

MARTEN TRANSPORT, LTD.

Transporter

EXCEEDING EXPECTATIONS SINCE 1946



FIRST QUARTER, 2016

OPERATIONS



Moving Forward

Strong 2015 springboards Marten into the new year.

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Five "Good Byes"

Sharon Anderson, Ted Gilbertson, Kathie Lowenhagen, Mike Hubbard and Kathleen Crawford retire.

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FEATURE STORY



1946 - 2016 • Celebrating 70 Great Years!

70 Years & Counting...

Marten celebrates seven decades of growth

In 2016 began a new chapter in the history of Marten Transport. Seventy years ago, Roger Marten started the company with a loan from his mother to purchase his first truck. Today, the company boasts an international presence in North America with 15 operation centers and over 3,670 employees and contractors.

• We've been able to sustain this growth and stability by evolving our operations and services. Over the past 10 years, we've become a multi-faceted provider of transportation services offering OTR, Regional, Intermodal, and Dedicated

temperature-controlled truck-load services along with service to/from Mexico via MRTN de Mexico and Brokerage solutions for our customers.

• Marten Transport has led the industry in paying our drivers for time when the truck wheels are not rolling. We have automatic detention pay, tractor and trailer maintenance downtime pay and inclement weather downtime pay. We continue to focus on building the jobs drivers want by increasing dedicated runs, adding power lanes, and working to improve job satisfaction and home time options.

• Marten Transport has paid

for all our terminals and equipment as we've grown.

• The year ahead offers great opportunities for continued growth and expansion of Marten Transport. Our new dry van division kicks off operations in our Edwardsville, Kansas terminal and we also continue to expand our Dedicated operations.

As we look back on the last 70 years, we have overcome countless challenges and came out stronger due to the hard work of our employees! We are proud for all we have accomplished and are excited for what the future holds.

OPERATIONS



Moving Forward

A strong 2015 springboards Marten into the new year

Marten Transport prides itself on being a leader in the industry, and that leadership carried us through a very challenging 2015. Our unwavering commitment to our drivers is the foundation that keeps us strong. We recognize that it is our drivers that truly deliver the results. We want to say “thank you” and share some of last year’s highlights and take a quick look at what to expect in 2016.

In April of 2015, Marten reinforced that foundation by giving our drivers a pay increase. Another goal we had in 2015 was to reduce the amount of time our drivers spent at docks, and to increase the amount of pay if they spent too much time loading or unloading. We accomplished this goal by increasing the number of shipments that get unloaded in less than 2 hours from 74% to 80%, and we also put an additional \$98,000 in our driver’s pockets for detention pay. Thanks also to our drivers for helping Marten add over 50 large customers to our account base last year. These customers, along with the effort of our drivers, helped Marten increase net income by 19.8%. Furthermore, to help service these customers and our drivers, we opened a brand new terminal in Zionsville, IN with multiple service bays to get you back on the road quicker.

Safety continues to be a top focus at Marten. It all begins with providing our drivers the resources to stay safe. Marten is still the only carrier that compensates its’ drivers \$20/hour to pull over when road conditions make it unsafe to drive. This practice protects our drivers and the general motoring public. We also continue to add tractors to the fleet equipped with forward collision mitigation systems. These tractors have helped us reduce the frequency and severity of rear

end collisions, and reduce the costs associated with them by 52%. Our drivers have also been able to reduce the number of large loss accidents by almost 10%. This commitment to safety is positioning us well for the future.

The future of Marten’s employees will continue to grow brighter for the coming years. This year we will be adding a new driver’s facility to our Jurupa Valley terminal. With the regulatory environment intensifying with significant changes, we can all be reassured by the fact that we’re already ahead of our competition, and prepared for all changes. Our company has overcome the challenges associated with the implementations of electronic logs. We’ve modified our systems to tackle all issues associated with operating safely, executing safe transit times, adjusting pay scales to ensure our drivers are compensated fairly for all the work they do, and implemented maintenance programs that keep us rolling. This preparation gives us a clear competitive advantage over other carriers, who still have large pay adjustments to make but lack the resources to do so, and also have technological investment hurdles to overcome to stay in compliance with new regulations. Shippers will increasingly need to align with carriers like Marten who are prepared for the future. This alignment means that Marten will continue to have the loads needed to keep our drivers productive and their earnings near the top of the industry.

Thanks again to all our employees for a successful 2015, and we look forward to another prosperous year in 2016.

Still Time to Use Flex Dollars:

Even though 2015 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, 2015 and March 15th, 2016. You have until June 13th, 2016 to request reimbursements. To find more information on your flex account, or to obtain a claim form, log on to www.tasconline.com.

SAFETY

FMCSA Issues Final Ruling On Logs & Driver Coercion

For the past five years, Marten Transport has been preparing for the day that E-logs would be the law under which every trucking company and driver must operate. That day will be December 16, 2017. While some carriers and drivers have tried to avoid E-logs as long as possible, Marten began work in 2010 to incorporate E-logs and learn how to manage their effects on productivity.

We have stayed front and center working to ensure our drivers' earnings never suffer due to delays caused by customers, equipment breakdowns and Mother Nature. As a result, Marten

leads the industry with:

- **Automatic Detention Pay of \$20.00 per hour after ONE hour.** Marten was the first carrier to offer automatic detention pay and continues to lead the industry with the highest detention pay rate per hour!

- **Inclement Weather Downtime Pay of \$20.00 per hour.** Marten is still the ONLY carrier that pays our drivers to park and wait for road conditions to improve when drivers are confronted with poor driving conditions. We don't want drivers making risky decisions to push on in bad weather because they worry about their earnings.

- **Trailer Maintenance Downtime Pay of \$20.00 per hour.** Again, we don't want you to pull an unsafe trailer because you are worried about how waiting may affect your paycheck. That's why we pay our drivers to wait for road service to fix your trailers BEFORE getting on the road.

- **Grill Guards on all Trucks.** It may not seem like much but grill guards save our drivers countless hours of downtime following an animal strike. In many cases, the grill guard absorbs the impact without damage to the lights, hood and radiator.

- **Active Braking System.** Everyone can be distracted.

The active braking system on our tractors are designed to notify you of objects too close in front of you and to slow your tractor if you are not able to react quickly enough. These are the same systems found in many of the high end automobiles on the road today.

- **Sleep Apnea Program.** Marten is the ONLY carrier that has a 100% company funded program. We pay for the testing, treatment and equipment for drivers diagnosed with sleep apnea. This program has helped over 600 of our drivers to be treated for sleep apnea at no cost to them.

FMCSA announces Driver Coercion Rule effective 1/29/16

This rule prohibits anyone, including shippers, receivers, freight brokers and carriers from forcing drivers to violate FMCSA safety regulations. This includes hours of service regulations, CDL regulations and hazardous materials regulations. These include items such as:

- Unrealistic delivery schedules that would force a driver to violate hours of service rules
- Forcing a driver to take a load he/she is not certified to haul

Customers, freight brokers and carriers could face penalties up to \$16,000.00 and loss of operating authority for violations.

What Do These Rules Mean For You?

Marten has been preparing for the day E-Logs would be made mandatory for the past FIVE years. We have built a comprehensive driver pay package that makes sure your earnings don't suffer when you face delays out of your control.

The driver coercion rule means carriers that have won customer freight by promising unrealistic service will no longer be able to do so and the customers will no longer be able to demand drivers

run illegally to move their freight. This means more freight opportunities for drivers and carriers like Marten that have always followed the rules.

We are proud to tell our customers that Marten Transport has the best drivers in the industry! You deliver our customers' freight safely and on time following all the rules and regulations. Thank you for all you do! And always remember, Marten has your back!!

PAYING IT FORWARD

On the Road to Giving

Marten “paying it forward” with donations to All Children’s Hospital

Holidays are often a time of tradition and reflection on another year coming to a close. All year our caring employees are busy raising money, collecting food, and donating time for people and causes in need. With great appreciation of our valuable employees and customers, every holiday season Marten pays it forward with a generous donation to a facility that has treated a member of our Marten family. This tradition started in 2013 when Marten sponsored an infusion room at Children’s Hospital and Clinic of Minnesota where family members can be together comfortably during their time at the hospital. The room was equipped with comfortable chairs, toys, video games, movies, and much more. In 2014 Marten sponsored the purchase of custom-fit children’s blood pressure kits to monitor the heart function over the course of the day for children visiting the Nephrology Department at Children’s Mercy Hospital of Missouri. Many insurance companies do not cover this much needed equipment and cardiac complications are the secondary issue for children facing kidney disorders. This past year Marten arranged for many new accommodations to be made at the Autism Center at All Children’s Hospital of St. Petersburg, FL. Through this donation, children and families affected by autism will enjoy new state-of-the-



art multi-sensory items, door and window alarms for households, and a magnitude of toys, technology, and equipment to improve communication and motor skills. Autism is the fastest growing developmental disability in the country, affecting 1 in 110 children in the United States.

Marten is proud to have been able to make this donation and is very thankful for our employees’ hard work and dedication which has made this possible.



Alexa Sax, Employee Relations Coordinator at Marten Transport presented a check to Emily Moore, Executive Director of Feed My People.

Marten Sets New Fundraising Marks

Year after year Marten Transport makes a difference by helping those who are less fortunate in surrounding communities. The holiday season brings out the best in people and Marten employees organized different projects to help those families that needed a helping hand. This year the Marten family continued to show their generosity by donating hats & mittens and other gifts and toys for the children that otherwise might not have presents under the Christmas tree. Thank you to everyone that helped to make their holidays a little brighter.

For the last several years as part of the holiday celebration and in the spirit of giving,

Marten Transport employees at the Mondovi headquarters held a fundraiser for the Feed My People Food Bank. This great organization is located in Eau Claire and serves 14 counties in Western Wisconsin. In response to the fundraising efforts, Marten Transport committed to matching employee contributions four to one. Employees had the opportunity to decide whether their donations went to the local food pantry, the Feed My People general funds, or a local backpack program that provides take home food items to students in need. This year Marten Transport exceeded all other years by donating \$12,065 to the Feed My People Food Bank!

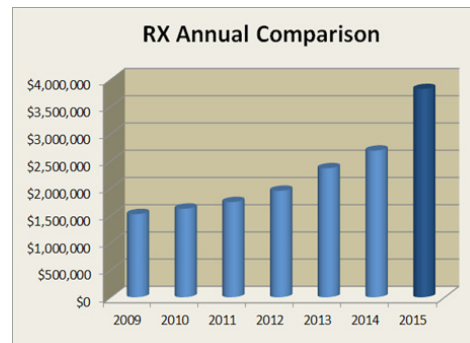
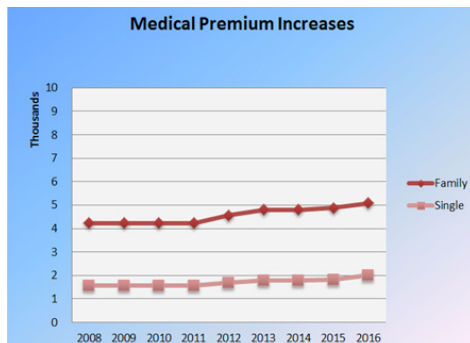
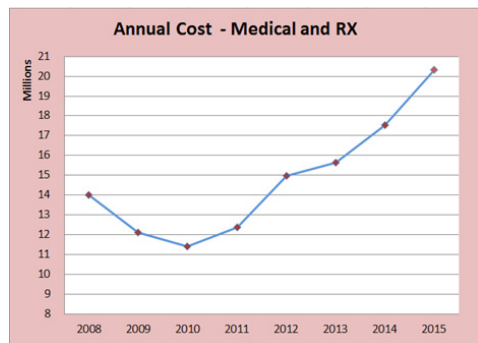
Take a Closer Look! Are Your Deductions Correct?

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 2016 benefits.

BENEFITS

Tips for Helping to Keep Health Care Costs Down

While the price of fuel dropped in 2015, medical and RX costs certainly did not. In review, Marten Transport’s annual medical and RX costs increased over 16% last year. This is attributed to a significant spike in RX costs (42%) and high dollar claims that were received. As a reminder, being self-insured, Marten Transport pays for these claims, not a third party.



Please do your part and reduce costs when you can! Here are a few ways to keep costs down in 2016;

- Ask for generic RX when available. It’s the same drug, save yourself and the company money!
- Call Teladoc, it’s available 24/7, 365 days a year. Care for common conditions from your own home or truck. Your first appointment is free and only \$40 per call after that.
- Use Urgent Care! Most ER visits are not true emergencies and the cost for service can be 200% higher than an urgent care visit.
- Participate in the 90 day mail service pharmacy. Three months for the price of two!
- Take advantage of wellness benefits ensuring good health at any age with free annual exams and immunizations in network.
- Shop around for the lowest cost pharmacy ... save yourself and the company money!

As always if you have any questions, please contact Benefits.

RECOGNITION

Celebrating 30 Years & Still Going Strong!

Kees and Fedie have seen many changes at Marten over the years



Terry Kees, started at Marten in 1985 as a tractor technician in the Maintenance Department. In 2002 he accepted a position as Manager of Contractor Services.

Lois Fedie, started at Marten in 1985 in the Payroll Department. Since then she worked many years in the Worker’s Compensation Department before transferring to the Human Resources Department.

Both Terry and Lois have seen many changes during their 30 years. The biggest change is the growth of the company. In 1985 there were only about 20 people working as maintenance and office employees. Today we have over 800 non driving employees.

“To our recollection there were about 100 trucks compared to over 2700 at the present time. With so few drivers and non-drivers, everyone was on a first name basis. As the years went on Marten grew from tankers to tractor/ trailers and added numerous terminals around the country. In 1985 Marten consisted of the Corporate Terminal and the CA Terminal. Today there are 13 terminals and numerous operation facilities.”

The trucking industry has come a long way since they started. Thirty years ago trucks were not equipped with computers. Every dispatch, PO, driver advance, payroll information and all communication had to be done over the phone or in person. At that time the majority of drivers did not have cell phones so it was much more difficult for fleet managers and drivers to coordinate dispatches.

“It has been great to see the growth of the company over the years and to reminisce about the wonderful people that we have met along the way.”

RETIREMENTS

Marten says Good Bye & Good Luck to Five

Gilbertson spent more than half-a-century as a Marten employee

Marten recently said good bye to five retiring employees. **Ted Gilbertson** started working part time for Marten in September of 1963. In 1965 Ted became a full-time over the road driver. He worked OTR for many years. Then in 1998 he switched to part time working as a road tester, truck retriever and shuttle driver. He was willing to help out in any capacity. In 2001 Ted was inducted into the Million Mile Club. Ted loved working for Marten.

He has too many good memories to pick just one. After his retirement on August 14, 2015, he has been enjoying spending more time with his family and camping up north.

Mike Hubbard started driving for Marten in 1992 and retired this past November. While at Marten, Mike

attained two great achievements in the trucking industry. In 2002 he was inducted into the Million Mile Club and in 2011 the 2 Million Mile Club. According to Mike he was always treated fairly at Marten. As in any company not everything was perfect, but operations worked with him to resolve any issue that came up. He loved working for Marten and “could not have asked for a better work experience”. Mike is ready to spend more time at home enjoying his wife and family.

Kathie Lowenhagen started at Marten in the Safety department in 1993. In 1996 she changed positions and moved to the billing department where she worked until she retired on December 31, 2015. Over the years she made friends with numerous

people and enjoyed the family atmosphere at Marten. These are the things she will miss on a daily basis. Her plans for retirement include spending more time with friends and family. When she is not busy spoiling her young grandson, she is going to catch up on knitting and crocheting.

Kathleen Crawford started with Marten in 2011 as a custodian in the trailer shop. In 2015 she moved to the corporate office as a custodian. Kathy was born and raised in Mondovi. She enjoyed seeing old friends at Marten as well as making new ones. Kathy is looking forward to relaxing at home and taking time to do things she misses like sewing and camping. She hopes to spend more time with

family and friends.

Sharon Anderson for the past 27+ years Sharon has been the voice of Marten, answering the phones at the switchboard. She has seen a lot of changes over the years and has built many close friendships while at Marten. Sharon wants to continue to stay active and is looking forward to working in her garden and enjoying the outdoors, as well as spending more time with family and friends. Marten has been like a family to Sharon and she will cherish many wonderful memories.

Marten wishes to express deep gratitude to these five employees for all their hard work and commitment. Good Luck to each and every one of you on your retirement, from all of your friends at Marten.



Driver Mike Hubbard achieved Million Mile and 2-Million Mile Club distinction during his 25 years with the company.



Ted Gilbertson and Jill Larson, Driver Recruiting Manager celebrate Ted's more than a half century of dedication to Marten Transport during his retirement party at the Mondovi terminal.



Sharon Anderson and Greg Van Pelt, Director of Special Operations.



Kathie Loewenhagen and Kris Hoff, Senior Accounting Manager.



Kathleen Crawford and Chuck Remington, Corporate Maintenance Manager.

EMPLOYEE RELATIONS

Holiday Door Decorating Contest

Nearly 40 different creative entries demonstrate Marten imagination

In December, to help Marten employees get into the holiday spirit, we had a door decorating contest at all terminals. Participation in the contest was phenomenal! We had 38 very creative entries - some even made their own door on a wall.

It was great to see the camaraderie amongst the Marten family. The first place winner went to the Desoto, TX terminal. There was a tie for second between Jurupa Valley, CA maintenance and Tomah, WI (Walmart Dedicated). Third place was also a tie between Indianapolis, IN operation's department and Mondovi, WI sales department. It was fun to see all the imagination that went into the entries. Great Job!



1ST PLACE

Desoto, TX Operations



2ND PLACE (TIE)

Tomah, Walmart / Jurupa Valley, CA

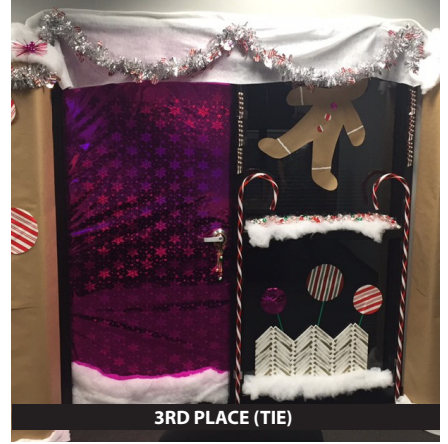


2ND PLACE (TIE)



3RD PLACE (TIE)

Mondovi Sales Department / Indianapolis Operations



3RD PLACE (TIE)

OPERATIONS

Terminal Drivers of the Year Announced

Benefield selected as Marten Company Driver of the Year

In 2014 Marten started a new tradition of selecting a driver for each terminal that exemplified what it is to be a Marten driver. These drivers have been named Terminal Drivers of the Year.

We would like to congratulate the following 2016 Terminal Drivers of the Year.

Of the selected drivers, one driver is then selected to be Marten's Company Driver of the Year. This year Matt Benefield was selected. Matt started with Marten in 2000 and will also be inducted into the 2 Million Mile Club this April.

Congratulations Matt!!



- | | |
|------------------|----------------------|
| Dale Froman | Carlisle |
| Abdul Ali | Colonial Heights |
| Johnny Hill | DeSoto |
| Charlie Orr | Indianapolis |
| Ronald Leoni | Intermodal |
| Matt Benefield | Kansas |
| Glenn Autry | Memphis |
| Jim Harp | OTR |
| Dennis Pascoe | Tampa |
| Daniel Morris | Tucker |
| Terrance Edwards | Upper Midwest |
| Rick Passehl | Wal-Mart Clarksville |
| Brad Heard | Wal-Mart New Albany |
| Cary Goble | Wilsonville |

FEEDBACK

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

RECOGNITION

Drivers of the Quarter 4th Quarter 2015

- Todd Carpenter - OTR E
- Anthony Kaneer - Upper Midwest
- Matt Benefield - Kansas City Regional
- Leonard Quinones - Northeast Regional
- Dennis Pascoe - Tampa Regional
- Markey Waters - South East Regional
- John Taylor - Teams W
- Chad Robbins - Teams W
- Mamadou Diallo - Great Lakes Regional
- Paul Bendt - Western Regional
- Doug Double - Mid-Atlantic Regional
- Cameron Evans - South Central Regional
- William McDonald - Memphis Regional
- Roger Jagers - Walmart MS
- Leoni Ronald - Intermodal
- Joerg Mueller - Delaval
- Rick Passehl - Walmart AR
- Ira Kelly - Coke Dedicated
- Sadiq Ebrahim - Walmart WI

RECOGNITION

New Million Mile Club Inductees

This year's Million Mile Club Ceremony will be held April 9th in Eau Claire, WI. We are excited to announce the induction of 12 One-Million Milers, 5 Two-Million Milers, and 2 Three-Million Milers. Look in next quarter's edition for more information and photos!

One-Million Mile Club:

- Randy Burtner
- Ray Dobbs
- Earl Gosnell SR
- Charles Hebert
- Kim Holten
- Jose Ibanez
- Tom Kelly
- Randy Lohman
- Dennis Nunnley
- Scott Partrick
- Douglas Richelieu
- James Wooten

Two-Million Mile Club:

- Erwin Hardy
- Robert Lambeth
- Barry Pease
- Brian Stephens
- Matthew Benefield

Three-Million Mile Club:

- Ross Chadd
- Phineas Schrock

