

STOCK FAQ'S



What is an RSU?



An RSU 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.



When will I receive my RSU's?



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



At what mileage do I start receiving stocks?



Once you have reached 500,000 dispatched miles with Knight and you are an OTR driver, you will become eligible to participate in the Route to a Million Stock Program.



How long does it take for the RSU's to vest?



RSU's will vest after 1 year.



What happens if I retire before my stock vests?



If you are 65 years of age or older when you retire from Knight, the RSUs will accelerate, and share will issue accordingly. If you are below 65, the shares will be forfeited due to employment termination.



How will I receive dividend payments?



As shares vest, dividends accrued for the previous four quarters will be paid to you through payroll. Once stock shares are deposited into your brokerage account, future dividends will be deposited into your brokerage account with Merrill Lynch.



What happens to the dividends accrued each quarter if I term before the RSU vests?



If the employee is terminated prior to vest date, the shares and dividends are accrued quarterly, but payout only takes place on the date of vest. If driver leaves the company prior to vest date, the shares and dividend accrued are both forfeited.



How is my stock calculated?



Here is an example of how the program works: If you have 10,000 dispatch miles per month, that equals 30,000 miles for the quarter. Multiplying this amount by \$.02 gives \$600. If the stock price at the time of grant is \$37, then dividing the \$600 award by the \$37 price per share yields 16.2 shares, which means you would get 16 RSU's. Note that the number of RSU's issued is always rounded down since we cannot issue a partial share of stock.



Is there a minimum number of shares required in order for RSU's to be issued each time?



Yes, the minimum number is 10 shares.



Why is there a minimum share requirement?



Upon vesting, income taxes must be withheld. Therefore, the minimum was established to ensure that taxes could be withheld and leave more than a minimal amount left over to justify going through the whole process. Note that any amount accrued that is below the minimum is rolled forward to the next quarter, so you do not lose the miles.



If I do not run enough miles to hit the 10 minimum shares, what happens to my miles?



Once the calculation is complete and it is determined you will receive less than 10 shares, we will carryover those miles to the next quarter. In doing so, you will not lose the miles.



Is there anything I need to do to receive my award?



In order to receive your RSU's, you will first 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. This account MUST be set up BEFORE you are eligible to be awarded stock. The Quarter after you hit 450,000 miles, you will be invited to set up your brokerage account.



Is this taxable?



Yes. The mandatory Federal income tax withholding rate on RSUs is 22%, and the additional state withholding rate varies based on the State. Taxes are automatically calculated and withheld upon the vesting of your RSU's. Shares are withheld to cover taxes, and shares can only be withheld in whole share increments. Merrill Lynch will communicate to you and to Knight the value of your shares on the vesting date (based on the current market price) as well as the taxes withheld, and Knight will automatically include these amounts in your gross income and tax withholding on your pay statement and W-2.



Will I have to pay taxes on the RSU's?



Yes, once the vesting period has ended, you will be taxed on the stocks. Merrill Lynch will alert Knight of the payroll taxes they withheld from your shares. Knight will incorporate the shares into your Gross Income and both Federal and State (if applicable) taxes.



Where can I see the RSU awards I have received and keep track of vesting?



Simply log in to your Merrill Lynch brokerage account online at any time to view your awards and track their status and vesting dates.



How many days do I have to accept the stock awards?



Once the RSU's have been awarded to you, you will have 30 days to accept the them.



When will my stocks become available to me?



Once the 1-year vesting period is complete, the net shares (after taxes are withheld) are deposited in your account and should be visible within a within 2-4 business days following vest. You can view the shares in your account at any time by logging into your brokerage account at www.benefits.ml.com. Once vested, there are no further restrictions, and you can determine what you want to do with these shares. Note if you decide to sell them, you will no longer receive the dividends on the shares.



What happens to my unvested RSU's if I become an Owner Op?



Any unvested stocks will be forfeited when you quit to become an Owner Op.