

We are excited to roll out another step in the Route to a Million Mile Program. Once you have reached 500,000 dispatched miles with Knight Transportation, you will become eligible to participate in our new stock award program at the start of the next quarter. Under this program, we will total up your dispatched miles for the quarter and multiply the dispatched miles by \$.02 to arrive at the value of the stock award Knight will issue you.

Quarter's Dispatched Miles x \$.02 = Value to Purchase Shares

The stock award will be in the form of Restricted Stock Units, or "RSU" for short.

The definition of Restricted Stock Unit is:

Compensation issued by a company to an employee in the form of company stock. Restricted stock units are issued to an employee through a vesting plan and distribution schedule after achieving required performance milestones or upon remaining with their employer for a length of time.

Essentially, RSU's are similar to shares of our stock, but they are restricted from sale or transfer until they are vested. RSU's are forfeited if you are terminated prior to the vesting date. Also, dividends accrued on the RSU's are not paid until the shares are vested. For this program, any RSU's issued will fully vest one year after the date they are granted. At that point, they are exactly like the other shares of the company.

Here is how the program works for those who qualify by having at least 500,000 dispatched miles with Knight prior to the start of this program or the start of each quarterly award cycle:

At the end of each calendar quarter, the total number of your dispatched miles for the quarter will be multiplied by \$.02. That total dollar amount will be used to issue RSU's. The KNX stock closing price on the date granted will dictate how many shares are issued. This program will begin with dispatched miles in the first quarter of 2020 for all drivers eligible at the start of the quarter. RSU's will be issued by the end of the second month following quarter close.

Here is the RSU's issue schedule:

Quarter	Driving Period	RSU's Issued	RSU Vest Date
1 st Quarter	Jan - Mar	May 31	May 31 st the following year
2 nd Quarter	Apr - Jun	August 31	August 31 st the following year
3 rd Quarter	Jul - Sep	November 30	November 30 th the following year
4 th Quarter	Oct - Dec	February 28	February 28 th the following year

In order to receive your RSU's, you will need to set up a brokerage account with Merrill Lynch. This is an easy process and is free to you because the company covers the cost of opening and maintaining the account. Directions for creating your account will be on the portal to help assist you, in addition to this document. If you require any assistance, Benefits can help walk you through the setup. The website to open your brokerage account is: www.benefits.ml.com. The Quarter after you hit 450,000 miles, you will receive a letter from Merrill Lynch with a pin number. You will need that pin number to set up your brokerage account. Once your account is set up, you will be eligible to receive RSU's. When RSU's are awarded to you, you will have 30 days to accept them. You will need to set up a brokerage account once, but you will have to accept RSU's every time they are awarded to you.

RSU's will be issued by the end of the second month following the quarter close, and you must be employed at the time the RSU's are issued. Additionally, any unvested RSU's issued to you will be forfeited if your employment with Knight is terminated for any reason. However, you can keep any stock that is fully vested prior to your separation.

Here is an example of how the program will work:

If you have 2,300 dispatched miles per week, that equals 30,000 miles per quarter. Multiplying this amount by \$.02 equals \$600. If the stock price at the time of grant is \$37, then dividing the \$600 award by \$37 price per share yields 16.2 shares, which means you would be issued 16 RSU's. Note that the number of RSU's issued is always rounded down since we cannot issue a partial share of stock. Those 16 RSU's will become fully vested shares of stock if you remain employed with Knight through the 1-year vesting period. At that point, the RSU's will vest and you can decide to keep the stock or sell it, it is 100% up to you. Note that stock prices change all the time, and the value of the RSU's may change between the time they are granted and the time they are fully vested. Also, RSU's are considered compensation from the company, which are subject to income taxes. The company will withhold a portion of the vested shares to cover the income taxes. For example, once the 16 shares have vested, three shares will be withheld to cover the taxes and you will receive the net of 13 shares.

We are excited to make this program available to our 500,000+ mile drivers and to give those who are getting close to that milestone one more thing to look forward to. We hope these RSU's are another way for you to share in the growth and success of our company.