly pay for our drivers from \$960 per week in 2012 to \$998 per week in 2013; that's an increase in annual average pay

of nearly \$2,000!

Reducing dock time wasn't the only area we improved drivers' pay. In 2013 we implemented a program to pay you \$20/hour for inclement weather down time. We recognized that prior to this pay program, the undue pressure felt by drivers to bring home solid pay checks to their families encouraged drivers to continue driving when it was not safe to be doing so. We value your safety, as well as the overall safety of the motoring public, and want to reward our drivers for making safe decisions.

In October, the hourly rate of pay for local work was

increased from \$15 to \$20 per hour. Finally, we realize that frequency and predictability of home time adds to the quality of any driving job. We are addressing this concern by maintaining a large focus on building jobs that accomplish these goals. In fact, from 2012 to 2013 we grew the number of "job creation" jobs by 55% from 212 to 326 jobs. We plan to continue to add many more in 2014 so stay tuned for opportunities!

Thank you to all Marten employees for your effort and hard work during 2013. We all need to continue this hard work in 2014 and "Expect the Best" of each other.

◀ OPERATIONS DEPARTMENT

Kansas City Terminal Opening in April

Edwardsville location to offer company expansion options in Kansas City area



Our newest terminal is in Edwardsville, KS. This new facility is slated to open in April of this year. It will house 15 office and 12 shop employees.

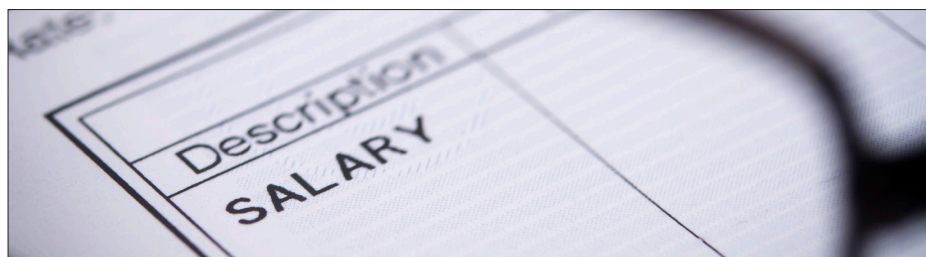
We are pleased to announce the new state of the art Kansas City Terminal will be opening in April 2014. This facility is modeled after the Marten Colonial Heights Terminal that opened up in 2013. It will be located in Edwardsville, KS, just west of the I435 loop, less than a mile from our current facility in Kansas City. It is plotted on 19.5 useable acres with ample truck and trailer parking. The shop will include five drive thru bays which will include two safety inspection lanes and one wash bay. The new terminal will be home to 15 office

employees, 12 shop employees, as well Kansas City Regional fleet and all Marten trucks! The facility provides room to grow, and allows for the future development expected in Kansas City. The facility will give drivers more options during their downtime at the terminal, including: a large break room, multiple showers, washers and dryers, as well as extra amenities. However, there will be less downtime spent due to a more proficient shop built to our needs. Be sure to stop in, and check out the new facility this spring!

◀ OPERATIONS DEPARTMENT

Driver Pay Increased during 2013 at Marten

Focusing on issues of driver productivity has a positive impact on earnings



Over the past 24 months Marten has seen an all-out effort to improve our drivers' pay checks by tackling issues that affect their productivity. We've made a lot of changes in detention time, maintenance downtime, and inclement weather pay. All of this has been reflected in larger average pay checks for our drivers.

In 2013, average weekly driver pay increased nearly eight percent over 2012!
This is proof that by focusing on the is-

ssues that affect driver productivity, we've been able to make a very positive impact on our drivers' earnings!

We've been saying for years that drivers need to look beyond the cents per mile, and instead, focus on the total package. In an age of EOBRs and new hours of service regulations that continue to restrict a driver's ability to run, cents per mile alone just won't keep drivers' earnings strong.

Our combination of competitive mileage rates, industry topping accessorial pay for detention, trailer maintenance downtime, inclement weather pay, local hourly pay, and realistic and attainable monthly bonuses make Marten drivers some of the most productive in the industry. As a result, our drivers' paychecks are more consistent from week to week than those of drivers working for other carriers.

By paying attention to the details, like routinely checking tire pressure, following fuel routing suggestions, hitting terminal inspection bays on a regular basis, pulling over during periods of bad weather and following the truck route navigation on the Omnitrac units, drivers have helped the company reduce our costs. These efforts have allowed us to put more money into our driver pay package.

◀ OPERATIONS DEPARTMENT

Technology Improving Equipment Utilization

New programs combine IT and Operations innovations to improve efficiency



Marten is using technology and data to improve equipment utilization! The Marten Operations and IT Departments have teamed up to create two new innovative programs.

The first is the Driver Unloading Report; this allows operations to analyze six weeks of loading and unloading data compiled from driver macros. The load data is organized into an easy-to-read report that displays two key factors—the average number of hours that drivers were delayed and the number of times drivers were delayed more than two hours. Through management of this data, Operations and the Sales Department are able to identify “black holes.”

“Black holes” are shippers and receivers which Marten finds

to have excessive loading and unloading times. The excessive amount of time our drivers are held at these customers result in a loss of productivity and revenue. Being able to identify these locations through the use of the Driver Unloading Report allows our Operations and Sales teams to begin collaborations to eliminate the problem.

Desoto Operations Manager Alison Gorton comments on how the new program is aiding in the elimination of these black holes, “This report has helped us better utilize our driver’s hours by identifying customer locations that take too long to load or unload. After a location has been identified as an inefficient loading or unloading facility, Marten’s Sales force works with

the customer to make improvements. If the customer is unable or unwilling to get Marten drivers loaded or unloaded quickly then Marten will stop sending drivers into these locations.”

As Alison states, if the customer and the facility are unwilling to make changes to reduce loading or unloading times a code “shut off” is placed into effect. The “shut off” blocks Operations from being able to book a load with these customers, saving our drivers from being placed in a long loading or unloading situation burning up valuable hours.

The second program that has been created is the Trailer Utilization Report. All Marten trailers are equipped with a communication system that regularly uploads trailer/reefer data via a

cellular transmission. The report organizes this data and displays the average number of hours the reefer units are turned on and running.

This aids Operations in effectively tracking and managing our customers’ use of our trailers. By monitoring when customers turn our reefer units on before loading and how long they run the reefer before unloading, Marten is able to identify instances where unnecessary reefer fuel is burned. Marten is able to use this report to work with customers on not loading trailers further in advance than necessarily as well as efficiently unloading drop trailers. This will decrease the amount of reefer fuel burned. This report will also help us achieve better trailer utilization. If managed properly, our customers will have empty trailers ready for drivers when needed.

These new reports are only two examples of the programs we are developing that allow Marten to work with our customers to improve efficiency and keep our drivers rolling.

◀ OPERATIONS DEPARTMENT

► Drivers of the Quarter

Congratulations to the following drivers, who have been selected as Drivers of the Quarter for 4th quarter 2013. Drivers of the Quarter will each receive a gift certificate to the company store.

Fourth Quarter ‘13 Honorees

Todd Wheeler (OTR E)
Eric Kabel (OTR W)
Harry Fulton (Upper Midwest)
Albert Bass (KC Region)
Casey Tolsma (NE Region)
Jack Conrad (Tampa Region)
Russell Bogan (SE Region)
Kenneth Kieley (Teams East)
Anneliese Ahrens (Teams East)

Anthony Decarlo (GL Region)
Joreg Mueller (West Region)
Rodney Jeffrey (M-A Region)
Chad Moore (So. Cen. Region)
Michael Nearing (Memphis Region)
Richard Dodd (Wal-Mart Dedicated)
Robert Watkins (Intermodal)
Anthony Koester (Phoenix Region)

◀ SAFETY DEPARTMENT

Winter Driving Safety

Using caution when weather turns bad is always the best driving policy

Winter weather often poses a threat to the safety of drivers and freight. Over the winter months the Safety Department will continue to send out Qualcomm messages encouraging drivers to slow down and use caution when the weather is bad.

We encourage drivers to shut down rather than risk the safety of themselves and freight. We ask that you communicate any shut downs or weather delays with your Fleet Manager. Few companies are willing to pay drivers who need to shut down due to bad winter weather; this is one of the many aspects that set Marten apart from other carriers!

We appreciate your ability to know when to stop and wait out a storm!

► **Marten Pays it Forward**

Marten Transport has been given the opportunity to fund an infusion room at Children's Hospitals and Clinics of Minnesota. Rather than sending gifts to our customers over the holiday season we chose to use those funds to make this donation in both our customers' and employees' names. It is the hard work and dedication of all of our employees that have made this possible. Marten would like to thank employees for the hard work done year round to keep our business running smoothly, and make opportunities such as this possible! Below is an acknowledgement from Children's Hospital.



In honor of our employees and customers...

Through the generous sponsorship of a private infusion room in the Infusion Center, Marten Transport is helping to provide a healing space for Minnesota's children diagnosed with cancer and blood disorders, 55% of whom come to Children's for treatment.



This room has been made possible by a generous gift in honor of the employees and customers of

Marten Transport

Room plaque to be placed outside the infusion room

This gift, made in honor of the employees and customers of Marten Transport, supports the only pediatric cancer and blood disorders infusion center in Minnesota. All infusion rooms are private and include relaxing, kid-friendly infusion chairs, toys, games and plenty of space for families to stay.

◀ COMMUNITY RELATIONS

Marten Employees Volunteer in Their Communities



Marten employees dedicate time to the Pay It Forward program in Eau Claire, WI.



Karen Crews stands with toys donated at the Tucker terminal.

This holiday season Marten employees joined together to give back to our communities. In the spirit of giving, toys, necessities, and monetary donations were collected at several Marten Terminals:

- The **Kansas City team** participated in the Adopt-A-Family project at a local school, and purchased toys, clothes, and other necessities for the family.
- **Ontario** collected donations to purchase gifts for families through the local Salvation Army.
- The team in **Tucker** proudly collected

toys for the U.S. Marine Corps' Toys for Tots program.

- **Phoenix** has been working to provide assistance to elementary school students in a local school district.
- **Mondovi** headquarters held a fundraiser for the Feed My People Food Bank, and collected \$1855.00 for local communities. In response to employees' generosity Marten tripled all employee donations to Feed My People for a total amount of \$7420 donated!
- **Mondovi** employees also participated in local Giving Tree programs to provide

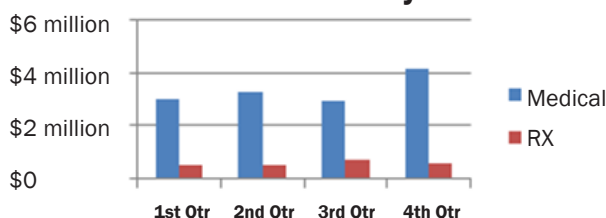
clothing, jackets, boots, diapers, toys, and many more items to families in need. Many also participated in an event called Pay It Forward; Marten employees joined other community members to provide clothes, school supplies, non-perishable food items, gifts, and a hot breakfast on Christmas Morning to families in need.

◀ BENEFITS DEPARTMENT

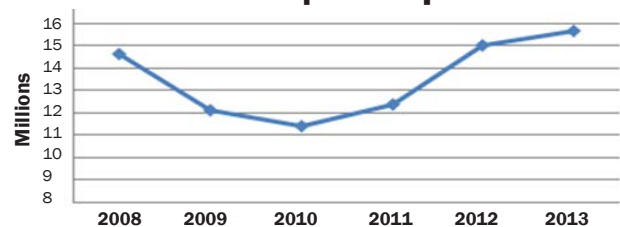
Employee Health Plan Enhancements

New effort encourages employees to use Premium Designated Physicians for care

2013 Claims Analysis

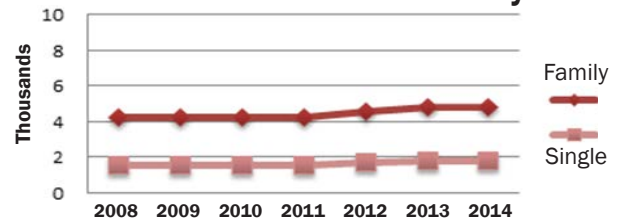


Annual Claims Comparison | Medical & RX



• Although claims have dramatically increased since 2010, premium rates essentially remained flat

Annual Premium Increase Analysis



Marten ended 2013 with higher claims than past years. Recently many carriers have experienced similar increases, and have been increasing employee costs and drastically cutting benefits to counterbalance these costs. Rather than cutting benefits to offset higher claims, over the years Marten has been able to offset these increases by enhancing our plan to promote employee wellness, use of in-network providers, and Teledoc.

We are continuing our efforts to offset costs this year by

strongly encouraging employees to use Premium Designated Physicians (PDPs) in order to keep premium contributions the same. A Premium Designated Physician is one that has been evaluated and met the high quality care and cost efficiency criteria established by UMR. Use of these high quality care physicians will save both Marten and our employees money on medical costs.

If employees choose to use a PDP they will maintain the 80% coinsurance after their deductible; however, if an employee

chooses to use a physician who is not considered to be Premium Designated (but is still in network) they will be subject to a lower coinsurance of 75% after

their deductible is met.

To find a Premium Designated Provider in your area please visit www.umar.com or call UMR (800-826-9781).

◀ BENEFITS DEPARTMENT

Retirement 401k Plan Worth a Look

Failure to save enough for retirement among the “biggest mistakes of our lives!”

Odds are, with current life expectancies, individuals need to be financially prepared to live an additional 15-20 years after retirement. A recent study showed that of individuals (55-65 years of age) surveyed, 82% wish they had saved more when they were younger, and 57% stated that “not saving enough was the biggest mistake of their lives!”

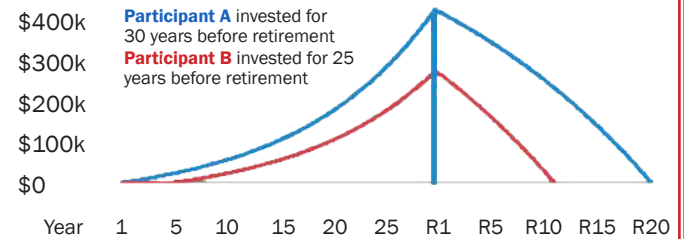
Marten matches up to \$0.35 per dollar that employees invest, up to 6% of their salary. We encourage our employees to begin saving now in order to provide for your future. To the right you will find a chart showing an example of two retirement plan participants earning \$40,000 per year over the same 30 year time period.

Participant A began contributing to a 401K plan at 6% of their salary from the time they became eligible (taking advantage of the company match right away) while Participant B delayed their contributions for 5 years. At the time of retirement, if both participants withdrew the same amount of money each month, Participant A would be able to withdraw \$2,500 monthly (pre-tax) for 10 years more than Participant B.

*At Marten, eligible employees will be enrolled at 6% of their salary. If you would like to elect to contribute a different amount you may do so by contacting Transamerica at 1-800-755-5801. Where else can you get free money? Take advantage of the employer match, and

Waiting to Contribute Can Be Costly

Two participants earning \$40,000 per year contribute 6% with 3% employer contribution while working. Then both withdraw \$2,500 per month in retirement.



*For illustrative purposes only. Assumes 8% interest before retirement and 4% interest during retirement. Not a guarantee of returns or indication of investment performance. Investment involves risk.

contribute at least 6%. You will be glad to know you're protecting your financial future.

**Source: Franzone, Angie, "In Other Words," Spectrum Investor Advisors, Mequon, WI, 4th Quarter, 2013.

◀ BENEFITS DEPARTMENT

It's Not Too Late!

Reduce your annual premiums by completing a Health Risk Assessment

Even though we have moved into the New Year, it's still not too late to complete your clinical health risk assessment (CHRA)! Once completed, you will receive a CHRA report summarizing your information about your health status, lifestyle habits and readiness to make changes, if needed. Take advantage of this opportunity, complete the

assessment and reduce your annual premiums! Both employees and their spouses will need to complete the CHRA if under a family plan.

Go to <https://fhs.umar.com> to complete your assessment and start receiving the payroll credit.

Employees can save up to \$200 annually by completing a CHRA now!

Teladoc Offers You Advantages!

Marten encourages employees to continue to take advantage of the Teladoc services. Speak with a doctor over the phone 24 hours a day, 365 days a year regarding common ailments rather than making an appointment and paying for an office visit. The first call is free for all members, and is only \$38 per call following that. Teladoc can be reached at 800-835-2362.

◀ BENEFITS DEPARTMENT



Still Time to Flex!

Even though 2013 has ended, you are still able to use any money you still have in last years' flex spending account. Medical and dental expenses must have incurred between January 1st, 2013 and March 15th, 2014. You have until June 13th, 2014 to file claims.

To find more information on your 2013 flex account, or to obtain a claim form, log on to www.tasconline.com. If you have any further questions feel free to contact 1-800-422-4661. Please note, if you currently have a Tasc card, keep this card as it will be used for 2014 flex spending.

◀ EMPLOYEE RECOGNITION

Hilliker Marks Major Milestone at Marten

Company salutes Oregon Terminal Manager on three-plus decades of service

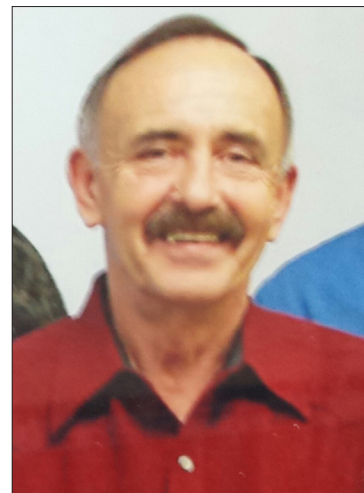
Jeff Hilliker celebrated 30 years with Marten this past November. Jeff started his career with Marten Transport as a company driver in 1983. At that time, there was only one office (the corporate office in Mondovi) with about 10 employees.

Jeff estimates that there were about 100 trucks in the fleet at that time. Communication between drivers and office personnel was limited primarily to phone calls. Drivers would either call dispatch using public pay phones or by asking customers for access to their phones. All loads were verbally dispatched, and once a driver reached delivery they would call in to report the delivery and get their next assign-

ment. Over time Jeff has seen this process transition to the use of Qualcomm messages and cell phones. As Marten grew outside terminals were established, and in 1987 Jeff became terminal manager at the terminal in Aurora, Oregon. Jeff recalls that drivers would be waiting for him at the terminal in hopes of being hired. Interested drivers would come in or call in daily.

As the fleet continued to grow Jeff saw the establishment of the recruiting department. In the early nineties the Wilsonville Terminal was purchased, and Jeff has been terminal manager at that location since.

Congratulations on 30 great years Jeff!



◀ IN MEMORY...

Remembering Delbert Nelson

Farmer, driver, road tester & dear friend



After 26 years of service, driver Delbert Nelson passed away late last year.

Delbert began driving for Marten in June of 1987.

Eventually Delbert transitioned into road testing at the Mondovi terminal. While in this position he got to know fellow road tester Ted Gilbertson.

When asked, Ted describes Delbert as an easy going gentleman who was always a farmer at heart. Ted laughs as he explains that often Delbert would "visit a little longer than he should," if he could spark up a conversation on a topic he enjoyed.

Here at Marten we feel privileged to have had the opportunity to get to know Delbert, and will cherish the memories.



It's That Time!

Take a closer look - are your deductions correct?

As each new year starts, we urge all employees to review your payroll deductions carefully to make sure that all appropriate charges are being made for your 2014 benefits.

◀ EMPLOYEE FEEDBACK

We appreciate your honesty. Please use this form for comments, complaints, or suggestions. Your input helps make Marten the best possible workplace for all employees. Drivers may submit this form in a Trip Pak envelope, ATTN: HR - to be routed to the appropriate department for a response. Office and terminal employees should submit to HR for departmental routing.

COMMENTS:

Name: _____ Driver No.: _____

Marten Transport, Ltd.
129 Marten Street
Mondovi, WI 54755

◀ RECRUITING DEPARTMENT

Central Plains Referral Contest Winner

Nichols wins flat-screen TV as part of driver referral promotion drawing



Kansas City Operations Manager Seth Reda (left) presents Jason Nichols with a flat screen TV as part of driver referral promotion.

Congratulations to Jason Nichols, one of our Central Plains regional drivers! Jason was the winner of a flat screen TV in the region's recent driver referral contest! For each referral submitted, driver's had their name entered into the drawing.

Jason referred two other drivers to Marten. In addition to the TV, Jason is also eligible to receive up to \$2,000 in referral bonus money for the two drivers he referred. Congratulations Jason!

Do you know of a driver who would be a good fit for Marten? Pick up a supply of referral cards at any terminal. Any driver referred by you that we hire makes you eligible for our \$1,000 sign on bonus.

For complete details on our referral program, contact your terminal recruiter or call recruiting at 800-395-3331.