

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2020

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____



(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

001-37509
(Commission File Number)

47-3913221
(IRS Employer Identification No.)

15455 Dallas Parkway, Suite 550
Addison, Texas
(Address of Principal Executive Offices)

75001
(Zip Code)

Registrant's Telephone Number, Including Area Code: **(972) 248-0412**

Not applicable

(Former name, former address and former fiscal year, if changed since last report)

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, par value \$0.0001 per share	DSKE	The NASDAQ Capital Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

☐ Large accelerated filer
☐ Non-accelerated filer

☒ Accelerated filer
☒ Smaller reporting company
☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Common shares of the registrant outstanding at August 3, 2020 were 64,729,703.

DASEKE, INC.
FORM 10-Q
For the Quarterly Period Ended June 30, 2020
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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q (this Report) of Daseke, Inc. (Daseke or the Company) contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Except as otherwise indicated by the context, references in this Report to “we,” “us” and “our” are to the consolidated business of the Company. All statements in this Report, including those made by the management of the Company, other than statements of historical fact, are forward-looking statements. These forward-looking statements are based on management’s estimates, projections and assumptions as of the date hereof. Forward-looking statements may contain words such as “may,” “will,” “expect,” “anticipate,” “continue,” “estimate,” “project,” “believe,” “plan,” “should,” “could,” “would,” “forecast,” “seek,” “target,” “predict,” and “potential,” the negative of these terms, or other comparable terminology. Forward-looking statements may include statements about the Company’s goals; the Company’s financial strategy, liquidity and capital required for its business strategy and plans; the Company’s competition and government regulations; general economic conditions; and the Company’s future operating results.

These forward-looking statements are based on information available as of the date of this Report (or, in the case of forward-looking statements incorporated herein by reference, as of the date of the applicable filed document), and current expectations, forecasts and assumptions. While management believes that these forward-looking statements are reasonable as and when made, there can be no assurance that future developments affecting us will be those that the Company anticipates. Accordingly, forward-looking statements should not be relied upon as representing the Company’s views as of any subsequent date, and the Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. Accordingly, readers are cautioned not to place undue reliance on the forward-looking statements.

Forward-looking statements are subject to risks and uncertainties (many of which are beyond the Company’s control) that could cause actual results to differ materially from the Company’s historical experience and our present expectations or projections. Important factors that could cause actual results to differ materially from those in the forward-looking statements include, but are not limited to, general economic and business risks, such as downturns in customers’ business cycles and disruptions in capital and credit markets; impact to the Company’s business and operations resulting from the COVID-19 pandemic; the Company’s ability to adequately address downward pricing and other competitive pressures; driver shortages and increases in driver compensation or owner-operator contracted rates; the Company’s ability to execute and realize all of the expected benefits of its integration, business improvement and comprehensive restructuring plans; loss of key personnel; the Company’s ability to realize all of the intended benefits from recent or future acquisitions; the Company’s ability to complete recent or future divestitures successfully; seasonality and the impact of weather and other catastrophic events; fluctuations in the price or availability of diesel fuel; increased prices for, or decreases in the availability of, new revenue equipment and decreases in the value of used revenue equipment; the Company’s ability to generate sufficient cash to service all of the Company’s indebtedness and the Company’s ability to finance its capital requirements; restrictions in its existing and future debt agreements; increases in interest rates; changes in existing laws or regulations, including environmental and worker health safety laws and regulations and those relating to tax rates or taxes in general; the impact of governmental regulations and other governmental actions related to the Company and its operations; insurance and claims expenses; and litigation and governmental proceedings. For additional information regarding known material factors that could cause the Company’s actual results to differ from its projected results, please see the Company’s filings with the Securities and Exchange Commission (the SEC), particularly the section titled “Part I. Item 1A. Risk Factors” in the Company’s Annual Report on Form 10-K, filed with the SEC on March 10, 2020, and “Part II. Item 1A. Risk Factors” in this Report.

All forward-looking statements, expressed or implied, attributed to the Company or persons acting on its behalf are expressly qualified in their entirety by this cautionary statement. This cautionary statement should also be considered in connection with any subsequent written or oral forward-looking statements that the Company or persons acting on its behalf may issue.

Part I – FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

DASEKE, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (Unaudited) (In millions, except share data)

	June 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 157.3	\$ 95.7
Accounts receivable, net of allowance of \$4.6 at June 30, 2020 and \$3.5 at December 31, 2019	162.0	197.8
Drivers' advances and other receivables	9.4	8.2
Parts supplies	2.9	3.5
Assets held for sale	4.9	—
Prepaid and other current assets	24.6	21.9
Total current assets	361.1	327.1
Property and equipment, net	388.6	439.0
Intangible assets, net	99.0	109.1
Goodwill	139.5	139.9
Right-of-use assets	112.3	95.9
Other long-term assets	33.5	29.6
Total assets	\$ 1,134.0	\$ 1,140.6
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 18.0	\$ 20.5
Accrued expenses and other liabilities	50.8	44.2
Accrued payroll, benefits and related taxes	30.5	28.2
Accrued insurance and claims	21.2	18.7
Current portion of long-term debt	55.0	59.4
Other current liabilities	51.1	48.8
Total current liabilities	226.6	219.8
Line of credit	—	1.7
Long-term debt, net of current portion	625.1	631.6
Deferred tax liabilities	67.4	69.9
Share-based payment liability	0.6	—
Other long-term liabilities	93.3	78.9
Total liabilities	1,013.0	1,001.9
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Series A convertible preferred stock, \$0.0001 par value; 10,000,000 shares authorized; 650,000 shares issued with liquidation preference of \$65.0 at June 30, 2020 and December 31, 2019	65.0	65.0
Common stock, par value \$0.0001 per share; 250,000,000 shares authorized, 64,727,425 and 64,589,075 shares issued and outstanding at June 30, 2020 and December 31, 2019, respectively	—	—
Additional paid-in-capital	439.4	437.5
Accumulated deficit	(382.7)	(363.4)
Accumulated other comprehensive loss	(0.7)	(0.4)
Total stockholders' equity	121.0	138.7
Total liabilities and stockholders' equity	\$ 1,134.0	\$ 1,140.6

The accompanying notes are an integral part of the consolidated financial statements.

DASEKE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(In millions, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues:				
Company freight	\$ 167.0	\$ 206.9	\$ 347.9	\$ 413.1
Owner operator freight	96.0	121.7	203.8	232.7
Brokerage	57.9	72.8	119.6	144.2
Logistics	8.8	13.1	18.9	25.5
Fuel surcharge	22.0	36.1	52.5	68.1
Total revenue	351.7	450.6	742.7	883.6
Operating expenses:				
Salaries, wages and employee benefits	99.4	124.3	209.8	243.4
Fuel	18.2	36.2	46.9	71.2
Operations and maintenance	45.3	53.1	90.9	107.9
Communications	0.9	1.2	1.9	2.2
Purchased freight	112.2	156.4	246.4	303.0
Administrative expenses	17.2	17.2	37.4	33.3
Sales and marketing	0.3	1.3	1.0	2.5
Taxes and licenses	4.0	5.0	8.5	9.9
Insurance and claims	15.6	12.2	30.6	24.7
Depreciation and amortization	22.8	39.7	49.1	81.2
(Gain) loss on disposition of property and equipment	0.4	(0.7)	(0.8)	(1.1)
Impairment	—	—	13.4	—
Restructuring charges	3.0	—	3.5	—
Total operating expenses	339.3	445.9	738.6	878.2
Income from operations	12.4	4.7	4.1	5.4
Other expense (income):				
Interest income	(0.1)	(0.2)	(0.4)	(0.4)
Interest expense	11.0	12.7	23.0	25.4
Other	(1.1)	(0.7)	0.1	(1.3)
Total other expense	9.8	11.8	22.7	23.7
Income (loss) before benefit for income taxes	2.6	(7.1)	(18.6)	(18.3)
Provision (benefit) for income taxes	2.1	(0.7)	(1.8)	(2.6)
Net income (loss)	0.5	(6.4)	(16.8)	(15.7)
Other comprehensive income (loss):				
Foreign currency translation adjustments, net of tax of \$0.1, \$0.1, \$(0.1) and \$0.3, respectively	0.2	0.4	(0.3)	0.5
Comprehensive income (loss)	0.7	(6.0)	(17.1)	(15.2)
Net income (loss)	0.5	(6.4)	(16.8)	(15.7)
Less dividends to Series A convertible preferred stockholders	(1.3)	(1.3)	(2.5)	(2.5)
Net loss attributable to common stockholders	\$ (0.8)	\$ (7.7)	\$ (19.3)	\$ (18.2)
Net loss per common share:				
Basic and Diluted	\$ (0.01)	\$ (0.12)	\$ (0.30)	\$ (0.28)
Weighted-average common shares outstanding:				
Basic and Diluted	64,173,164	64,523,163	64,625,347	64,496,550
Dividends declared per Series A convertible preferred share	\$ 1.91	\$ 1.91	\$ 3.81	\$ 3.81

The accompanying notes are an integral part of the consolidated financial statements.

DASEKE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
Six Months Ended June 30, 2020
(Unaudited)
(In millions, except share data)

	Series A Convertible Preferred Stock		Common Stock		Additional	Accumulated	Accumulated Other	
	Shares	Amount	Shares	Par Value	Paid- In Capital	Deficit	Comprehensive Income (Loss)	Total
Balance at January 1, 2020	650,000	\$ 65.0	64,589,075	\$ —	\$ 437.5	\$ (363.4)	\$ (0.4)	\$ 138.7
Vesting of restricted stock units	—	—	8,950	—	—	—	—	—
Series A convertible preferred stock dividend	—	—	—	—	—	(1.2)	—	(1.2)
Stock-based compensation expense	—	—	—	—	0.9	—	—	0.9
Foreign currency translation adjustments	—	—	—	—	—	—	(0.5)	(0.5)
Net loss	—	—	—	—	—	(17.3)	—	(17.3)
Balance at March 31, 2020	650,000	\$ 65.0	64,598,025	\$ —	\$ 438.4	\$ (381.9)	\$ (0.9)	\$ 120.6
Vesting of restricted stock units	—	—	129,400	—	(0.1)	—	—	(0.1)
Series A convertible preferred stock dividend	—	—	—	—	—	(1.3)	—	(1.3)
Stock-based compensation expense	—	—	—	—	1.1	—	—	1.1
Foreign currency translation adjustments	—	—	—	—	—	—	0.2	0.2
Net income	—	—	—	—	—	0.5	—	0.5
Balance at June 30, 2020	650,000	\$ 65.0	64,727,425	\$ —	\$ 439.4	\$ (382.7)	\$ (0.7)	\$ 121.0

The accompanying notes are an integral part of the consolidated financial statements.

DASEKE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
Six Months Ended June 30, 2019
(Unaudited)
(In millions, except share data)

	Series A Convertible Preferred Stock		Common Stock		Additional	Accumulated	Accumulated Other	
	Shares	Amount	Shares	Par Value	Paid- In Capital	Deficit	Comprehensive Income (Loss)	Total
Balance at January 1, 2019	650,000	\$ 65.0	64,455,174	\$ —	\$ 433.9	\$ (51.0)	\$ (0.9)	\$ 447.0
Vesting of restricted stock units	—	—	14,498	—	—	—	—	—
Series A convertible preferred stock dividend	—	—	—	—	—	(1.2)	—	(1.2)
Stock-based compensation expense	—	—	—	—	1.0	—	—	1.0
Foreign currency translation adjustments	—	—	—	—	—	—	0.1	0.1
Net loss	—	—	—	—	—	(9.3)	—	(9.3)
Balance at March 31, 2019	650,000	\$ 65.0	64,469,672	\$ —	\$ 434.9	\$ (61.5)	\$ (0.8)	\$ 437.6
Vesting of restricted stock units	—	—	110,321	—	(0.2)	—	—	(0.2)
Series A convertible preferred stock dividend	—	—	—	—	—	(1.3)	—	(1.3)
Stock-based compensation expense	—	—	—	—	0.9	—	—	0.9
Foreign currency translation adjustments	—	—	—	—	—	—	0.4	0.4
Net loss	—	—	—	—	—	(6.4)	—	(6.4)
Balance at June 30, 2019	650,000	\$ 65.0	64,579,993	\$ —	\$ 435.6	\$ (69.2)	\$ (0.4)	\$ 431.0

The accompanying notes are an integral part of the consolidated financial statements.

DASEKE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(in millions)

	Six Months Ended June 30,	
	2020	2019
Cash flows from operating activities		
Net loss	\$ (16.8)	\$ (15.7)
Adjustments to reconcile net loss to net cash provided by operating activities		
Depreciation	45.5	73.0
Amortization of intangible assets	3.6	8.2
Amortization of deferred financing fees	2.1	1.5
Non-cash operating lease expense	2.7	13.3
Stock-based compensation expense	2.6	1.9
Deferred taxes	(1.8)	(2.6)
Bad debt expense	1.3	0.5
Gain on disposition of property and equipment	(0.8)	(1.1)
Impairment	13.4	—
Changes in operating assets and liabilities		
Accounts receivable	34.0	(21.9)
Drivers' advances and other receivables	(1.2)	(1.7)
Prepaid and other current assets	(4.6)	(0.2)
Accounts payable	(2.3)	1.4
Accrued expenses and other liabilities	5.2	(1.7)
Net cash provided by operating activities	82.9	54.9
Cash flows from investing activities		
Purchases of property and equipment	(14.9)	(12.1)
Proceeds from sale of property and equipment	36.4	16.5
Net cash provided by investing activities	21.5	4.4
Cash flows from financing activities:		
Advances on line of credit	736.4	639.2
Repayments on line of credit	(738.1)	(639.2)
Principal payments on long-term debt	(39.1)	(38.9)
Deferred financing fees	—	(0.2)
Series A convertible preferred stock dividends	(2.5)	(2.5)
Net cash used in financing activities	(43.3)	(41.6)
Effect of exchange rates on cash and cash equivalents	0.5	—
Net increase in cash and cash equivalents	61.6	17.7
Cash and cash equivalents – beginning of period	95.7	46.0
Cash and cash equivalents – end of period	\$ 157.3	\$ 63.7

The accompanying notes are an integral part of the consolidated financial statements.

DASEKE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS – (Continued)
(Unaudited)
(in millions)

	Six Months Ended June 30,	
	2020	2019
Supplemental disclosure of cash flow information		
Cash paid for interest	\$ 20.8	\$ 23.4
Cash paid for income taxes	\$ 1.3	\$ 1.3
Noncash investing and financing activities		
Property and equipment acquired with debt or finance lease obligations	\$ 30.0	\$ 47.9
Property and equipment sold for notes receivable	\$ 0.1	\$ 0.3
Right-of-use assets acquired	\$ 26.8	\$ 25.7

The accompanying notes are an integral part of the consolidated financial statements.

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Daseke, Inc.'s (the Company or Daseke) wholly-owned subsidiary Daseke Companies, Inc., was incorporated in December 2008 and began operations on January 1, 2009. Daseke is engaged in full service open-deck trucking that specializes primarily in flatbed truckload and heavy haul transportation of specialized items throughout the United States, Canada and Mexico. The Company also provides logistical planning and warehousing services to customers. The Company is subject to regulation by the Department of Transportation, the Department of Defense, the Department of Energy, and various state regulatory authorities in the United States. The Company is also subject to regulation by the Ministries of Transportation and Communications and various provincial regulatory authorities in Canada.

Basis of Presentation

These interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information and with the instructions for Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2020 are not necessarily indicative of the results that may be expected for the year ended December 31, 2020.

The consolidated balance sheet as of December 31, 2019 has been derived from the audited consolidated financial statements at that date. For additional information, including the Company's significant accounting policies, refer to the consolidated financial statements and related footnotes for the year ended December 31, 2019 as set forth in the Company's Annual Report on Form 10-K, filed with the SEC on March 10, 2020.

Certain items have been reclassified for presentation purposes to conform to the accounting policies of the consolidated entity. These reclassifications had no material impact on income from operations, net loss and comprehensive loss, the balance sheets or statements of cash flows.

Principles of Consolidation

The consolidated financial statements include the accounts of Daseke, Inc. and its wholly-owned subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of the consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Deferred Financing Fees

In conjunction with obtaining long-term debt, the Company incurred financing costs which are being amortized using the straight-line method, which approximates the effective interest rate method, over the terms of the obligations. As of June 30, 2020 and December 31, 2019, the balance of deferred finance charges was \$9.3 million and \$11.4 million, respectively, which is included as a reduction of long-term debt, net of current portion in the consolidated balance sheets. Amortization expense was \$1.0 million and \$0.8 million for the three months ended June 30, 2020 and 2019, and \$2.1 million and \$1.5 million for the six months ended June 30, 2020 and 2019, respectively. Amortization expense is included in interest expense in the consolidated statements of operations and comprehensive income (loss).

Impairment of Long-Lived Assets

Long-lived assets are reviewed for impairment at the asset group level whenever events or changes in circumstances indicate that the carrying value may not be recoverable. If the sum of the expected future undiscounted cash flow is less than the carrying amount of the asset, an impairment is indicated. A loss is then recognized for the difference, if any, between the fair value of the asset (as estimated by management using its best judgment) and the carrying value of the asset. If actual market value is less favorable than that estimated by management, additional write-downs may be required. In the six months ended June 30, 2020, the Company recognized asset impairments, which are more fully described in Note 3.

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Fair Value Measurements

The Company follows the accounting guidance for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value guidance defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It also establishes a framework for measuring fair value and expands disclosures about fair value measurements. The three levels of the fair value framework are as follows:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs reflecting the reporting entity's own assumptions or external inputs from inactive markets.

A financial asset or liability's classification within the framework is determined based on the lowest level of input that is significant to the fair value measurement.

Contingent Consideration

The contingent consideration liabilities, included in other current liabilities on the consolidated balance sheet, represent future payment obligations for certain EBITDA thresholds related to the Company's acquisitions over a defined period of time. The fair value of the Company's contingent consideration liabilities are determined using estimates based on discount rates that reflect the risk involved and the projected EBITDA of the acquired businesses, therefore the liabilities are classified within Level 3 of the fair value framework. The balance of contingent consideration as of June 30, 2020 and December 31, 2019 was \$21.2 million and \$21.5 million, respectively. The table below is a summary of the changes in the fair value of this liability for the six months ended June 30, 2020 and 2019 (in millions):

	Six Months Ended	
	June 30,	
	2020	2019
Balance at beginning of period	\$ 21.5	\$ 21.9
Change in fair value	(0.3)	(0.4)
Balance at end of period	<u>\$ 21.2</u>	<u>\$ 21.5</u>

Stock-Based Compensation

Awards of equity instruments issued to employees and directors are accounted for under the fair value method of accounting and recognized in the consolidated statements of operations and comprehensive income (loss). Compensation cost is measured for all stock-based awards at fair value on the date of grant and recognized using the straight-line method over the service period over which the awards are expected to vest.

Fair value of all time-vested options as of the date of grant is estimated using the Black-Scholes option valuation model, which was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. Option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Since the Company does not have a sufficient history of exercise behavior, expected term is calculated using the assumption that the options will be exercised ratably from the date of vesting to the end of the contractual term for each vesting tranche of awards. The risk-free interest rate is based on the U.S. Treasury yield curve for the period of the expected term of the stock option. Expected volatility is calculated using an index of publicly traded peer companies.

Fair values of non-vested stock awards (restricted stock units) are equal to the market value of the common stock on the date of the award with compensation costs amortized over the vesting period of the award.

Fair values of performance stock units are estimated using the Monte Carlo valuation model in a risk-neutral framework to model future stock price movements based upon highly subjective assumptions, including historical volatility, risk-free rates of return and the stock price simulated over the performance period. The risk-free interest rate is based on the interpolated constant maturity treasury curve for the performance period. Expected volatility is calculated using annualized historical volatility with a lookback period equal to the remaining performance period.

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[Segment Reporting](#)

The Company determines its operating segments based on the information utilized by the chief operating decision maker to allocate resources and assess performance. Based on this information, the Company has determined it had 13 operating segments as of June 30, 2020 and 16 operating segments as of June 30, 2019 that are aggregated into two reportable segments: Flatbed Solutions, which delivers its services using primarily flatbed transportation equipment to meet the needs of high-volume, time-sensitive shippers, and Specialized Solutions, which delivers transportation and logistics solutions for super heavy haul, high-value customized and over-dimensional loads, many of which require engineering and customized equipment.

[Loss Per Share](#)

Basic loss per common share is calculated by dividing net loss attributable to common stockholders by the weighted average number of shares of common stock outstanding during the period. Diluted loss per share reflect the potential dilution of earnings per share that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the Company's loss.

For the three and six months ended June 30, 2020 and 2019, shares of the Company's 7.625% Series A Convertible Cumulative Preferred Stock (Series A Preferred Stock) and outstanding stock options were not included in the computation of diluted loss per share as their effects were anti-dilutive. Additionally, for the three and six months ended June 30, 2019, there was no dilutive effect from the Merger Agreement earn-out provision found in the Agreement and Plan of Merger, dated December 22, 2016, in which a wholly-owned subsidiary of Hennessy Capital Acquisition Corp. II (Hennessy) merged with and into Daseke, with Daseke surviving as a direct wholly-owned subsidiary of Hennessy, (the Merger Agreement) or the outstanding warrants to purchase shares of the Company's common stock (the common stock purchase warrants). See Note 16 for the effects of non-vested restricted stock units on basic and diluted earnings per share under the two-class method.

[Common Stock Purchase Warrants](#)

The Company accounts for the issuance of common stock purchase warrants in connection with equity offerings in accordance with the provisions of the Accounting Standards Codification (ASC) 815, Derivatives and Hedging (Topic 815). The Company classifies as equity any contract that (i) requires physical settlement or net-share settlement or (ii) gives the Company a choice of net-cash settlement or settlement in its own shares (physical settlement or net-share settlement). The Company classifies as assets or liabilities any contract that (i) requires net-cash settlement (including a requirement to net-cash settle the contract if an event occurs and if that event is outside the control of the Company) or (ii) gives the counterparty a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). See Note 11 for additional details on the common stock purchase warrants.

The Company assessed the classification of its common stock purchase warrants and determined that such instruments meet the criteria for equity classification at the time of issuance.

[Foreign Currency Gains and Losses](#)

The functional currency for all operations except Canada is the U.S. dollar. The local currency is the functional currency for the Company's operations in Canada. For these operations, assets and liabilities are translated at the rates of exchange on the consolidated balance sheet date, while income and expense items are translated at average rates of exchange during the period. The resulting gains or losses arising from the translation of accounts from the functional currency into U.S. dollars are included as a separate component of stockholders' equity in accumulated other comprehensive income until a partial or complete liquidation of the Company's net investment in the foreign operation.

From time to time, the Company's foreign operations may enter into transactions that are denominated in a currency other than their functional currency. These transactions are initially recorded in the functional currency of the operating company based on the applicable exchange rate in effect on the date of the transaction. Monthly, these transactions are remeasured to an equivalent amount of the functional currency based on the applicable exchange rate in effect on the remeasurement date. Any adjustment required to remeasure a transaction to the equivalent amount of functional currency is recorded in the consolidated statements of operations and comprehensive income (loss) of the foreign operating company as a component of foreign exchange gain or loss.

[Revenue and Expense Recognition](#)

The Company's revenue and related costs are recognized when the Company satisfies its performance obligation(s) transferring goods or services to the customer and the customer obtains control of such goods and services. With respect to freight, brokerage, logistics and fuel surcharge revenue, these conditions are met, and the Company recognizes company freight, owner operator freight, brokerage and fuel surcharge revenue, over time, and logistics revenue, as the services are provided. While the Company may enter into master service

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agreements with its customers, a contract is not established until the customer specifically requests the Company's services and the Company accepts.

The Company evaluates each contract for distinct performance obligations. In the Company's business, a typical performance obligation is the transportation of a load including any highly interrelated ancillary services.

The Company predominantly estimates the standalone selling price of its services based upon observable evidence, market conditions and other relevant inputs. The Company allocates the total transaction price to each distinct performance obligation based upon the relative standalone selling prices.

The Company's customers simultaneously receive and consume the benefits of the Company's contracts; therefore, revenue is recognized over time. This is a faithful depiction of the satisfaction of the performance obligation, as the customer does not need to re-perform the transportation services the Company has provided to date.

Generally, the Company's customers are billed upon delivery of the freight or monthly and remit payment according to the approved payment terms.

Freight Revenue

Freight revenue is generated by hauling customer freight using company owned equipment (company freight) and owner-operator equipment (owner-operator freight). Freight revenue is the product of the number of revenue-generating miles driven and the rate per mile received from customers plus accessorial charges, such as loading and unloading freight, cargo protection, fees for detained equipment or fees for route planning and supervision.

Brokerage Revenue

The Company regularly engages third-party capacity providers to haul loads. The Company is primarily responsible for fulfilling the promise to provide load transportation services, and has discretion in setting prices, along with the risk to fulfill the contract to the customer. Based upon this evaluation, the Company has determined that it is the principal and therefore, records gross revenues and expenses for brokerage services.

Logistics Revenue

Logistics revenue is generated from a range of services, including value-added warehousing, loading and unloading, vehicle maintenance and repair, preparation and packaging, fuel management, and other fleet management solutions. The Company recognizes logistics revenue as services are completed.

Fuel Surcharge

Fuel surcharge revenue compensates the Company for fuel costs above a certain cost per gallon base. Generally, the Company receives fuel surcharges on the miles for which it is compensated by customers.

Practical expedients

The Company has designated the following preference and practical expedients:

- To not disclose remaining performance obligations when the expected performance obligation duration is one year or less. The vast majority of the Company's services transfer control within a month of the inception of the contract with select specialized loads taking several months to allow for increased planning and permitting.
- Recognize the incremental costs of obtaining or fulfilling a contract as an expense when incurred, as the amortization period of a potential asset would be recognized in one year or less.
- Exclude taxes collected on behalf of government authorities from the Company's measurement of transaction prices. Tax amounts are not included within net income or cost of sales.

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Lease Accounting

Lessee

The Company has capitalized operating and finance leases for various real estate including corporate offices, trucking facilities and terminals, warehouses, and tractor parking as well as various types of equipment including tractors, trailers, forklifts, and office equipment. New real estate lease agreements will typically have initial terms between 3 to 15 years and new equipment lease agreements will typically have initial terms of 3 to 9 years. Leases with an initial term of 12 months or less (short term leases) across all asset classes are not recorded on the balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term.

Some of the Company's leases include one or more options to renew, with renewals that can extend the lease term from 1 to 5 years. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The exercise of lease renewal options is at the Company's sole discretion. Certain leases also include options to purchase the leased property. The depreciable life of assets and leasehold improvements are limited by the expected lease term, unless there is a transfer of title or purchase option reasonably certain of exercise. Rights and obligations related to lease agreements the Company has signed but that have not yet commenced are not material. The Company has certain lease agreements related to its revenue equipment that contain residual value guarantees. These residual value guarantees require the Company to return the revenue equipment at the end of the lease term in a certain condition as specified by the lessor in the lease agreement.

The Company determines whether an arrangement is classified as a lease at inception. The right-of-use assets and lease liabilities relating to operating leases are included in right-of-use assets, other current liabilities, and other long-term liabilities on the Company's consolidated balance sheets. The right-of-use assets and lease liabilities relating to finance leases are included in other long-term assets, current portion of long-term debt, and long-term debt, net of current portion on the Company's consolidated balance sheets. The Company's right-of-use assets represent its right to use the underlying assets for the lease term and the Company's right-of-use liabilities represent its obligation to make lease payments arising from the leases. Operating lease right-of-use assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company's capitalized operating lease agreements generally do not provide an implicit rate. The Company developed an incremental borrowing rate based on the information available at the commencement date regarding the interest rate applicable to collateralized borrowings for a period similar to the original lease period. The incremental borrowing rates were used in determining the present value of lease payments which is reflected as the lease liability.

Lessor

The Company leases tractors and trailers to certain of its owner-operators and accounts for these transactions as operating leases. These leases typically have terms of 30 to 72 months and are collateralized by a security interest in the related revenue equipment. The Company recognizes income for these leases as payments are received over the lease term, which are reported in purchased freight on the consolidated statements of operations and comprehensive income (loss). The Company's equipment leases may include options for the lessee to purchase the equipment at the end of the lease term or terminate the lease prior to the end of the lease term. When an asset reaches the end of its useful economic life, the Company disposes of the asset.

The Company recorded depreciation expense of \$4.2 million and \$3.9 million for the three months ended June 30, 2020 and 2019, \$8.3 million and \$8.8 million for the six months ended June 30, 2020 and 2019 on its assets leased under operating leases, respectively. Lease income from lease payments related to the Company's operating leases for the three months ended June 30, 2020 and 2019, was \$6.2 million and \$6.1 million, and for the six months ended June 30, 2020 and 2019 was \$12.4 million and \$11.6 million, respectively.

The Company has designated the following preferences and practical expedients:

- Adopt the land easement practical expedient;
- To not separate the non-lease components of a contract from the lease component for its office equipment asset class;
- To not apply the recognition requirements to leases with terms of twelve months or less; and
- To apply the portfolio approach in determination of the incremental borrowing rate.

New Accounting Pronouncements

In March 2020, the FASB issued ASU 2020-04 – Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The amendments provide optional guidance for a limited time to ease the potential burden in accounting for reference

rate reform. The new guidance provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by reference rate reform if certain criteria are met. The amendments apply only to contracts and hedging relationships that reference LIBOR or another reference rate expected to be discontinued due to reference rate reform. These amendments are effective immediately and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company is currently evaluating its contracts and the optional expedients provided by the new standard.

In December 2019, the FASB issued ASU No. 2019-12 – Income Taxes (Topic 740). Simplifying the Accounting for Income Taxes, as part of its initiative to reduce complexity in the accounting standards. The amendments in ASU 2019-12 eliminate certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. ASU 2019-12 also clarifies and simplifies other aspects of the accounting for income taxes. The amendments in ASU 2019-12 will become effective for the Company on January 1, 2022. Early adoption is permitted, including adoption in any interim period. The Company is currently evaluating the impact of adopting this guidance.

In June 2016, the FASB issued ASU No. 2016-13 – Accounting for Credit Losses (Topic 326). ASU 2016-13 requires the use of an “expected loss” model on certain types of financial instruments. The ASU sets forth a “current expected credit loss” (CECL) model which requires the Company to measure all expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions, and reasonable supportable forecasts. This replaces the existing incurred loss model and is applicable to the measurement of credit losses on financial assets, including trade receivables. The new standard will become effective for the Company beginning with the first quarter 2023 and is not expected to have a material impact on the Company’s consolidated financial statements.

NOTE 2 – LEASES

Lessee

The following table reflects the Company’s components of lease expenses for the three and six months ended June 30, 2020 and 2019 (in millions):

	Classification	Three Months Ended June 30,		Six Months Ended June 30,	
		2020	2019	2020	2019
Operating lease cost					
Revenue equipment	Operations and maintenance	\$ 6.6	\$ 7.8	\$ 13.0	\$ 13.5
Real estate	Administrative expense	3.7	4.8	7.5	9.1
Total operating lease cost		\$ 10.3	\$ 12.6	\$ 20.5	\$ 22.6
Finance lease cost					
Amortization of right-of-use assets	Depreciation and amortization	\$ 1.5	\$ 1.1	\$ 3.0	\$ 2.4
Interest on lease liabilities	Interest expense	0.2	0.3	0.5	0.5
Total finance lease cost		\$ 1.7	\$ 1.4	\$ 3.5	\$ 2.9
Total lease cost ^(a)		\$ 12.0	\$ 14.0	\$ 24.0	\$ 25.5

(a) Short-term lease expense and variable lease expense are immaterial.

The Company follows ASC 360, “Impairment or Disposal of Long-Lived Assets” guidance to determine whether right-of-use assets relating to operating and finance leases are impaired. The Company recorded impairment charges of \$3.2 million to right-of-use assets relating to operating leases for the six months ended June 30, 2020 in connection with the planned divestiture of Aveda Transportation and Energy Services Inc. (Aveda). See Note 3 for details. There was no impairment charge to right-of-use assets relating to operating leases for the six months ended June 30, 2019.

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The components of assets and liabilities for operating and finance leases are as follows as of June 30, 2020 and December 31, 2019 (in millions):

	Classification	June 30, 2020	December 31, 2019
Assets			
Capitalized operating lease right-of-use assets	Right-of-use assets	\$ 112.3	\$ 95.9
Finance lease right-of-use assets	Other long-term assets	29.2	25.3
Total lease assets		<u>\$ 141.5</u>	<u>\$ 121.2</u>
Liabilities			
Capitalized operating lease liabilities:			
Current	Other current liabilities	\$ 29.9	\$ 27.3
Non-current	Other long-term liabilities	91.6	77.8
Total capitalized operating lease liabilities		<u>\$ 121.5</u>	<u>105.1</u>
Finance lease liabilities:			
Current	Current portion of long-term debt	\$ 6.7	6.2
Non-current	Long-term debt, net of current portion	22.9	19.3
Total finance lease liabilities		<u>\$ 29.6</u>	<u>25.5</u>
Total lease liabilities		<u>\$ 151.1</u>	<u>\$ 130.6</u>

The following table is a summary of supplemental cash flows related to leases for the six months ended June 30, 2020 and 2019 (in millions):

	Six Months Ended June 30,	
	2020	2019
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from capitalized operating leases	\$ (18.8)	\$ (17.1)
Operating cash flows from finance leases	(0.6)	(0.4)
Financing cash flows from finance leases	(3.5)	(2.8)
Right-of-use assets obtained in exchange for lease obligations:		
Capitalized operating lease right-of-use assets	\$ 26.8	\$ 25.7
Finance lease right-of-use assets	5.2	9.2

The following table is the future payments on leases as of June 30, 2020 (in millions):

Year ending December 31,	Capitalized Operating leases	Finance leases	Total
2020 ⁽¹⁾	\$ 17.7	\$ 4.2	\$ 21.9
2021	32.4	8.4	40.8
2022	28.3	6.4	34.7
2023	22.3	7.0	29.3
2024	11.6	4.3	15.9
Thereafter	25.3	2.0	27.3
Total lease payments	137.6	32.3	169.9
Less: interest	(16.1)	(2.7)	(18.8)
Present value of lease liabilities	<u>\$ 121.5</u>	<u>\$ 29.6</u>	<u>\$ 151.1</u>

(1) Six months ending December 31, 2020

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The following table is a summary of weighted average lease terms and discount rates for leases as of June 30, 2020 and December 31, 2019:

	June 30, 2020	December 31, 2019
Weighted-average remaining lease term (years)		
Capitalized operating leases	4.96	5.01
Finance leases	3.74	3.83
Weighted-average discount rate		
Capitalized operating leases	5.28 %	5.54 %
Finance leases	4.44 %	4.51 %

Lessor

The following table is the future minimum receipts on leases as of June 30, 2020 (in millions):

Twelve months ending June 30,	Amount
2021	\$ 23.3
2022	17.7
2023	10.8
2024	5.8
2025	2.8
Thereafter	0.7
Total minimum lease receipts	<u>\$ 61.1</u>

NOTE 3 – PLANNED DIVESTITURE OF AVEDA

As part of the overall operational and cost improvement plan of the Company, management and the board of directors had been evaluating how the Aveda business fits into the overall business strategy. In March 2020, the Company's board of directors approved a plan for the sale of certain Aveda terminals located in Texas and Oklahoma.

The planned divestiture does not meet the quantitative and qualitative criteria to be classified as discontinued operations. As a result, the Aveda operations will continue to be reported in the Specialized Solutions segment results until the sale is finalized.

Effective with the designation as held for sale on March 31, 2020, the Company discontinued recording depreciation on property and equipment of this business and performed an impairment analysis of long-lived assets, as required by ASC 350 and 360. As a result of the analysis, impairment charges of \$13.4 million were recorded for the three months ended March 31, 2020 consisting of property and equipment of \$4.0 million, right-of-use assets of \$3.2 million and tradename intangible assets of \$6.2 million.

During the second quarter of 2020, the Company sold the majority of the assets that were previously classified as held for sale for \$24.6 million and recognized a loss on the sale of \$1.2 million, which is included in gain (loss) on disposition of property and equipment. The Company had \$4.9 million of property and equipment classified as held for sale at June 30, 2020. The remaining assets and liabilities that were previously classified as held for sale at March 31, 2020 were reclassified to held and used assets and liabilities, as they will be realized or abandoned upon the closure of the remaining open terminals of Aveda in 2020.

NOTE 4 – PREPAID AND OTHER CURRENT ASSETS

The components of prepaid expenses and other current assets are as follows as of June 30, 2020 and December 31, 2019 (in millions):

	June 30, 2020	December 31, 2019
Insurance	\$ 14.2	\$ 10.1
Licensing, permits and tolls	4.9	5.4
Other assets	2.9	3.1
Other prepaids	1.9	1.7
Highway and fuel taxes	0.7	1.6
	<u>\$ 24.6</u>	<u>\$ 21.9</u>

NOTE 5 – GOODWILL AND INTANGIBLE ASSETS

Goodwill represents the excess of the purchase price of all acquisitions over the estimated fair value of the net assets acquired. The Company performs an impairment test of goodwill annually as of October 1 or when impairment indicators arise.

The summary of changes in goodwill follows for the six months ended June 30, 2020 (in millions):

	Flatbed	Specialized	Total
Goodwill balance at December 31, 2019	\$ 59.3	\$ 80.6	\$ 139.9
Foreign currency translation adjustment	—	(0.4)	(0.4)
Goodwill balance at June 30, 2020	<u>\$ 59.3</u>	<u>\$ 80.2</u>	<u>\$ 139.5</u>

Intangible assets consisted of the following as of June 30, 2020 and December 31, 2019 (in millions):

	As of June 30, 2020			As of December 31, 2019		
	Intangible Assets	Accumulated Amortization	Intangible Assets, net	Intangible Assets	Accumulated Amortization	Intangible Assets, net
Non-competition agreements	\$ 21.7	\$ (19.2)	\$ 2.5	\$ 21.7	\$ (18.4)	\$ 3.3
Customer relationships	88.9	(45.0)	43.9	88.9	(42.2)	46.7
Trade names	52.9	—	52.9	59.1	—	59.1
Foreign currency translation adjustment	(0.3)	—	(0.3)	—	—	—
Total intangible assets	<u>\$ 163.2</u>	<u>\$ (64.2)</u>	<u>\$ 99.0</u>	<u>\$ 169.7</u>	<u>\$ (60.6)</u>	<u>\$ 109.1</u>

For the six months ended June 30, 2020, the Company recorded an impairment charge to intangible assets of \$6.2 million for the trade names category of intangible assets. See Note 3 for details.

As of June 30, 2020, non-competition agreements and customer relationships had weighted average remaining useful lives of 2.4 and 9.5 years, respectively.

Amortization expense for intangible assets with definite lives was \$1.8 million and \$3.9 million for the three months ended June 30, 2020 and 2019, and \$3.6 million and \$8.2 million for the six months ended June 30, 2020 and 2019 respectively.

Future estimated amortization expense is as follows (in millions):

Year ending December 31,	Non-competition Agreements	Customer Relationships
2020 ⁽¹⁾	\$ 0.5	\$ 3.0
2021	1.0	5.9
2022	0.9	5.9
2023	0.1	5.9
2024	—	4.1
Thereafter	—	19.1
Total	<u>\$ 2.5</u>	<u>\$ 43.9</u>

(1) Six months ending December 31, 2020

NOTE 6 – INTEGRATION AND RESTRUCTURING

On July 30, 2019, the Company internally announced a plan to integrate three operating segments with three other operating segments (Project Synchronize, the Plan or Phase I), which reduced the number of operating segments from 16 to 13. The Plan was implemented to streamline and reduce the Company's cost structure, improve asset utilization and capitalize on operational synergies. Additionally, the Company announced the planned implementation of Business Improvement Plans (BIP), which is expected to increase profitability by right-sizing trailer-to-tractor ratios, yielding management capacity allocations, and improving maintenance execution. On September 4, 2019, the Company announced a comprehensive restructuring plan (Project Pivot) intended to reduce its cost base, right size its organization and management team and increase and accelerate its previously announced operational improvement goals. As part of Project Pivot, the Company executed a new management restructuring and substantial corporate cost reduction plan.

The Company implemented Project Synchronize and Project Pivot which resulted in recording of integration and restructuring costs. The integration and restructuring costs consist of assets impairments, employee-related costs, other transition and termination costs related to restructuring activities. Employee-related costs include severance, tax preparation, and relocation costs. Severance and relocation costs are expensed in accordance with ASC 420. Other transition and termination costs include fixed asset-related charges, contract and lease

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termination costs, professional fees, and other miscellaneous expenditures associated with the integration or restructuring activities, which are expensed as incurred. Costs are reported in restructuring charges in the consolidated statements of operations and comprehensive income (loss). The obligation related to employee separation costs is included in other current liabilities in the consolidated balance sheets.

On March 10, 2020, the Company announced a plan to integrate three operating segments with three other operating segments (Phase II of the Plan), which will further reduce the number of operating segments from 13 to 10. Phase II was initially expected to be significantly completed by June 30, 2020, however, due to uncertainties and changes in focus caused by the COVID-19 pandemic, the Company now expects Phase II to be completed by December 31, 2020. The Company is in the process of determining the estimated impact of Phase II on the financial statements.

During the first quarter of 2020, the Company made the decision to close certain of the Aveda terminals and wind down those operations. The Company recorded \$2.8 million and \$3.2 million of restructuring and exit costs in connection with the closure of these terminals in the three and six months ended June 30, 2020, respectively.

The Company recorded \$0.2 million and \$0.3 of integration and restructuring expenses in connection with Project Synchronize and Project Pivot for the three and six months ended June 30, 2020, respectively.

The following table summarizes the integration and restructuring costs for Project Synchronize and Project Pivot as of June 30, 2020 (in millions):

	Severance and Other Payroll	Operating Lease Termination	Other	Total
Balance, December 31, 2019	\$ 1.8	\$ —	\$ —	\$ 1.8
Specialized Solution				
Costs accrued	—	—	0.1	0.1
Amounts paid or charged	—	—	(0.1)	(0.1)
Specialized Solution balance at June 30, 2020	—	—	—	—
Flatbed Solution				
Costs accrued	0.2	—	—	0.2
Amounts paid or charged	(0.2)	—	—	(0.2)
Flatbed Solution balance at June 30, 2020	—	—	—	—
Corporate				
Costs accrued	—	—	—	—
Amounts paid or charged	(1.1)	—	—	(1.1)
Corporate balance at June 30, 2020	(1.1)	—	—	(1.1)
Consolidated				
Costs accrued	0.2	—	0.1	0.3
Amounts paid or charged	(1.3)	—	(0.1)	(1.4)
Consolidated balance at June 30, 2020	<u>\$ 0.7</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 0.7</u>

The following table summarizes the restructuring and exit costs for the Aveda closed terminals as of June 30, 2020 (in millions):

	Severance and Other Payroll	Operating Lease Termination	Other	Total
Specialized Solution				
Costs accrued	\$ 2.3	\$ 0.3	\$ 0.6	\$ 3.2
Amounts paid or charged	(2.3)	(0.3)	(0.6)	(3.2)
Specialized Solution balance at June 30, 2020	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

NOTE 7 – PROPERTY AND EQUIPMENT

In accordance with ASC 360, “Impairment or Disposal of Long-Lived Assets,” the Company reviews its definite lived long-lived assets whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If the carrying amount of an asset or group of assets exceeds its net realizable value, the asset will be written down to its fair value and the amount recognized for impairment is equal to the difference between the carrying value and the asset’s fair value.

During the first quarter of 2020, the Company recorded an impairment charge of \$4.0 million to state property and equipment at fair value

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which related to the Specialized Solutions segment. The impairment charge is included in impairment in the consolidated statements of operations and comprehensive income (loss). See Note 3 for details.

The components of property and equipment are as follows as of June 30, 2020 and December 31, 2019 (in millions):

	June 30, 2020	December 31, 2019
Revenue equipment	\$ 533.8	\$ 597.0
Assets leased and available for lease to owner-operators	73.7	64.3
Buildings and improvements	58.2	59.9
Furniture and fixtures, office and computer equipment and vehicles	34.8	40.2
	700.5	761.4
Accumulated depreciation	(311.9)	(322.4)
	<u>\$ 388.6</u>	<u>\$ 439.0</u>

Depreciation expense on property and equipment was \$16.8 million and \$30.8 million for the three months ended June 30, 2020 and 2019, respectively, and \$37.2 million and \$62.3 million for the six months ended June 30, 2020 and 2019, respectively. Depreciation expense and accumulated depreciation on assets leased and available for lease to owner-operators was \$4.2 million and \$5.1 million for the three months ended June 30, 2020 and 2019, respectively, and \$8.3 million and \$10.7 million for the six months ended June 30, 2020 and 2019, respectively.

NOTE 8 – ACCRUED EXPENSES AND OTHER LIABILITIES

The components of accrued expenses and other liabilities are as follows as of June 30, 2020 and December 31, 2019 (in millions):

	June 30, 2020	December 31, 2019
Brokerage and escorts	\$ 17.9	\$ 16.9
Other accrued expenses	13.7	10.6
Owner-operator deposits	8.7	7.1
Unvouchered payables	6.9	6.1
Sales and local taxes payable	1.7	1.7
Fuel and fuel taxes	1.3	1.3
Interest	0.6	0.5
	<u>\$ 50.8</u>	<u>\$ 44.2</u>

NOTE 9 – LONG-TERM DEBT

Long-term debt consists of the following as of June 30, 2020 and December 31, 2019 (in millions):

	June 30, 2020	December 31, 2019
Line of credit	\$ —	\$ 1.7
Term loan facility	486.0	488.5
Equipment term loans	173.8	188.4
Finance and capital leases	29.6	25.5
	689.4	704.1
Less current portion	(55.0)	(59.4)
Less unamortized debt issuance costs	(9.3)	(11.4)
Total long-term debt	<u>\$ 625.1</u>	<u>\$ 633.3</u>

Term Loan Facility

The Company has a \$500.0 million term loan facility under a loan agreement with Credit Suisse AG, Cayman Islands Branch, as administrative agent, and the lenders party thereto (the Term Loan Facility) with a scheduled maturity date of February 27, 2024. Term loans under the Term Loan Facility are, at the Company's election from time to time, comprised of alternate base rate loans (an ABR Borrowing) or adjusted LIBOR loans (a Eurodollar Rate Borrowing), with the applicable margins of interest being an alternate base rate (subject to a 2.00% floor) plus 4.00% per annum and LIBOR (subject to a 1.00% floor) plus 5.00% per annum. At June 30, 2020, the average interest

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rate on the Term Loan Facility was 6.3%.

The Term Loan Facility is secured by all assets of the Company, except those assets collateralizing equipment and certain real estate lenders debt and subject to certain customary exceptions.

The Term Loan Facility contains a financial covenant requiring the Company to maintain a consolidated total leverage ratio as of the last day of any fiscal quarter of less than or equal to 4.00 to 1.00, stepping down to 3.75 to 1.00 on March 31, 2021. The consolidated total leverage ratio is defined as the ratio of (i) consolidated total debt minus unrestricted cash and cash equivalents and cash and cash equivalents restricted in favor of the administrative agent and the lenders, to (ii) consolidated Adjusted EBITDA for the trailing 12 month period (with customary add-backs permitted to consolidated Adjusted EBITDA, including in respect of synergies and cost-savings reasonably identifiable and factually supportable that are anticipated to be realized in an aggregate amount not to exceed 25% of consolidated Adjusted EBITDA and subject to other customary limitations).

The Term Loan Facility permits voluntary prepayments of borrowings. In certain circumstances (subject to exceptions, exclusions and, in the case of excess cash flow, step-downs described below), the Company may also be required to make an offer to prepay the Term Loan Facility if it receives proceeds as a result of certain asset sales, debt issuances, casualty or similar events of loss, or if it has excess cash flow (defined as an annual amount calculated using a customary formula based on consolidated Adjusted EBITDA, including, among other things, deductions for (i) the amount of certain voluntary prepayments of the Term Loan Facility and (ii) the amount of certain capital expenditures, acquisitions, investments and restricted payments). The percentage of excess cash flow that must be applied as a mandatory prepayment is 50%, 25% or 0% for excess cash flow periods for the year ending December 31, 2019 and beyond, depending upon the first lien leverage ratio.

The Term Loan Facility contains (i) certain customary affirmative covenants that, among other things, require compliance with applicable laws, periodic financial reporting and notices of material events, payment of taxes and other obligations, maintenance of property and insurance, and provision of additional guarantees and collateral, and (ii) certain customary negative covenants that, among other things, restrict the incurrence of additional indebtedness, liens on property, sale and leaseback transactions, investments, mergers, consolidations, liquidations and dissolutions, asset sales, acquisitions, the payment of distributions, dividends, redemptions and repurchases of equity interests, transactions with affiliates, prepayments and redemptions of certain other indebtedness, burdensome agreements, holding company limitations, changes in fiscal year and modifications of organizational documents.

ABL Facility

The Company has a five-year, senior secured asset-based revolving line of credit with an aggregate maximum credit amount equal to \$100.0 million (subject to availability under a borrowing base equal to 85% of the Company's eligible accounts receivable, 80% of the Company's eligible unbilled accounts receivable and 50% of parts supplies) under a credit agreement with PNC Bank, National Association, as administrative agent and the lenders party thereto. The ABL Facility's maximum credit amount may be increased by \$30.0 million pursuant to an uncommitted accordion. The ABL Facility also provides for the issuance of letters of credit subject to certain restrictions and a sublimit of \$20 million, as defined in the credit agreement. The ABL Facility matures on February 27, 2022. As of June 30, 2020, the Company had a debit balance of \$1.0 million, \$16.2 million in letters of credit outstanding, and could incur approximately \$82.6 million of additional indebtedness under the ABL Facility.

Borrowings under the ABL Facility bear interest at rates based upon the Company's fixed charge coverage ratio and, at the Company's election from time to time, either a base rate plus an applicable margin or an adjusted LIBOR rate plus an applicable margin. Margins on the ABL Facility are adjusted, if necessary to the applicable rates set forth in the following table corresponding to the fixed charge coverage ratio for the trailing 12 month period on the last day of the most recently completed fiscal quarter.

Fixed Charge Coverage Ratio	Base Rate Margins	LIBOR Rate Margins
Less than 1.25 to 1.00	2.25 %	3.25 %
Greater than or equal to 1.25 to 1.00, but less than 1.50 to 1.00	1.75 %	2.75 %
Greater than or equal to 1.50 to 1.00, but less than 1.75 to 1.00	1.25 %	2.25 %
Greater than or equal to 1.75 to 1.00	0.75 %	1.75 %

The ABL Facility margins are adjusted to the applicable rates set forth in the following table corresponding to the average RLOC Utilization for the trailing 12 month period on the last day of the most recently completed fiscal quarter. RLOC Utilization at a particular date shall mean an amount equal to (a)(i) outstanding amount of Revolving Advances plus (ii) the outstanding amount of the Swing Loans plus (iii) the aggregate Maximum Undrawn Amount of all outstanding Letters of Credit, divided by (b) Maximum Revolving Advance Amount, each as defined in the credit agreement.

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RLOC Utilization	Base Rate Margins	LIBOR Rate Margins
Less than 33.3%	0.50 %	1.50 %
Greater than or equal to 33.3%, but less than 66.6%	0.75 %	1.75 %
Greater than or equal to 66.6%	1.00 %	2.00 %

At June 30, 2020, the interest rate on the ABL Facility was 3.75%.

The ABL Facility is secured by all of the Company's U.S.-based accounts receivable, parts supplies, cash and cash equivalents excluding proceeds of Term Loan Facility, securities and deposit accounts and other general assets not included in the Term Loan Facility collateral.

The ABL Facility contains (i) a financial covenant similar to the consolidated total leverage ratio required under the Term Loan Facility requiring a leverage ratio of less than or equal to 4.00 to 1.00 for the fiscal quarter, stepping down to 3.75 to 1.00 on March 31, 2021 and (ii) during any period after a default or event of default or after excess availability falling below the greater of (x) \$15.0 million and (y) 20% of the maximum credit amount, continuing until such time as no default or event of default has existed and excess availability has exceeded such amounts for a period of 60 consecutive days, a financial covenant requiring the Company to maintain a minimum consolidated fixed charge coverage ratio of 1.00x, tested on a quarterly basis. The Company's fixed charge coverage ratio is defined as the ratio of (1) consolidated Adjusted EBITDA minus unfinanced capital expenditures, cash taxes and cash dividends or distributions, to (2) the sum of all funded debt payments for the four-quarter period then ending (with customary add-backs permitted to consolidated Adjusted EBITDA).

The ABL Facility contains affirmative and negative covenants similar to those in the Term Loan Facility, together with such additional terms as are customary for a senior secured asset-based revolving credit facility.

As of June 30, 2020, the Company was in compliance with all covenants contained in the Term Loan and ABL Facilities.

Equipment Term Loans and Mortgages

As of June 30, 2020, the Company had term loans collateralized by equipment in the aggregate amount of \$171.0 million with 34 lenders (Equipment Term Loans). The Equipment Term Loans bear interest at rates ranging from 1.5% to 10.7%, require monthly payments of principal and interest and mature at various dates through January 2028. Certain of the Equipment Term Loans contain conditions, covenants, representations and warranties, events of default, and indemnification provisions applicable to the Company and certain of its subsidiaries that are customary for equipment financings, including, but not limited to, limitations on the incurrence of additional debt and the prepayment of existing indebtedness, certain payments (including dividends and other distributions to persons not party to its credit facility) and transfers of assets.

As of June 30, 2020, the Company has a bank mortgage loan with a balance of \$2.5 million incurred to finance the construction of the headquarters and terminal in Redmond, Oregon. The mortgage loan is collateralized by such property and buildings. The mortgage is payable in monthly installments of \$15,776, including interest at 3.7% through November 2020. The interest rate and monthly payments will be adjusted on November 1, 2020 to a rate of 2.5%, plus the three-year advance rate published by the Federal Home Loan Bank of Seattle in effect 45 days prior to November 1, 2020 (which will not be less than 3.7%). The bank mortgage loan matures November 1, 2023.

Future Payments

Future principal payments on long-term debt (see Note 2 for future payments on leases) as of June 30, 2020 are as follows (in millions):

Twelve months ending June 30,	Term Loan Facility	Equipment Term Loans	Total
2021	\$ 5.0	\$ 43.4	\$ 48.4
2022	2.5	40.7	43.2
2023	2.5	32.8	35.3
2024	476.0	33.8	509.8
2025	—	14.9	14.9
Thereafter	—	8.2	8.2
Total long-term debt	\$ 486.0	\$ 173.8	\$ 659.8

NOTE 10 – INCOME TAXES

The effective tax rates for the three months ended June 30, 2020 and 2019 were 79.2% and 9.9%, respectively, and 9.7% and 14.2% for the six months ended June 30, 2020 and 2019, respectively. The difference between the Company's effective tax rate and the federal statutory rate primarily results from state income taxes and nondeductible expenses, including the effect of the per diem pay structure for drivers. State tax rates vary among states and range from approximately 1% to 6%, although some state rates are higher and a small number of states do not impose an income tax.

There were no changes in uncertain tax positions during the three and six months ended June 30, 2020.

NOTE 11 – STOCKHOLDERS' EQUITY

Common Stock

Common stock has voting rights – one vote for each share of common stock.

As of June 30, 2020, the Company has no common stock reserved for future issuances of stock options and restricted stock units under the Company's 2017 Omnibus Incentive Plan. See Note 12 for additional details about the Company's stock-based compensation plan and liability classification for the awards for which sufficient shares are not available.

Preferred Stock

The Company has issued and outstanding 650,000 shares of Series A Preferred Stock with a redemption value of \$65.0 million. The par value of Series A Preferred Stock is \$0.0001 per share. Additional features of this preferred stock are as follows:

Under the Certificate of Designations, Preferences, Rights and Limitations of the Series A Preferred Stock (the Certificate of Designations), each share of Series A Preferred Stock will be convertible, at the holder's option at any time, initially into approximately 8.6957 shares of the Company's common stock (assuming a conversion price of approximately \$11.50 per share), subject to specified adjustments as set forth in the Certificate of Designations. If any holder elects to convert its Series A Preferred Stock after the seven-year anniversary of the issue date, if the then-current Conversion Price (as defined in the Certificate of Designations) exceeds the Weighted Average Price (as defined in the Certificate of Designations) for the common stock during any ten consecutive Trading Days (as defined in the Certificate of Designations), at its option by delivery of a Notice of Conversion in accordance with Section 8(b) of the Certificate of Designations no later than five business days following such tenth consecutive Trading Day, to convert any or all of such holder's shares of Series A Preferred Stock into, at the Company's sole discretion, either common stock, cash or a combination of common stock and cash; provided, that the Company shall provide such converting holder notice of its election within two Trading Days of receipt of the Notice of Conversion; provided further, that in the event the Company elects to issue common stock for all or a portion of such conversion, the Conversion Rate for such conversion (subject to the limitations set forth in Section 11 of the Certificate of Designations) shall mean the quotient of the Liquidation Preference (as defined in the Certificate of Designations) divided by the average Weighted Average Price for the common stock during the 20 consecutive Trading Days commencing on the Trading Day immediately following the Trading Day on which the Company provided such notice. If the Company does not elect a settlement method prior to the deadline set forth in the Certificate of Designations, the Company shall be deemed to have elected to settle the conversion entirely in common stock. Based on the assumed conversion rate, a total of 5,652,173 shares of common stock would be issuable upon conversion of all of the currently outstanding shares of Series A Preferred Stock.

On or after the third anniversary of the initial issuance date but prior to the fifth anniversary of the initial issuance date, the Company will have the right, at its option, to give notice of its election to cause all outstanding shares of the Series A Preferred Stock to be automatically converted into shares of the Company's common stock at the then-effective conversion rate, if the Weighted Average Price of Company's common stock equals or exceeds 140% of the then-current conversion price for at least 20-trading days (whether or not consecutive) in a period of 30 consecutive trading days. On or after the fifth anniversary of the initial issuance date but prior to the seventh anniversary of the initial issuance date, the Company will have the right, at its option, to give notice of its election to cause all outstanding shares of the Series A Preferred Stock to be automatically converted into shares of Company's common stock at the then-effective conversion rate, if the Weighted Average Price of Company's common stock equals or exceeds 115% of the then-current conversion price for at least 20-trading days (whether or not consecutive) in a period of 30 consecutive trading days. On or after the seventh anniversary of the initial issuance date, the Company will have the right, at its option, to give notice of its election to cause all outstanding shares of the Series A Preferred Stock to be automatically converted into shares of Company's common stock at the then-effective conversion rate, if the Weighted Average Price of Company's common stock equals or exceeds the then-current conversion price for at least 10 consecutive trading days. If the Company undergoes certain fundamental changes (as more fully described in the Certificate of Designations but including, among other things, certain change-in-control transactions, recapitalizations, asset sales and liquidation events), each outstanding share of Series A Preferred Stock may, within 15 days following the effective date of such fundamental change and at the election of the holder, be converted into Company's common stock at a conversion rate (subject to certain adjustments) equal to (i) the greater of (A) the sum of the conversion rate on the effective date of such fundamental change plus the additional shares received by holders of Series A Preferred Stock following such

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fundamental change (as set forth in the Certificate of Designations) and (B) the quotient of (x) \$100.00, divided by (y) the greater of (1) the applicable holder stock price and (2) 66 2/3% of the closing sale price of the Company's common stock on the issue date plus (ii) the number of shares of Company's common stock that would be issued if any and all accumulated and unpaid dividends were paid in shares of Company's common stock.

The Series A Preferred Stock contains limitations that prevent the holders thereof from acquiring shares of the Company's common stock upon conversion that would result in (i) the number of shares beneficially owned by such holder and its affiliates exceeding 9.99% of the total number of shares of the Company's common stock then outstanding or (ii) the Series A Preferred Stock being converted into more than 19.99% of the shares of the Company's common stock outstanding on the initial issue date of the Series A Preferred Stock (subject to appropriate adjustment in the event of a stock split, stock dividend, combination or other similar recapitalization) without, in the latter instance, stockholder approval of such issuance.

Additional features of the Series A Preferred Stock are as follows:

Liquidation – In the event of liquidation, holders of Series A Preferred Stock have preferential rights to liquidation payments over holders of common stock. Holders of Series A Preferred Stock shall be paid out of the assets of the Company at an amount equal to \$100 per share plus all accumulated and unpaid dividends.

Dividends – Dividends on the Series A Preferred Stock are cumulative at the Dividend Rate. The "Dividend Rate" is the rate per annum of 7.625% per share of Series A Preferred Stock on the liquidation preference (\$100 per share). Dividends are payable quarterly in arrears in cash or, at the Company's election and subject to the receipt of the necessary shareholder approval (to the extent necessary), in shares of the Company's common stock. On February 27, 2020 the Company's board of directors declared a quarterly dividend of \$1.91 per share, which was paid on March 15, 2020. On May 20, 2020, the Company's board of directors declared a second quarterly dividend of \$1.91 per share, which was paid on June 15, 2020. On February 27, 2019 the Company's board of directors declared a quarterly dividend of \$1.91 per share, which was paid on March 15, 2019. On May 21, 2019, the Company's board of directors declared a second quarterly dividend of \$1.91 per share, which was paid on June 15, 2019.

Voting rights – Except as required by Delaware law, holders of the Series A Preferred Stock will have no voting rights except with respect to the approval of any material and adverse amendment to the Company's certificate of incorporation, and certain significant holders of Series A Preferred Stock may have approval rights with respect to certain key economic terms of the Series A Preferred Stock, as set forth in the Certificate of Designations.

Warrants

At June 30, 2020, there were a total of 35,040,658 warrants outstanding to purchase 17,520,329 shares of the Company's common stock.

The Company issued warrants (the Public Warrants) to purchase its common stock which were originally issued as part of units in the initial public offering (the IPO) of Hennessy (as defined below). There are 19,959,902 Public Warrants outstanding. The Company also issued 15,080,756 warrants (the Private Placement Warrants) to the sponsor in a private placement that closed simultaneously with the consummation of the IPO.

Each warrant entitles the registered holder to purchase one-half of one share of the Company's common stock at a price of \$5.75 per one-half of one share (\$11.50 per whole share), subject to adjustment. The warrants may be exercised only for a whole number of shares of the Company's common stock. No fractional shares will be issued upon exercise of the warrants. The warrants will expire on February 27, 2022, five years after the completion of the merger with Hennessy, or earlier upon redemption or liquidation. The warrants are listed on the NASDAQ market under the symbol DSKEW.

The Company may call the Public Warrants for redemption at a price of \$0.01 per warrant if, and only if, the reported last sale price of the Company's common stock equals or exceeds \$24.00 per share for any 20-trading days within a 30-trading day period ending on the third trading day prior to the date the Company sends the notice of redemption to the Public Warrant holders.

NOTE 12 – STOCK-BASED COMPENSATION

Under the 2017 Omnibus Incentive Plan (the Plan), the Company may grant awards of stock options, stock appreciation rights, restricted stock, restricted stock units, other stock-based awards and performance awards. Under the Plan, the Company is authorized to issue up to 4.5 million shares of common stock. As of June 30, 2020, the Company has no common stock reserved for future issuances of stock options and restricted stock units under the Company's 2017 Omnibus Incentive Plan. During the six months ended June 30, 2020, the Company issued 1,402,000 of stock options and 1,761,900 of performance stock units (PSUs) classified as a liability due to the lack of shares available to be issued and can ultimately be cash-settled through the grant of cash-settled restricted stock units or stock appreciation rights if there is not a sufficient number of shares available. Equity awards generally vest annually on a pro-rata basis over a three to five-year period on the

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anniversary of each grant date. The Company also grants awards to our directors under the Plan. The awards granted to directors vest ratably over periods of one to five years annually on the anniversary of each grant date.

Stock-based compensation cost with equity classification is measured at the grant date, based on the estimated fair value of the award, and is recognized on a straight-line basis as expense over the employees' requisite service period. Forfeitures are recorded as a cumulative adjustment to stock-based compensation expense in the period forfeitures occur. Aggregate stock-based compensation charges, net of forfeitures, were \$1.1 million and \$0.9 million during the three months ended June 30, 2020 and 2019, respectively, and \$2.0 million and \$1.9 million during the six months ended June 30, 2020 and 2019, respectively. These expenses are included as a component of salaries, wages and employee benefits on the accompanying consolidated statements of operations and comprehensive income (loss). As of June 30, 2020, there was \$3.4 million and \$3.7 million of unrecognized stock-based compensation expense related to stock options and restricted stock units, respectively. This expense will be recognized over the weighted average periods of 2.4 years for stock options and 1.9 years for restricted stock units.

Stock-based compensation cost with liability classification is revalued on each balance sheet date with the corresponding adjustment to stock-based compensation recorded in the consolidated statements of operations and comprehensive income (loss). As of June 30, 2020, the company recorded \$0.1 million and \$0.5 million liability balance for option and PSUs, respectively.

Stock Options

The following table summarizes stock option grants:

Grantee Type	# of Options Granted	Issued and Outstanding*	Vesting Period	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value (Per Option)
Director Group	150,000	100,000	5 years	\$ 9.98	\$ 4.36
Employee Group	4,444,630	3,958,624	3-5 years	\$ 5.65	\$ 2.44
Total		<u>4,058,624</u>			

*Included 1,402,000 stock option classified as liability granted to employee group.

The Company's calculations of the fair value of stock options granted as equity classification during the six months ended June 30, 2020 were made using the Black-Scholes option-pricing model. The fair value of the Company's stock option grants was estimated utilizing the following assumptions:

Weighted average expected life	6.0 years
Risk-free interest rate	0.43%
Expected volatility	41.04%
Expected dividend yield	0.00%

Since the Company does not have a sufficient history of exercise behavior, expected term is calculated using the assumption that the options will be exercised ratably from the date of vesting to the end of the contractual term for each vesting tranche of awards. The risk-free interest rate is based on the U.S. Treasury yield curve for the period of the expected term of the stock option. Expected volatility is calculated using an index of publicly traded peer companies.

During the six months ended June 30, 2020, the Company issued 1,402,000 of stock options classified as liability and the fair value was calculated using Black-Scholes option-pricing model. The following inputs and assumptions were used to calculate the fair value of the liability classification of the options outstanding:

	As at June 30, 2020
Weighted average expected life	2.8 years
Risk-free interest rate	0.18%
Expected volatility	83.0% to 83.6%
Expected dividend yield	0.00%

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A summary of option activity as of June 30, 2020 and changes during the six months then ended are as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Terms (Years)	Aggregate Intrinsic Value (in millions)
Outstanding as of January 1, 2020	2,308,924	\$ 8.39	8.0	\$ 0.2
Granted	1,811,900	1.41		
Forfeited or expired	(62,200)	10.84		
Outstanding as of June 30, 2020	<u>4,058,624</u>	\$ 5.29	8.5	\$ 5.0
Exercisable as of June 30, 2020	976,531	\$ 9.76	7.0	\$ —
Vested and expected to vest as of June 30, 2020	4,058,624	\$ 5.29	8.5	\$ 5.0

The stock options' maximum contract term is ten years. The total weighted average fair value of options granted during the six months ended June 30, 2020 and 2019 was \$1.1 million and \$0.6 million, respectively.

Restricted Stock Units

Restricted stock units are nontransferable until vested and the holders are entitled to receive dividends with respect to the non-vested units. Prior to vesting, the grantees of restricted stock units are not entitled to vote the shares. Restricted stock unit awards vest in equal annual increments over the vesting period.

The following table summarizes restricted stock unit grants under the Plan:

Grantee Type	# of Restricted Stock Units Granted	Issued and Outstanding	Vesting Period	Weighted Average Grant Date Fair Value (Per Unit)
Director Group	893,996	772,784	1-2 years	\$ 2.75
Employee Group	1,568,655	293,717	5 years	\$ 10.59
Total		<u>1,066,501</u>		

A summary of restricted stock unit awards activity under the Plan as of June 30, 2020 and changes during the six months then ended are as follows:

	Units	Weighted Average Grant Date Fair Value (Per Unit)
Non-vested as of January 1, 2020	1,180,882	\$ 5.44
Granted	108,498	2.77
Vested	(176,531)	7.91
Forfeited	(46,348)	10.10
Non-vested as of June 30, 2020	<u>1,066,501</u>	\$ 4.55

Performance Stock Units

PSUs become eligible for vesting upon the achievement of specific market-based conditions based on the performance of per share price of the Company's common stock and subject to final vesting based on the participant's continued employment through the end of the requisite service periods. The grant date fair value of PSUs was determined using a Monte Carlo probability model and recognize the compensation expense ratably over the requisite service period with a corresponding liability. The liability is remeasured on each balance sheet date with corresponding adjustment to stock-based compensation recorded in the consolidated statements of operations and comprehensive income (loss).

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During the six months ended June 30, 2020, the Company issued 1,761,900 of PSUs classified as a liability and the fair value was calculated using Monte Carlo probability model. The following inputs and assumptions were used to calculate the fair value of the PSUs:

	As at June 30, 2020
Term	2.4 to 2.8 years
Risk-free interest rate	0.17% to 0.18%
Expected volatility	83.0% to 89.4%
Expected dividend yield	0.00%

A summary of performance stock unit awards activity as of June 30, 2020 and changes during the six months then ended are as follows:

	Units	Weighted Average Grant Date Fair Value (Per Unit)
Non-vested as of January 1, 2020	—	\$ —
Granted	2,150,400	0.82
Vested	—	—
Forfeited	—	—
Non-vested as of June 30, 2020	<u>2,150,400</u>	<u>\$ 0.82</u>

NOTE 13 – DEFINED CONTRIBUTION PLAN

The Company sponsors the Daseke, Inc. 401(k) Retirement Plan (the Retirement Plan). The Retirement Plan is a defined contribution plan and intended to qualify under the Internal Revenue Code provisions of Section 401(k). Under the safe harbor matching requirements, the Company made contributions to the Retirement Plan of \$1.2 million and \$1.4 million for the three months ended June 30, 2020 and 2019, respectively, and \$2.6 million and \$2.8 million for the six months ended June 30, 2020 and 2019, respectively.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Letters of Credit

The Company had outstanding letters of credit as of June 30, 2020 totaling approximately \$18.1 million, including those disclosed in Note 9. These letters of credit are related to liability and workers compensation insurance claims.

Contingencies

The Company is involved in certain claims and pending litigation arising in the normal course of business. These proceedings primarily involve claims for personal injury or property damage incurred in the transportation of freight or for personnel matters. The Company maintains liability insurance to cover liabilities arising from these matters but is responsible to pay self-insurance and deductibles on such matters up to a certain threshold before the insurance is applied.

NOTE 15 – REPORTABLE SEGMENTS

The Company evaluates the performance of the segments primarily based on their respective revenues and operating income. Accordingly, interest expense and other non-operating items are not reported in segment results. In addition, the Company has disclosed a corporate segment, which is not an operating segment and includes acquisition transaction expenses, corporate salaries, interest expense and other corporate administrative expenses and intersegment eliminations.

The Company's operating segments also provide transportation and related services for one another. Such services are generally billed at cost, and no profit is earned. Such intersegment revenues and expenses are eliminated in the Company's consolidated results. Intersegment revenues and expenses for the Flatbed Solutions segment totaled \$1.8 million and \$2.5 million for the three months ended June 30, 2020 and 2019, respectively, and \$3.5 million and \$4.6 million for the six months ended June 30, 2020 and 2019, respectively. Intersegment revenues and expenses for the Specialized Solutions segment totaled \$4.8 million and \$2.0 million for the three months ended June 30, 2020 and 2019, respectively, and \$7.5 million and \$4.1 million for the six months ended June 30, 2020 and 2019, respectively.

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Certain insurance costs have been allocated to the operating segments beginning January 1, 2020, which were included in the corporate segment in 2019. Insurance costs included in the corporate segment for the three and six months ended June 30, 2019 were \$1.4 million and \$2.2 million, respectively, for the Flatbed Solutions segment and \$4.9 million and \$5.9 million, respectively, for the Specialized Solutions segment.

The following tables reflect certain financial data of the Company's reportable segments for the three and six months ended June 30, 2020 and 2019 (in millions):

	Flatbed Solutions Segment	Specialized Solutions Segment	Corporate/ Eliminations	Consolidated Total
Three Months Ended June 30, 2020				
Total revenue	\$ 137.2	\$ 221.5	\$ (7.0)	\$ 351.7
Company freight	48.9	121.6	(3.5)	167.0
Owner operator freight	60.1	38.3	(2.4)	96.0
Brokerage	15.5	43.1	(0.7)	57.9
Logistics	0.7	8.1	—	8.8
Fuel surcharge	12.0	10.4	(0.4)	22.0
Operating income (loss)	10.7	14.5	(12.8)	12.4
Depreciation	8.5	12.2	0.3	21.0
Amortization of intangible assets	0.8	1.0	—	1.8
Restructuring	0.2	2.8	—	3.0
Non-cash operating lease expense	1.2	(1.4)	—	(0.2)
Interest expense	2.4	2.8	5.8	11.0
Income (loss) before income tax	8.5	12.5	(18.4)	2.6
Total assets	341.2	605.0	187.8	1,134.0
Capital expenditures	9.2	21.4	—	30.6
Three Months Ended June 30, 2019				
Total revenue	\$ 174.9	\$ 280.7	\$ (5.0)	\$ 450.6
Company freight	55.0	154.5	(2.6)	206.9
Owner operator freight	73.4	49.6	(1.3)	121.7
Brokerage	25.7	47.7	(0.6)	72.8
Logistics	0.6	12.5	—	13.1
Fuel surcharge	20.2	16.4	(0.5)	36.1
Operating income (loss)	6.1	11.1	(12.5)	4.7
Depreciation	12.3	23.4	0.1	35.8
Amortization of intangible assets	1.3	2.6	—	3.9
Non-cash operating lease expense	3.1	3.5	0.1	6.7
Interest expense	2.7	3.3	6.7	12.7
Income (loss) before income tax	3.5	8.1	(18.7)	(7.1)
Total assets	501.5	932.4	69.1	1,503.0
Capital expenditures	15.8	14.8	0.4	31.0

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	Flatbed Solutions Segment	Specialized Solutions Segment	Corporate/ Eliminations	Consolidated Total
Six Months Ended June 30, 2020				
Total revenue	\$ 292.4	\$ 461.9	\$ (11.6)	\$ 742.7
Company freight	100.2	253.7	(6.0)	347.9
Owner operator freight	126.3	81.0	(3.5)	203.8
Brokerage	35.0	86.0	(1.4)	119.6
Logistics	1.5	17.3	0.1	18.9
Fuel surcharge	29.4	23.9	(0.8)	52.5
Operating income (loss)	19.3	8.0	(23.2)	4.1
Depreciation	16.8	28.1	0.6	45.5
Amortization of intangible assets	1.6	2.0	—	3.6
Impairment	—	13.4	—	13.4
Restructuring	0.2	3.3	—	3.5
Non-cash operating lease expense	2.1	0.6	—	2.7
Interest expense	4.9	5.9	12.2	23.0
Income (loss) before income tax	14.6	1.8	(35.0)	(18.6)
Capital expenditures	17.0	27.9	—	44.9
Six Months Ended June 30, 2019				
Total revenue	\$ 343.0	\$ 550.2	\$ (9.6)	\$ 883.6
Company freight	110.2	308.4	(5.5)	413.1
Owner operator freight	142.0	93.3	(2.6)	232.7
Brokerage	51.1	93.7	(0.6)	144.2
Logistics	1.3	24.2	—	25.5
Fuel surcharge	38.4	30.6	(0.9)	68.1
Operating income (loss)	9.4	18.8	(22.8)	5.4
Depreciation	25.4	47.4	0.2	73.0
Amortization of intangible assets	3.0	5.2	—	8.2
Non-cash operating lease expense	5.5	7.6	0.2	13.3
Interest expense	5.3	6.6	13.5	25.4
Income (loss) before income tax	4.4	13.1	(35.8)	(18.3)
Capital expenditures	30.5	28.5	1.0	60.0

NOTE 16 –LOSS PER SHARE

(in millions, except per share data)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2020	2019	2020	2019
Numerator:				
Net loss	\$ 0.5	\$ (6.4)	\$ (16.8)	\$ (15.7)
Less Series A preferred dividends	(1.3)	(1.3)	(2.5)	(2.5)
Net loss attributable to common stockholders	\$ (0.8)	\$ (7.7)	\$ (19.3)	\$ (18.2)
Denominator:				
Weighted-average shares outstanding	64.2	64.5	64.6	64.5
Weighted average non-vested participating restricted stock units	—	—	—	—
Denominator for basic and diluted EPS – weighted-average shares	64.2	64.5	64.6	64.5
Basic and diluted loss per share	\$ (0.01)	\$ (0.12)	\$ (0.30)	\$ (0.28)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

Introductory Note

Daseke is a leading provider and consolidator of transportation and logistics solutions focused exclusively on flatbed and specialized (open-deck) freight in North America. The Company believes it provides one of the most comprehensive transportation and logistics solution offerings in the open-deck industry. The Company delivers a diverse offering of transportation and logistics solutions to approximately 6,300 customers across the continental United States, Canada and Mexico through two reportable segments: Flatbed Solutions and Specialized Solutions. The Flatbed Solutions segment focuses on delivering transportation and logistics solutions that principally require the use of flatbed and retractable-sided transportation equipment, and the Specialized Solutions segment focuses on delivering transportation and logistics solutions that require the use of specialized trailering transportation equipment.

Both of the Company's reportable segments operate highly flexible business models comprised of company-owned tractors and trailers and asset-light operations (which consist of owner-operator transportation, freight brokerage and logistics). The Company's asset-based operations have the benefit of providing shippers with certainty of delivery and continuity of operations. Alternatively, the Company's asset-light operations offer flexibility and scalability to meet customers' dynamic needs and have lower capital expenditure requirements and fixed costs.

Second Quarter Operational Overview

- Total revenue of \$351.7 million, a decrease of 21.9%, company freight of \$167.0 million, a decrease of 19.3%, owner operator freight of \$96.0 million, a decrease of 21.1% and brokerage freight of \$57.9 million, a decrease of 20.5% compared to second quarter of 2019;
- Rate per mile for the three months ended June 30, 2020 was \$1.80 for Flatbed Solutions segment and \$3.16 for Specialized Solutions segment compared to \$1.94 for Flatbed Solutions segment and \$3.54 for Specialized Solutions segment for the three months ended June 30, 2019;
- Operating income of \$12.4 million, compared with operating income of \$4.7 million in second quarter of 2019;
- Net income of \$0.5 million, or loss of \$0.01 per basic and diluted share, compared with net loss of \$6.4 million, or \$0.12 per basic and diluted share, in the second quarter of 2019;
- Total liquidity available at June 30, 2020 increased by \$18.6 million to \$272.1 million from \$253.5 million at December 31, 2019; and
- Material debt at June 30, 2020 decreased by \$14.7 million to \$689.4 million from \$704.1 at December 31, 2019.

Recent Developments

On July 30, 2019, the Company internally announced a plan to integrate three operating segments with three other operating segments, Project Synchronize (Phase I or the Plan), which reduced the number of operating segments from 16 to 13. As a result of the Plan, Builders Transportation merged into Hornady Transportation, Moore Freight Service into E.W. Wylie, and the Schilli Companies into Lone Star Transportation. The Plan was implemented to streamline and reduce the Company's cost structure, improve asset utilization and capitalize on operational synergies. Additionally, the Company announced the implementation of Business Improvement Plans, which increased profitability by yield management capacity allocation, right-sizing trailer-to-tractor ratios, and improving maintenance execution.

On September 4, 2019, the Company announced a comprehensive restructuring plan (Project Pivot) to reduce its cost base, right size its organization and management team and increase and accelerate its previously announced operational improvement goals.

On March 10, 2020, the Company announced a plan to integrate three operating segments with three other operating segments (Phase II of the Plan), which will further reduce the number of operating segments from 13 to 10.

In March 2020, the Company's board of directors approved a plan for the sale of certain Aveda terminals located in Texas and Oklahoma, and during the second quarter of 2020, substantial progress has been made, including collection of approximately \$47.7 million in proceeds from the sale of property and equipment, and reduction in net working capital. The Company currently believes that the divestiture process will be finalized before the completion of the third quarter of 2020, and upon completion, the Company's exposure to the oil and gas end

market will decrease significantly.

COVID-19: Impact and Outlook

The novel coronavirus, or COVID-19, which surfaced in late 2019 and declared a pandemic by the World Health Organization in March 2020, continues to spread throughout the United States and around the world. In response to the COVID-19 pandemic, the governments of many countries, states, cities and other geographic regions have taken and are continuing to take preventative or reactive actions, such as imposing restrictions on travel and business operations, increasing border and port controls and closures throughout the United States and other parts of the world, and advising or requiring individuals to limit or forego time outside of their homes. The uncertainty regarding the impact of the COVID-19 pandemic, and various governmental actions taken to mitigate its impact, have resulted in a severely depressed economic environment.

As an essential business under the guidelines issued by each of the Company's states of operations, the Company has been allowed to continue to operate its business through the COVID-19 pandemic. The Company has permitted some personnel to work from home and has taken additional precautions to ensure the safety of its workforce, customers and the communities in which it operates. In general, the Company has experienced limited operational impacts, in the first half of 2020, as a result of COVID-19 directly. A substantial majority of its operating sites have remained open and operating, although some of the nation's ports that the Company serves have experienced reduced hours of operation and reduced volumes.

Beginning in the last half of March 2020, the Company experienced a decline in demand due to the COVID-19 pandemic, as sectors of the economy began to shut down. Towards the end of April 2020, the Company experienced a significant decline in freight volumes and rates as stay-at-home orders across the country led to a halt in overall industrial production. In May and June 2020, the rate environment started to slowly improve and the Company's volumes progressively increased nearly every week, albeit off the lower base. As a result of the decline in freight. Overall, the Company's results of operations and financial condition were significantly impacted by the COVID-19 pandemic in the second quarter of 2020, and the Company expects that its results of operations and financial condition will continue to be adversely impacted for the remainder of 2020, as levels of activity in the Company's business have historically been positively correlated to broad measures of economic activity and to measures of industrial production since many of the Company's customers are in the manufacturing and industrial segments. In particular, shelter-in-place mandates, the closing of manufacturing facilities and the overall depressed economic environment have significantly affected demand for many of the Company's customers, including those that manufacture aircraft parts and those in the energy sector. However, given the diversity of the Company's customer base and the various end markets that Daseke serves, not all of the Company's customers have been as affected, and demand for the Company's services by customers in certain end markets, such as wind, lumber and building materials, have remained steady, partially offsetting softness in other end markets.

The Company believes that a significant portion of its cost structure is variable, and the Company has taken and will continue to take aggressive actions to adjust its expenses to reflect changes in demand for its services. These actions, which have been supported by the operational integrations and business improvement plans that the Company began to implement in 2019, have included reduced use of contractors, reduced employee hours, furloughs, layoffs and voluntary use of paid time off, consistent with local regulations. Although the Company does not expect to be able to fully offset the effects of significantly reduced volumes on its results of operations, the actions that the Company is taking, combined with the variable components of its cost structure, has, and should continue to, partially mitigate the impact of the pandemic on its results of operations. The Company also expects to reduce its net capital expenditures this year. Conversely, however, the Company is taking additional measures and incurring additional expense to protect the health and safety of its workforce and its customers. In addition, the Company could incur restructuring and other costs as it modifies and right-sizes its operations for declines and/or surges in demand, and may incur incremental interest expense this year as a result of steps it may take in order to further strengthen its liquidity.

We currently expect the COVID-19 pandemic to continue to negatively impact the Company for the second half of 2020, and the Company's first half of 2020 results and operating trends may not provide any meaningful indication as to what our financial results may be in the second half of this year. We have a diverse customer base with exposure to a wide array of industrial end markets, each of which are experiencing their own respective growth and economic recovery patterns. The effect of the COVID-19 pandemic may remain prevalent for a significant period of time and may continue to adversely affect the Company's business, results of operations and financial condition even after the COVID-19 pandemic has subsided and "stay at home" mandates have been lifted. The extent to which the COVID-19 pandemic impacts the Company will depend on numerous evolving factors and future developments that we are not able to predict, including: the severity and duration of the pandemic; governmental, business and other actions in response to the pandemic (which could include limitations on the Company's operations or mandates to provide services in a specified manner); the impact of the pandemic on economic activity; the response of the overall economy and the financial markets; the extent and duration of the effect on consumer confidence and spending; the health of and the effect on our workforce and our ability to meet staffing needs; any impairment in the value of our tangible or intangible assets which could be recorded as a result of a weaker economic conditions; and the potential effects on our internal controls, including those over financial reporting, as a result of changes in working environments, such as shelter-in-place and similar orders that are applicable to our employees and business partners, among others. There are no comparable recent events that provide guidance as to the effect the COVID-19 global pandemic may have, and as a result, the ultimate impact of the pandemic is highly uncertain and subject to change. See "Part II. Item 1A.

Risk Factors” in this Report for more information regarding risks relating to the COVID-19 pandemic.

How The Company Evaluates Its Operations

The Company uses a number of primary indicators to monitor its revenue and expense performance and efficiency, including Adjusted EBITDA, Free Cash Flow, Adjusted Operating Ratio and Adjusted Net Income (Loss), and its key drivers of revenue quality, growth, expense control and operating efficiency. Adjusted EBITDA, Free Cash Flow, Adjusted Operating Ratio and Adjusted Net Income (Loss) are not recognized measures under GAAP and should not be considered alternatives to, or more meaningful than, net income (loss), cash flows from operating activities, operating income, operating ratio, operating margin or any other measure derived in accordance with GAAP. See “Non-GAAP Financial Measures” for more information on the Company’s use of these non-GAAP measures, as well as a description of the computation and reconciliation of the Company’s Adjusted EBITDA, Free Cash Flow, and Adjusted Net Income (Loss) to net income (loss) and Adjusted Operating Ratio to operating ratio.

Revenue

The Company records four types of revenue: freight (company and owner operator), brokerage, logistics and fuel surcharge. Freight revenue is generated by hauling freight for the Company’s customers using its trucks or its owner-operators’ equipment. Generally, the Company’s customers pay for its services based on the number of miles in the most direct route between pick-up and delivery locations and other ancillary services the Company provides. Freight revenue is the product of the number of revenue-generating miles driven and the rate per mile the Company receives from customers plus accessorial charges, such as loading and unloading freight for its customers, cargo protection, fees for detaining its equipment or fees for route planning and supervision. Freight revenue is affected by fluctuations in North American economic activity as well as changes in specific customer demand, the level of capacity in the industry and driver availability.

The Company’s brokerage revenue is generated by its use of third-party carriers when it needs capacity to move its customers’ loads. The main factor that affects brokerage revenue is the availability of the Company’s drivers and owner-operators (and hence the need for third-party carriers) and the rate for the load. Brokerage revenue is also affected by fluctuations in North American economic activity as well as changes in the level of capacity in the industry and driver availability.

Logistics revenue is generated from a range of services, including value-added warehousing, loading and unloading, vehicle maintenance and repair, preparation and packaging, fuel management, and other fleet management solutions. Logistics revenue is primarily driven by specific customer requirements for additional services and may fluctuate depending on customers’ utilization of these services due to changes in cargo specifications, delivery staging and fluctuations in North American economic activity.

Fuel surcharges are designed to compensate the Company for fuel costs above a certain cost per gallon base. Generally, the Company receives fuel surcharges on the miles for which it is compensated by customers. However, the Company continues to have exposure to increasing fuel costs related to empty miles, fuel efficiency due to engine idle time and other factors and to the extent the surcharge paid by the customer is insufficient. The main factors that affect fuel surcharge revenue are the price of diesel fuel and the number of loaded miles. In general, a declining energy and fuel price environment negatively affects the Company’s fuel surcharge revenues, and conversely, an environment with rising fuel and energy prices benefits its fuel surcharge revenues. Although the Company’s surcharge programs vary by customer, they typically involve a computation based on the change in national or regional fuel prices. The Company’s fuel surcharges are billed on a delayed basis, meaning it typically bills customers in the current week based on a previous week’s applicable index. Therefore, in times of increasing fuel prices, the Company does not recover as much as it is currently paying for fuel. In periods of declining prices, the opposite is true. Also, its fuel surcharge programs typically require a specified minimum change in fuel cost to prompt a change in fuel surcharge revenue. Therefore, many of these programs have a time lag between when fuel costs change and when the change is reflected in fuel surcharge revenue.

Expenses

The Company’s most significant expenses vary with miles traveled and include driver wages, services purchased from owner-operators and other transportation providers (which are recorded on the “Purchased freight” line of the Company’s consolidated statements of operations and comprehensive income (loss) and fuel. Driver-related expenses vary with miles traveled, however the Company currently expects its expenses relating to driver wages to remain stable in the near-term as a result of driver wage increases implemented in the second half of 2018 to address the shortage of qualified drivers in the general trucking industry, compared to demand at that time. The expectation of stable driver wages paid per mile are due to current market conditions caused by shippers’ downward pressure on rates resulting in some easing of capacity in the industry.

Maintenance and tire expenses and cost of insurance and claims generally vary with the miles the Company travels but also have a controllable component based on safety improvements, fleet age, efficiency and other factors. The Company’s primary fixed costs are depreciation of long-term assets (such as tractors, trailers and terminals), interest expense, rent and non-driver compensation.

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The Company's fuel surcharge programs help to offset increases in fuel prices but typically do not offset empty miles, idle time and out of route miles driven. As discussed above under "Revenue," its fuel surcharge programs have a time lag between when fuel costs change and when the change is reflected in fuel surcharge revenue. Due to this time lag, the Company's fuel expense, net of fuel surcharge, negatively impacts its operating income during periods of sharply rising fuel costs and positively impacts its operating income during periods of falling fuel costs. In general, due to the fuel surcharge programs, its operating income is less negatively affected by an environment with higher, stable fuel prices than an environment with lower fuel prices. In addition to its fuel surcharge programs, the Company believes the most effective protection against fuel cost increases is to maintain a fuel-efficient fleet by incorporating fuel efficiency measures. Also, the Company has arrangements with some of its significant fuel suppliers to buy the majority of its fuel at contracted pricing schedules that fluctuate with the market price of diesel fuel. The Company has not used derivatives as a hedge against higher fuel costs in the past but continues to evaluate this possibility.

Results of Operations

The following table sets forth items derived from the Company's consolidated statements of operations and comprehensive income (loss) for the three months ended June 30, 2020 and 2019 in dollars and as a percentage of total revenue and the increase or decrease in the dollar amounts of those items.

(Dollars in millions)	Three Months Ended June 30,				Increase (Decrease)	
	2020		2019			
	\$	%	\$	%	\$	%
REVENUE:						
Company freight	\$ 167.0	47.5	\$ 206.9	45.9	\$ (39.9)	(19.3)
Owner operator freight	96.0	27.3	121.7	27.0	(25.7)	(21.1)
Brokerage	57.9	16.5	72.8	16.2	(14.9)	(20.5)
Logistics	8.8	2.5	13.1	2.9	(4.3)	(32.8)
Fuel surcharge	22.0	6.2	36.1	8.0	(14.1)	(39.1)
Total revenue	351.7	100.0	450.6	100.0	(98.9)	(21.9)
OPERATING EXPENSES:						
Salaries, wages and employee benefits	99.4	28.3	124.3	27.6	(24.9)	(20.0)
Fuel	18.2	5.2	36.2	8.0	(18.0)	(49.7)
Operations and maintenance	45.3	12.9	53.1	11.8	(7.8)	(14.7)
Communications	0.9	0.3	1.2	0.3	(0.3)	(25.0)
Purchased freight	112.2	31.9	156.4	34.7	(44.2)	(28.3)
Administrative expenses	17.2	4.9	17.2	3.8	—	*
Sales and marketing	0.3	0.1	1.3	0.3	(1.0)	(76.9)
Taxes and licenses	4.0	1.1	5.0	1.1	(1.0)	(20.0)
Insurance and claims	15.6	4.4	12.2	2.7	3.4	27.9
Depreciation and amortization	22.8	6.5	39.7	8.8	(16.9)	(42.6)
Gain on disposition of property and equipment	0.4	0.1	(0.7)	(0.2)	1.1	(157.1)
Restructuring charges	3.0	0.9	—	*	3.0	*
Total operating expenses	339.3	96.5	445.9	99.0	(106.6)	(23.9)
Operating ratio	96.5%		99.0%			
Adjusted operating ratio ⁽¹⁾	94.3%		96.8%			
INCOME FROM OPERATIONS	12.4	3.5	4.7	1.0	7.7	163.8
Other expense (income):						
Interest income	(0.1)	*	(0.2)	*	0.1	(50.0)
Interest expense	11.0	3.1	12.7	2.8	(1.7)	(13.4)
Other	(1.1)	(0.3)	(0.7)	(0.2)	(0.4)	57.1
Total other expense	9.8	2.8	11.8	2.6	(2.0)	(16.9)
Income (loss) before benefit for income taxes	2.6	0.7	(7.1)	(1.6)	9.7	(136.6)
Provision (benefit) for income taxes	2.1	0.6	(0.7)	(0.2)	2.8	(400.0)
Net income (loss)	\$ 0.5	0.1	\$ (6.4)	(1.4)	\$ 6.9	(107.8)
OPERATING STATISTICS:						
Company miles	63.5		71.5		(8.0)	(11.2)
Owner operator miles	47.5		52.2		(4.7)	(9.0)
Total miles (in millions) ⁽²⁾	111.0		123.7		(12.7)	(10.3)
Company-operated tractors, as of quarter-end	3,137		3,808		(671)	(17.6)
Owner-operated tractors, as of quarter-end	2,104		2,392		(288)	(12.0)
Number of trailers, as of quarter-end	11,855		13,582		(1,727)	(12.7)
Company-operated tractors, average for the quarter	3,376		3,826		(450)	(11.8)
Owner-operated tractors, average for the quarter	2,176		2,360		(184)	(7.8)
Total tractors, average for the quarter	5,552		6,186		(634)	(10.2)

* indicates not meaningful.

- (1) Adjusted Operating Ratio is not a recognized measure under GAAP. For a definition of Adjusted Operating Ratio and reconciliation of Adjusted Operating Ratio to operating ratio, see “Non-GAAP Financial Measures” below.
- (2) Miles are estimated based on information received as the date of filing. Miles may change quarter to quarter when final information is received from each operating segment.

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The following table sets forth the Company's Specialized Solutions segment's revenue, operating expenses, operating ratio, Adjusted Operating Ratio and operating income for the three months ended June 30, 2020 and 2019 in dollars and as a percentage of its Specialized Solutions segment's total revenue and the increase or decrease in the dollar amounts of those items. The following table also sets forth certain operating statistics for the Company's Specialized Solutions segment for the three months ended June 30, 2020 and 2019.

SPECIALIZED SOLUTIONS

(Dollars in millions)	Three Months Ended June 30,				Increase (Decrease)	
	2020		2019			
	\$	%	\$	%	\$	%
REVENUE(1):						
Company freight	\$ 121.6	54.9	\$ 154.5	55.0	\$ (32.9)	(21.3)
Owner operator freight	38.3	17.3	49.6	17.7	(11.3)	(22.8)
Brokerage	43.1	19.5	47.7	17.0	(4.6)	(9.6)
Logistics	8.1	3.7	12.5	4.5	(4.4)	(35.2)
Fuel surcharge	10.4	4.6	16.4	5.8	(6.0)	(36.6)
Total revenue	221.5	100.0	280.7	100.0	(59.2)	(21.1)
OPERATING EXPENSES(1):						
Salaries, wages and employee benefits	63.7	28.8	82.7	29.5	(19.0)	(23.0)
Fuel	11.4	5.1	23.4	8.3	(12.0)	(51.3)
Operations and maintenance	35.1	15.8	39.9	14.2	(4.8)	(12.0)
Purchased freight	60.0	27.1	78.6	28.0	(18.6)	(23.7)
Depreciation and amortization	13.2	6.0	26.0	9.3	(12.8)	(49.2)
Restructuring	2.8	1.3	—	*	2.8	*
Other operating expenses	20.8	9.4	19.0	6.8	1.8	9.5
Total operating expenses	207.0	93.5	269.6	96.0	(62.6)	(23.2)
Operating ratio	93.5%		96.0%			
Adjusted operating ratio(2)	91.2%		93.2%			
INCOME FROM OPERATIONS	\$ 14.5	6.5	\$ 11.1	4.0	\$ 3.4	30.6
OPERATING STATISTICS:						
Company miles	37.8		43.7		(5.9)	(13.5)
Owner operator miles	12.8		13.9		(1.1)	(7.9)
Total miles (in millions)(3)	50.6		57.6		(7.0)	(12.2)
Company-operated tractors, at quarter-end	1,986		2,481		(495)	(20.0)
Owner-operated tractors, at quarter-end	555		690		(135)	(19.6)
Number of trailers, at quarter-end	7,280		8,453		(1,173)	(13.9)
Company-operated tractors, average for the quarter	2,205		2,490		(285)	(11.4)
Owner-operated tractors, average for the quarter	631		671		(40)	(6.0)
Total tractors, average for the quarter	2,836		3,161		(325)	

* indicates not meaningful.

(1) Includes intersegment revenues and expenses, as applicable, which are eliminated in the Company's consolidated results.

(2) Adjusted Operating Ratio is not a recognized measure under GAAP. For a definition of Adjusted Operating Ratio and reconciliation of Adjusted Operating Ratio to operating ratio, see "Non-GAAP Financial Measures" below.

(3) Miles are estimated based on information received as the date of filing. Miles may change quarter to quarter when final information is received from each operating segment.

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The following table sets forth the Company's Flatbed Solutions segment's revenue, operating expenses, operating ratio, Adjusted Operating Ratio and operating income for the three months ended June 30, 2020 and 2019 in dollars and as a percentage of its Flatbed Solutions segment's total revenue and the increase or decrease in the dollar amounts of those items. The following table also sets forth certain operating statistics for the Company's Flatbed Solutions segment for the three months ended June 30, 2020 and 2019.

FLATBED SOLUTIONS

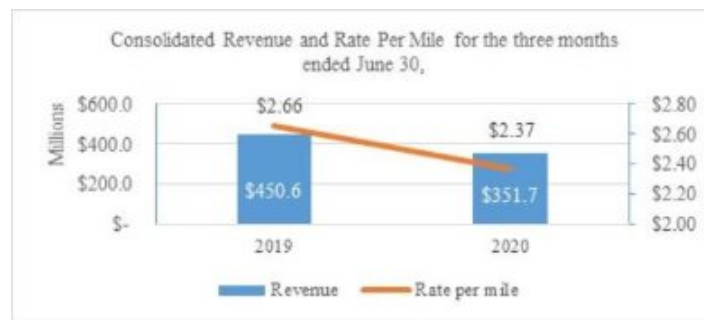
(Dollars in millions)	Three Months Ended June 30,				Increase (Decrease)	
	2020		2019			
	\$	%	\$	%	\$	%
REVENUE(1):						
Company freight	\$ 48.9	35.6	\$ 55.0	31.4	\$ (6.1)	(11.1)
Owner operator freight	60.1	43.8	73.4	42.0	(13.3)	(18.1)
Brokerage	15.5	11.3	25.7	14.7	(10.2)	(39.7)
Logistics	0.7	0.5	0.6	0.3	0.1	16.7
Fuel surcharge	12.0	8.8	20.2	11.6	(8.2)	(40.6)
Total revenue	137.2	100.0	174.9	100.0	(37.7)	(21.6)
OPERATING EXPENSES(1):						
Salaries, wages and employee benefits	30.7	22.4	34.9	20.0	(4.2)	(12.0)
Fuel	6.7	4.9	12.8	7.3	(6.1)	(47.7)
Operations and maintenance	10.2	7.4	13.0	7.4	(2.8)	(21.5)
Purchased freight	59.2	43.1	82.8	47.3	(23.6)	(28.5)
Depreciation and amortization	9.3	6.8	13.6	7.8	(4.3)	(31.6)
Restructuring	0.2	0.1	—	*	0.2	*
Other operating expenses	10.2	7.4	11.7	6.7	(1.5)	(12.8)
Total operating expenses	126.5	92.2	168.8	96.5	(42.3)	(25.1)
Operating ratio	92.2%		96.5%			
Adjusted operating ratio(2)	91.5%		95.5%			
INCOME FROM OPERATIONS	\$ 10.7	7.8	\$ 6.1	3.5	\$ 4.6	75.4
OPERATING STATISTICS:						
Company miles	25.7		27.8		(2.1)	(7.6)
Owner operator miles	34.7		38.3		(3.6)	(9.4)
Total miles (in millions)(3)	60.4		66.1		(5.7)	(8.6)
Company-operated tractors, at quarter-end	1,151		1,327		(176)	(13.3)
Owner-operated tractors, at quarter-end	1,549		1,702		(153)	(9.0)
Number of trailers, at quarter-end	4,575		5,129		(554)	(10.8)
Company-operated tractors, average for the quarter	1,171		1,336		(165)	(12.4)
Owner-operated tractors, average for the quarter	1,545		1,689		(144)	(8.5)
Total tractors, average for the quarter	2,716		3,025		(309)	(10.2)

* indicates not meaningful.

(1) Includes intersegment revenues and expenses, as applicable, which are eliminated in the Company's consolidated results.

(2) Adjusted Operating Ratio is not a recognized measure under GAAP. For a definition of Adjusted Operating Ratio and reconciliation of Adjusted Operating Ratio to operating ratio, see "Non-GAAP Financial Measures" below.

(3) Miles are estimated based on information received as the date of filing. Miles may change quarter to quarter when final information is received from each operating segment.



Revenue. Total revenue decreased 21.9% to \$351.7 million for the three months ended June 30, 2020 from \$450.6 million for the three months ended June 30, 2019, primarily due to the decrease in rate per mile and miles driven in both the Flatbed Solutions segment and Specialized Solutions segment. The decrease in total revenue was due primarily to decreases in company freight, owner operator freight and brokerage revenue as well as the Company's effort to exit the Aveda operations. Company freight revenue decreased \$39.9 million, or 19.3%, from \$206.9 million for the three months ended June 30, 2019 to \$167.0 million for the three months ended June 30, 2020. Owner operator freight revenue decreased \$25.7 million, or 21.1%, from \$121.7 million for the three months ended June 30, 2019 to \$96.0 million for the three months ended June 30, 2020. The decreases in company freight and owner operator freight revenue were a result of a 10.9% decrease in rate per mile and a 10.3% decrease in total miles driven. Brokerage revenue decreased \$14.9 million, or 20.5%, from \$72.8 million for the three months ended June 30, 2019 to \$57.9 million for the three months ended June 30, 2020 due to a decrease in customer volumes. Business interruption such as port closures and manufactory shutdowns related to the COVID-19 pandemic was the main driver of decrease in volumes. Logistics decreased \$4.3 million, or 32.8%, from \$13.1 million for the three months ended June 30, 2019 to \$8.8 million for the three months ended June 30, 2020 as a result of decreases in logistics activities. Fuel surcharges, decreased \$14.1 million, or 39.1%, from \$36.1 million for the three months ended June 30, 2019 to \$22.0 million for the three months ended June 30, 2020 due to a decrease in loaded miles and the decrease in the price of diesel fuel.



The Company's Specialized Solutions segment's revenue was \$221.5 million for the three months ended June 30, 2020 as compared to \$280.7 million for the three months ended June 30, 2019, a decrease of 21.1%, which was primarily due to the decrease in company freight, owner operator freight and brokerage revenue as well as the Company's effort to exit the Aveda operations. Company freight revenue decreased \$32.9 million, or 21.3%, from \$154.5 million for the three months ended June 30, 2019 to \$121.6 million for the three months ended June 30, 2020. Owner operator freight revenue decreased from \$49.6 million for the three months ended June 30, 2019 to \$38.3 for the three months ended June 30, 2020. The decrease in overall freight revenue was primarily a result of a 10.7% decrease in rate per mile and a 12.2% decrease in total miles driven compared to the same period in 2019. Brokerage revenue decreased \$4.6 million, or 9.6%, from \$47.7 million for the three months ended June 30, 2019 to \$43.1 million for the three months ended June 30, 2020 due to a decrease in customer volumes. Business interruption such as port closures, manufactory and government shutdowns related to the COVID-19 pandemic was the main driver of decrease in volumes, partially offset by an increase in wind industry. Logistics decreased \$4.4 million, or 35.2% to \$8.1 million from \$12.5 million compared to the same period in 2019 as a result of decreases in logistics activities. Fuel surcharges decreased \$6.0 million, or 36.6%, compared to the same period in 2019 due to a decrease in loaded miles and the decrease in the price of diesel fuel.



The Company's Flatbed Solutions segment's revenue was \$137.2 million for the three months ended June 30, 2020 as compared to \$174.9 million for the three months ended June 30, 2019, a decrease of \$37.7 million, or 21.6%, which was primarily due to a decrease in owner operator freight and brokerage revenue. Company freight revenue decreased \$6.1 million, or 11.1%, from \$55.0 million for the three months ended June 30, 2019 to \$48.9 million for the three months ended June 30, 2020. Owner operator freight revenue decreased \$13.3 million, or 18.1%, from \$73.4 million for the three months ended June 30, 2019 to \$60.1 million for the three months ended June 30, 2020. Brokerage revenue decreased \$10.2 million, or 39.7%, from \$25.7 million for the three months ended June 30, 2019 to \$15.5 million for the three months ended June 30, 2020 due to a decrease in customer volumes. The decreases in company freight and owner operator freight was a result of a 7.2% decrease in rate per mile and a 8.6% decrease in total miles driven compared to the same period in 2019. Business closures and manufactory shutdowns related to the COVID-19 pandemic was the main driver of decrease in volumes. Steel and construction were among the hardest hit industries. Fuel surcharges decreased \$8.2 million, or 40.6%, from \$20.2 million for the three months ended June 30, 2019 to \$12.0 million for the three months ended June 30, 2020 due to a decrease in loaded miles and the decrease in the price of diesel fuel.

Salaries, Wages and Employee Benefits. Salaries, wages and employee benefits expense, which consists of compensation for all employees, is primarily affected by the number of miles driven by Company drivers, the rate per mile paid to Company drivers, employee benefits including, but not limited to, health care and workers' compensation, and to a lesser extent, the number of, and compensation and benefits paid to, non-driver employees. In general, the Specialized Solutions segment drivers receive a higher driver pay per total mile than Flatbed Solutions segment drivers due to the former requiring a higher level of training and expertise.

Salaries, wages and employee benefits expense decreased 20.0% to \$99.4 million for the three months ended June 30, 2020 from \$124.3 million for the three months ended June 30, 2019. The decrease in salaries, wages and employee benefits expense was primarily due to decreased employee headcount related to Project Pivot and Project Synchronize and driver pay due to the decrease in company miles compared to the same period in 2019. Temporary furloughs and recruiting pauses were put in place during the quarter to offset the impact of volume decreases due to the pandemic. Salaries, wages and employee benefits expense, as a percentage of consolidated revenue (excluding brokerage revenue), for the three months ended June 30, 2020 was generally consistent with the same period in 2019.

The Company's Specialized Solutions segment had a \$19.0 million, or 23.0%, decrease in salaries, wages and employee benefits expense for the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily as a result of the decreased employee headcount related to Project Synchronize and driver pay due to the decrease in company miles compared to the same period in 2019. Temporary furloughs and recruiting pauses were put in place during the quarter to offset the impact of volume decreases due to the pandemic. Salaries, wages and employee benefits expense, as a percentage of Specialized Solutions revenue (excluding brokerage revenue), for the three months ended June 30, 2020 was generally consistent with the same period in 2019.

The Company's Flatbed Solutions segment had a \$4.2 million, or 12.0%, decrease in salaries, wages and employee benefits expense for the three months ended June 30, 2020 compared to the three months ended June 30, 2019, primarily as a result of the decreased employee headcount related to Project Synchronize and driver pay due to the decrease in company miles compared to the same period in 2019. Temporary furloughs and recruiting pauses were put in place during the quarter to offset the impact of volume decreases due to the pandemic. Salaries, wages and employee benefits expense, as a percentage of Flatbed Solutions revenue (excluding brokerage revenue), for the three months ended June 30, 2020 was generally consistent with the same period in 2019.

Fuel. Fuel expense consists primarily of diesel fuel expense for company-owned tractors and fuel taxes. The primary factors affecting fuel expense are the cost of diesel fuel, the miles per gallon realized with company equipment and the number of miles driven by Company drivers.



Total fuel expense decreased \$18.0 million, or 49.7%, to \$18.2 million for the three months ended June 30, 2020 from \$36.2 million for the three months ended June 30, 2019. This decrease was primarily due to a 22.2% decrease in average diesel prices period over period. The U.S. national average diesel fuel price, as published by the U.S. Department of Energy, was \$2.429 for the three months ended June 30, 2020, compared to \$3.123 for the same period in 2019. Total Company miles driven decreased 11.2% for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019.

The Company's Specialized Solutions segment's fuel expense decreased 51.3% to \$11.4 million for the three months ended June 30, 2020 from \$23.4 million for the three months ended June 30, 2019, primarily as a result of a decrease in average diesel price and a decrease of 13.5% in Company miles driven for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019.

The Company's Flatbed Solutions segment's fuel expense decreased 47.7% to \$6.7 million for the three months ended June 30, 2020 from \$12.8 million for the three months ended June 30, 2019, primarily as a result of a decrease in average diesel price and a decrease of 7.6% in Company miles driven for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019.

Operations and Maintenance. Operations and maintenance expense consists primarily of ordinary vehicle repairs and maintenance, costs associated with preparing tractors and trailers for sale or trade-in, driver recruiting, training and safety costs, permitting and pilot car fees and other general operations expenses. Operations and maintenance expense is primarily affected by the age of company-owned tractors and trailers, the number of miles driven in a period and driver turnover.

Operations and maintenance expense decreased 14.7% to \$45.3 million for the three months ended June 30, 2020 from \$53.1 million for the three months ended June 30, 2019 due to a decrease of \$4.7 million in preventative maintenance costs such as repairs and tires, \$1.5 in lease costs, \$0.8 million in tarps and securement, and \$1.0 million in other operations expenses. Operations and maintenance expense, as a percentage of consolidated revenue (excluding brokerage revenue), for the three months ended June 30, 2020 was generally consistent with the same period in 2019.

The Company's Specialized Solutions segment's operations and maintenance expense decreased \$4.8 million, or 12.0%, for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019 as a result of a decrease of \$2.9 million in preventative maintenance expense such as repairs, washes and tires due to a reduction of tractors and trailers in the Company's fleet and a decrease of \$1.5 million in lease costs. Operations and maintenance expense, as a percentage of Specialized Solutions revenue (excluding brokerage revenue), increased 2.5% for the three months ended June 30, 2020 as compared to the same period in 2019.

The Company's Flatbed Solutions segment's operations and maintenance expense decreased \$2.8 million, or 21.5%, for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019, primarily as a result of a decrease of \$1.8 million in maintenance expense such as repairs, washes and tires due to a reduction of tractors and trailers in the Company's fleet and \$0.4 million in tarps and securement. Operations and maintenance expense, as a percentage of Flatbed Solutions revenue (excluding brokerage revenue), for the three months ended June 30, 2020 was generally consistent with the same period in 2019.

Purchased Freight. Purchased freight expense consists of the payments to owner-operators, including fuel surcharge reimbursements, and payments to third-party capacity providers that haul loads brokered to them. Purchased freight expense generally takes into account changes in diesel fuel prices, resulting in lower payments during periods of declining fuel prices.

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Total purchased freight expense decreased \$44.2 million or 28.3% from \$156.4 million during the three months ended June 30, 2019 to \$112.2 million during the three months ended June 30, 2020. Purchased freight expense from owner-operators decreased 14.6% from \$89.6 million during the three months ended June 30, 2019 to \$76.5 million during the three months ended June 30, 2020 as a result of a 9.0% decrease in owner operator miles driven. Purchased freight expense from third-party capacity providers decreased 46.7% from \$66.9 million during the three months ended June 30, 2019 to \$35.7 million during the three months ended June 30, 2020, as a result of lower rates and decreased utilization of third-party capacity providers. Purchased freight expense, as a percentage of consolidated revenue, for the three months ended June 30, 2020 was generally consistent with the same period in 2019.

The Company's Specialized Solutions segment's purchased freight expense decreased 23.7% to \$60.0 million during the three months ended June 30, 2020 from \$78.6 million during the three months ended June 30, 2019. Purchased freight expense from owner-operators decreased 12.2% from \$30.3 million during the three months ended June 30, 2019 to \$26.6 million during the three months ended June 30, 2020, primarily as a result of an increase in the utilization of owner operators. Purchased freight expense from third-party capacity providers decreased 30.8% from \$48.3 million during the three months ended June 30, 2019 to \$33.4 million during the three months ended June 30, 2020, as a result of a decrease in utilization of third-party capacity providers. Purchased freight expense, as a percentage of Specialized Solutions revenue, for the three months ended June 30, 2020 was generally consistent with the same period in 2019.

The Company's Flatbed Solutions segment's purchased freight expense decreased 28.5% to \$59.2 million for the three months ended June 30, 2020 from \$82.8 million for the three months ended June 30, 2019. Purchased freight expense from owner-operators decreased 15.8% to \$49.9 million for the three months ended June 30, 2020 from \$59.3 million for the three months ended June 30, 2019, as a result of a 9.4% decrease in owner operators' miles driven. Purchased freight expense from third-party capacity providers decreased 60.7% from \$23.6 million during the three months ended June 30, 2019 to \$9.3 million during the three months ended June 30, 2020, primarily as a result of decreased utilization of third-party capacity providers. Purchased freight expense, as a percentage of Flatbed Solutions revenue, decreased 4.2% for the three months ended June 30, 2020 as compared to the same period in 2019.

Depreciation and Amortization. Depreciation and amortization expense consists primarily of depreciation for company-owned tractors and trailers and amortization of those financed with finance leases. The primary factors affecting these expense items include the size and age of company-owned tractors and trailers and the cost of new equipment. Amortization of intangible assets is also included in this expense.

Depreciation and amortization expense decreased \$16.9 million, or 42.6%, to \$22.8 million during the three months ended June 30, 2020 from \$39.7 million during the three months ended June 30, 2019 as a result of a 11.8% decrease in average tractor count in the Company's fleet and further reduced by the impact of \$97.6 million of impairments recorded in the third quarter of 2019 to reduce asset carrying values to fair value.

The Company's Specialized Solutions segment's depreciation and amortization expense decreased \$12.8 million, or 49.2%, for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019 as a result of a 11.4% decrease in average tractor count in the segment's fleet and further reduced by the impact of \$58.6 million of impairments recorded in the third quarter of 2019 to reduce asset carrying values to fair value.

The Company's Flatbed Solutions segment's depreciation and amortization expense decreased \$4.3 million, or 31.6%, for the three months ended June 30, 2020 as compared to the three months ended June 30, 2019 as a result of a 12.4% decrease in average tractor count in the segment's fleet and further reduced by the impact of a \$39.0 million of impairments recorded in the third quarter of 2019 to reduce asset carrying values to fair value.

Taxes and Licenses. Operating taxes and licenses expense primarily represents the costs of taxes and licenses associated with the Company's fleet of equipment and will vary according to the size of its equipment fleet. Taxes and license expense decreased \$1.0 million for the three months ended June 30, 2020. Operating taxes and license expense, as a percentage of revenue, was 1.1% for the three months ended June 30, 2020 and 2019.

Insurance and Claims. Insurance and claims expense consists of insurance premiums and the accruals the Company makes for estimated payments and expenses for claims for bodily injury, property damage, cargo damage and other casualty events. The primary factor affecting the Company's insurance and claims expense is seasonality (the Company typically experiences higher accident frequency in winter months), the frequency and severity of accidents, trends in the development factors used in its accruals and developments in large, prior-year claims. The frequency of accidents tends to increase with the miles the Company travels. Insurance and claims expense increased 27.9% to \$15.6 million during the three months ended June 30, 2020 from \$12.2 million during the three months ended June 30, 2019 due to increases in insurance premiums. Insurance and claims, as a percentage of revenue, for the three months ended June 30, 2020 was generally consistent with the three months ended June 30, 2019.

Impairment. No impairment charges were recognized in the three months ended June 30, 2020.

Restructuring Costs. Restructuring costs of \$3.0 million were recognized in the three months ended June 30, 2020 in connection with Phase II of Project Synchronize and the closure of certain Aveda terminals.

Operating Income (Loss). Operating income was \$12.4 million, or 3.5% of revenue, for the three months ended June 30, 2020 compared to operating income \$4.7 million, or 1.0% of revenue, for the three months ended June 30, 2019, primarily as a result of tightening of expenses to maneuver through the pandemic and the Company's plans to integrate and restructure some of its operating segments. The increase in operating income of \$7.7 million compared to the three months ended June 30, 2019 due to a decrease in salaries, wages and employee benefits, fuel expense, maintenance expense, purchase freight and depreciation and amortization.

The Company's Specialized Solutions segment's operating income was \$14.5 million, or 6.5% of revenue, for the three months ended June 30, 2020 compared to operating income of \$11.1 million, or 4.0% of revenue, for the three months ended June 30, 2019, primarily as a result of tightening of expenses to maneuver through the pandemic. The change in operating income as a percent of revenue is primarily a result of a decrease in salaries, wages and employee benefits, fuel expense, maintenance expense, purchase freight and depreciation and amortization.

The Company's Flatbed Solutions segment's operating income was \$10.7 million, or 7.8% of revenue, for the three months ended June 30, 2020 compared to operating income \$6.1 million, or 3.5% of revenue, for the three months ended June 30, 2019, the increase primarily as a result of decreases in salaries and wages, fuel expense, maintenance expense, purchase freight and depreciation and amortization.

Interest Expense. Interest expense consists of cash interest, amortization of debt issuance costs, fees and prepayment penalties. Interest expense decreased 13.4% to \$11.0 million during the three months ended June 30, 2020 from \$12.7 million during the three months ended June 30, 2019. This decrease was primarily attributable to lower interest rates on the Term Loan Facility and decreases in equipment term loan and finance lease outstanding balances.

Income Tax. Benefit for income taxes decreased from \$0.7 million for the three months ended June 30, 2019 to provision for income taxes of \$2.1 million for the three months ended June 30, 2020. The effective tax rate was 79.2% for the three months ended June 30, 2020, compared to 9.9% for the three months ended June 30, 2019. The effective income tax rate varies from the federal statutory rate primarily due to state income taxes and the impact of nondeductible permanent differences, including driver per diems and transaction expenses.

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The following table sets forth items derived from the Company's consolidated statements of operations and comprehensive income (loss) for the six months ended June 30, 2020 and 2019 in dollars and as a percentage of total revenue and the increase or decrease in the dollar amounts of those items.

(Dollars in millions)	Six Months Ended June 30,				Increase (Decrease)	
	2020		2019			
	\$	%	\$	%	\$	%
REVENUE:						
Company freight	\$ 347.9	46.8	\$ 413.1	46.8	\$ (65.2)	(15.8)
Owner operator freight	203.8	27.4	232.7	26.3	(28.9)	(12.4)
Brokerage	119.6	16.1	144.2	16.3	(24.6)	(17.1)
Logistics	18.9	2.5	25.5	2.9	(6.6)	(25.9)
Fuel surcharge	52.5	7.2	68.1	7.7	(15.6)	(22.9)
Total revenue	742.7	100.0	883.6	100.0	(140.9)	(15.9)
OPERATING EXPENSES:						
Salaries, wages and employee benefits	209.8	28.2	243.4	27.5	(33.6)	(13.8)
Fuel	46.9	6.3	71.2	8.1	(24.3)	(34.1)
Operations and maintenance	90.9	12.2	107.9	12.2	(17.0)	(15.8)
Communications	1.9	0.3	2.2	0.2	(0.3)	(13.6)
Purchased freight	246.4	33.2	303.0	34.3	(56.6)	(18.7)
Administrative expenses	37.4	5.0	33.3	3.8	4.1	12.3
Sales and marketing	1.0	0.1	2.5	0.3	(1.5)	(60.0)
Taxes and licenses	8.5	1.1	9.9	1.1	(1.4)	(14.1)
Insurance and claims	30.6	4.1	24.7	2.8	5.9	23.9
Depreciation and amortization	49.1	6.6	81.2	9.2	(32.1)	(39.5)
Gain on disposition of revenue property and equipment	(0.8)	(0.1)	(1.1)	(0.1)	0.3	(27.3)
Impairment	13.4	1.8	—	*	13.4	*
Restructuring charges	3.5	0.5	—	*	3.5	*
Total operating expenses	738.6	99.4	878.2	99.4	(139.6)	(15.9)
Operating ratio	99.4%		99.4%			
Adjusted operating ratio ⁽¹⁾	95.9%		97.0%			
INCOME FROM OPERATIONS	4.1	0.6	5.4	0.6	(1.3)	(24.1)
Other expense (income):						
Interest income	(0.4)	(0.1)	(0.4)	*	—	*
Interest expense	23.0	3.1	25.4	2.9	(2.4)	(9.4)
Other	0.1	*	(1.3)	(0.1)	1.4	(107.7)
Total other expense	22.7	3.1	23.7	2.7	(1.0)	(4.2)
Income (loss) before benefit for income taxes	(18.6)	(2.5)	(18.3)	(2.1)	(0.3)	1.6
Benefit for income taxes	(1.8)	(0.2)	(2.6)	(0.3)	0.8	(30.8)
Net loss	<u>\$ (16.8)</u>	(2.3)	<u>\$ (15.7)</u>	(1.8)	<u>\$ (1.1)</u>	7.0
OPERATING STATISTICS:						
Company miles	130.8		140.3		(9.5)	(6.8)
Owner operator miles	97.4		100.6		(3.2)	(3.2)
Total miles (in millions) ⁽²⁾	<u>228.2</u>		<u>240.9</u>		<u>(12.7)</u>	(5.3)
Company-operated tractors, at period-end	3,137		3,808		(671)	(17.6)
Owner-operated tractors, at period-end	2,104		2,392		(288)	(12.0)
Number of trailers, at period-end	11,855		13,582		(1,727)	(12.7)
Company-operated tractors, average for the period	3,432		3,852		(420)	(10.9)
Owner-operated tractors, average for the period	2,198		2,311		(113)	(4.9)
Total tractors, average for the period	<u>5,630</u>		<u>6,163</u>		<u>(533)</u>	(8.6)

* indicates not meaningful.

- (1) Adjusted Operating Ratio is not a recognized measure under GAAP. For a definition of Adjusted Operating Ratio and reconciliation of Adjusted Operating Ratio to operating ratio, see “Non-GAAP Financial Measures” below.
- (2) Miles are estimated based on information received as the date of filing. Miles may change quarter to quarter when final information is received from each operating segment.

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The following table sets forth the Company's Specialized Solutions segment's revenue, operating expenses, operating ratio, Adjusted Operating Ratio and operating income for the six months ended June 30, 2020 and 2019 in dollars and as a percentage of its Specialized Solutions segment's total revenue and the increase or decrease in the dollar amounts of those items. The following table also sets forth certain operating statistics for the Company's Specialized Solutions segment for the six months ended June 30, 2020 and 2019.

SPECIALIZED SOLUTIONS

(Dollars in millions)	Six Months Ended June 30,				Increase (Decrease)	
	2020		2019			
	\$	%	\$	%	\$	%
REVENUE(1):						
Company freight	\$ 253.7	54.9	\$ 308.4	56.1	\$ (54.7)	(17.7)
Owner operator freight	81.0	17.5	93.3	17.0	(12.3)	(13.2)
Brokerage	86.0	18.6	93.7	17.0	(7.7)	(8.2)
Logistics	17.3	3.7	24.2	4.4	(6.9)	(28.5)
Fuel surcharge	23.9	5.3	30.6	5.5	(6.7)	(21.9)
Total revenue	461.9	100.0	550.2	100.0	(88.3)	(16.0)
OPERATING EXPENSES(1):						
Salaries, wages and employee benefits	137.9	29.9	163.7	29.8	(25.8)	(15.8)
Fuel	29.8	6.5	45.8	8.3	(16.0)	(34.9)
Operations and maintenance	69.8	15.1	80.3	14.6	(10.5)	(13.1)
Purchased freight	128.5	27.8	152.6	27.7	(24.1)	(15.8)
Depreciation and amortization	30.1	6.5	52.6	9.6	(22.5)	(42.8)
Impairment	13.4	2.9	—	*	13.4	*
Restructuring	3.3	0.7	—	*	3.3	*
Other operating expenses	41.1	8.9	36.4	6.6	4.7	12.9
Total operating expenses	453.9	98.3	531.4	96.6	(77.5)	(14.6)
Operating ratio	98.3%		96.6%			
Adjusted operating ratio(2)	93.8%		93.5%			
INCOME FROM OPERATIONS	\$ 8.0	1.7	\$ 18.8	3.4	\$ (10.8)	(57.4)
OPERATING STATISTICS:						
Company miles	78.5		85.1		(6.6)	(7.8)
Owner operator miles	26.1		26.2		(0.1)	(0.4)
Total miles (in millions)(3)	104.6		111.3		(6.7)	(6.0)
Company-operated tractors, at period-end	1,986		2,481		(495)	(20.0)
Owner-operated tractors, at period-end	555		690		(135)	(19.6)
Number of trailers, at period-end	7,280		8,453		(1,173)	(13.9)
Company-operated tractors, average for the period	2,240		2,498		(258)	(10.3)
Owner-operated tractors, average for the period	643		664		(21)	(3.2)
Total tractors, average for the period	2,883		3,162		(279)	

* indicates not meaningful.

(1) Includes intersegment revenues and expenses, as applicable, which are eliminated in the Company's consolidated results.

(2) Adjusted Operating Ratio is not a recognized measure under GAAP. For a definition of Adjusted Operating Ratio and reconciliation of Adjusted Operating Ratio to operating ratio, see "Non-GAAP Financial Measures" below.

(3) Miles are estimated based on information received as the date of filing. Miles may change quarter to quarter when final information is received from each operating segment.

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The following table sets forth the Company's Flatbed Solutions segment's revenue, operating expenses, operating ratio, Adjusted Operating Ratio and operating income for the six months ended June 30, 2020 and 2019 in dollars and as a percentage of its Flatbed Solutions segment's total revenue and the increase or decrease in the dollar amounts of those items. The following table also sets forth certain operating statistics for the Company's Flatbed Solutions segment for the six months ended June 30, 2020 and 2019.

FLATBED SOLUTIONS

(Dollars in millions)	Six Months Ended June 30,				Increase (Decrease)	
	2020		2019			
	\$	%	\$	%	\$	%
REVENUE(1):						
Company freight	\$ 100.2	34.3	\$ 110.2	32.1	\$ (10.0)	(9.1)
Owner operator freight	126.3	43.2	142.0	41.4	(15.7)	(11.1)
Brokerage	35.0	12.0	51.1	14.9	(16.1)	(31.5)
Logistics	1.5	0.5	1.3	0.4	0.2	15.4
Fuel surcharge	29.4	10.0	38.4	11.2	(9.0)	(23.4)
Total revenue	292.4	100.0	343.0	100.0	(50.6)	(14.8)
OPERATING EXPENSES(1):						
Salaries, wages and employee benefits	64.2	22.0	69.4	20.2	(5.2)	(7.5)
Fuel	17.1	5.8	25.3	7.4	(8.2)	(32.4)
Operations and maintenance	21.0	7.2	27.3	8.0	(6.3)	(23.1)
Purchased freight	129.6	44.3	160.0	46.6	(30.4)	(19.0)
Depreciation and amortization	18.4	6.3	28.4	8.3	(10.0)	(35.2)
Restructuring	0.2	0.1	—	*	0.2	*
Other operating expenses	22.6	7.7	23.2	6.8	(0.6)	(2.6)
Total operating expenses	273.1	93.4	333.6	97.3	(60.5)	(18.1)
Operating ratio	93.4%		97.3%			
Adjusted operating ratio(2)	92.7%		96.1%			
INCOME FROM OPERATIONS	\$ 19.3	6.6	\$ 9.4	2.7	\$ 9.9	105.3
OPERATING STATISTICS:						
Company miles	52.3		55.2		(2.9)	(5.3)
Owner operator miles	71.3		74.4		(3.1)	(4.2)
Total miles (in millions)(3)	123.6		129.6		(6.0)	(4.6)
Company-operated tractors, at period-end	1,151		1,327		(176)	(13.3)
Owner-operated tractors, at period-end	1,549		1,702		(153)	(9.0)
Number of trailers, at period-end	4,575		5,129		(554)	(10.8)
Company-operated tractors, average for the period	1,192		1,354		(162)	(12.0)
Owner-operated tractors, average for the period	1,555		1,647		(92)	(5.6)
Total tractors, average for the period	2,747		3,001		(254)	(8.5)

* indicates not meaningful.

(1) Includes intersegment revenues and expenses, as applicable, which are eliminated in the Company's consolidated results.

(2) Adjusted Operating Ratio is not a recognized measure under GAAP. For a definition of Adjusted Operating Ratio and reconciliation of Adjusted Operating Ratio to operating ratio, see "Non-GAAP Financial Measures" below.

(3) Miles are estimated based on information received as the date of filing. Miles may change quarter to quarter when final information is received from each operating segment.



Revenue. Total revenue decreased 15.9% to \$742.7 million for the six months ended June 30, 2020 from \$883.6 million for the six months ended June 30, 2019, primarily due to the decrease in rate per mile and miles driven in both the Flatbed Solutions segment and Specialized Solutions segment. The decrease in total revenue was due primarily to decreases in company freight, owner operator freight, brokerage and fuel surcharge revenue as well as the Company's effort to exit the Aveda operations. Company freight revenue decreased \$65.2 million, or 15.8%, from \$413.1 million for the six months ended June 30, 2019 to \$347.9 million for the six months ended June 30, 2020. Owner operator freight revenue decreased \$28.9 million, or 12.4%, from \$232.7 million for the six months ended June 30, 2019 to \$203.8 million for the six months ended June 30, 2020. The decreases in company freight and owner operator freight revenue were primarily a result of a 9.7% decrease in rate per mile and a 5.3% decrease in total miles driven. Brokerage revenue decreased \$24.6 million, or 17.1%, from \$144.2 million for the six months ended June 30, 2019 to \$119.6 million for the six months ended June 30, 2020 due to a decrease in customer volumes. Business interruption such as port closures and manufactory shutdowns related to the COVID-19 pandemic was the main driver of decrease in volumes. Logistics decreased \$6.6 million, or 25.9%, from \$25.5 million for the six months ended June 30, 2019 to \$18.9 million for the six months ended June 30, 2020 as a result of decreases in logistics activities. Fuel surcharges, decreased \$15.6 million, or 22.9%, from \$68.1 million for the six months ended June 30, 2019 to \$52.5 million for the six months ended June 30, 2020 due to a decrease in loaded miles and the decrease in the price of diesel fuel.



The Company's Specialized Solutions segment's revenue was \$461.9 million for the six months ended June 30, 2020 as compared to \$550.2 million for the six months ended June 30, 2019, a decrease of 16.0%, which was primarily due to the decrease in company freight, owner operator freight, brokerage and logistics revenue as well as the Company's effort to exit the Aveda operations. Company freight revenue decreased \$54.7 million, or 17.7%, from \$308.4 million for the six months ended June 30, 2019 to \$253.7 million for the six months ended June 30, 2020. Owner operator freight revenue decreased from \$93.3 million for the six months ended June 30, 2019 to \$81.0 for the six months ended June 30, 2020. The decrease in overall freight revenue was primarily a result of a 11.4% decrease in rate per mile and a 6.0% decrease in total miles driven compared to the same period in 2019. Brokerage revenue decreased \$7.7 million, or 8.2%, from \$93.7 million for the six months ended June 30, 2019 to \$86.0 million for the six months ended June 30, 2020. Business interruption such as port closures, manufactory and government shutdowns related to the COVID-19 pandemic was the main driver of decrease in volumes, partially offset by an increase in wind industry. Logistics decreased 28.5% to \$17.3 million from \$24.2 million compared to the same period in 2019 as a result of decreases in logistics activities. Fuel surcharges decreased \$6.7 million, or 21.9% compared to the same period in 2019 due to a decrease in loaded miles and the decrease in the price of diesel fuel.



The Company's Flatbed Solutions segment's revenue was \$292.4 million for the six months ended June 30, 2020 as compared to \$343.0 million for the six months ended June 30, 2019, a decrease of 14.8%, which was primarily due to a decrease in company freight, owner operator freight and brokerage revenue. Company freight revenue decreased \$10.0 million, or 9.1%, from \$110.2 million for the six months ended June 30, 2019 to \$100.2 million for the six months ended June 30, 2020. Owner operator freight revenue decreased \$15.7 million, or 11.1%, from \$142.0 million for the six months ended June 30, 2019 to \$126.3 million for the six months ended June 30, 2020. The decreases in company freight and owner operator freight was a result of a 6.2% decrease in rate per mile and a 4.6% decrease in total miles driven compared to the same period in 2019. Brokerage revenue decreased \$16.1 million, or 31.5%, from \$51.1 million for the six months ended June 30, 2019 to \$35.0 million for the six months ended June 30, 2020. Business closures and manufactory shutdowns related to the COVID-19 pandemic was the main driver of decrease in volumes. Steel and construction were among the hardest hit industries. Fuel surcharges decreased \$9.0 million, or 23.4%, from \$38.4 million for the six months ended June 30, 2019 to \$29.4 million for the six months ended June 30, 2020 due to a decrease in loaded miles and the decrease in the price of diesel fuel.

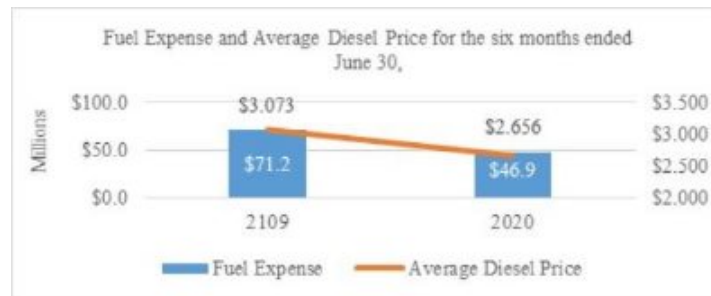
Salaries, Wages and Employee Benefits. Salaries, wages and employee benefits expense, which consists of compensation for all employees, is primarily affected by the number of miles driven by Company drivers, the rate per mile paid to Company drivers, employee benefits including, but not limited to, health care and workers' compensation, and to a lesser extent, the number of, and compensation and benefits paid to, non-driver employees. In general, the Specialized Solutions segment drivers receive a higher driver pay per total mile than Flatbed Solutions segment drivers due to the former requiring a higher level of training and expertise.

Salaries, wages and employee benefits expense decreased 13.8% to \$209.8 million for the six months ended June 30, 2020 from \$243.4 million for the six months ended June 30, 2019. The decrease in salaries, wages and employee benefits expense was primarily due to decreased employee headcount related to Project Pivot and Project Synchronize and driver pay due to the decrease in company miles compared to the same period in 2019. Temporary furloughs and recruiting pauses were put in place during the quarter to offset the impact of volume decreases due to the pandemic. Salaries, wages and employee benefits expense, as a percentage of consolidated revenue (excluding brokerage revenue), for the six months ended June 30, 2020 was generally consistent with the same period in 2019.

The Company's Specialized Solutions segment had a \$25.8 million, or 15.8%, decrease in salaries, wages and employee benefits expense for the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily as a result of the decreased employee headcount related to Project Synchronize and driver pay due to the decrease in company miles compared to the same period in 2019. Temporary furloughs and recruiting pauses were put in place during the quarter to offset the impact of volume decreases due to the pandemic. Salaries, wages and employee benefits expense, as a percentage of Specialized Solutions revenue (excluding brokerage revenue), for the six months ended June 30, 2020 was generally consistent with the same period in 2019.

The Company's Flatbed Solutions segment had a \$5.2 million, or 7.5%, decrease in salaries, wages and employee benefits expense for the six months ended June 30, 2020 compared to the six months ended June 30, 2019, primarily as a result of the decreased employee headcount related to Project Synchronize and driver pay due to the decrease in company miles compared to the same period in 2019. Temporary furloughs and recruiting pauses were put in place during the quarter to offset the impact of volume decreases due to the pandemic. Salaries, wages and employee benefits expense, as a percentage of Flatbed Solutions revenue (excluding brokerage revenue), for the six months ended June 30, 2020 was generally consistent with the same period in 2019.

Fuel. Fuel expense consists primarily of diesel fuel expense for company-owned tractors and fuel taxes. The primary factors affecting fuel expense are the cost of diesel fuel, the miles per gallon realized with company equipment and the number of miles driven by Company drivers.



Total fuel expense decreased \$24.3 million, or 34.1%, to \$46.9 million for the six months ended June 30, 2020 from \$71.2 million for the six months ended June 30, 2019. This decrease was primarily due to a 13.6% decrease in average diesel prices period over period. The U.S. national average diesel fuel price, as published by the U.S. Department of Energy, was \$2.656 for the six months ended June 30, 2020, compared to \$3.073 for the same period in 2019. Total Company miles driven decreased 6.8% for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019.

The Company's Specialized Solutions segment's fuel expense decreased 34.9% to \$29.8 million for the six months ended June 30, 2020 from \$45.8 million for the six months ended June 30, 2019, primarily as a result of a decrease in average diesel price and a decrease of 7.8% in Company miles driven for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019.

The Company's Flatbed Solutions segment's fuel expense decreased 32.4% to \$17.1 million for the six months ended June 30, 2020 from \$25.3 million for the six months ended June 30, 2019, primarily as a result of a decrease in average diesel price and a decrease of 5.3% in Company miles driven for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019.

Operations and Maintenance. Operations and maintenance expense consists primarily of ordinary vehicle repairs and maintenance, costs associated with preparing tractors and trailers for sale or trade-in, driver recruiting, training and safety costs, permitting and pilot car fees and other general operations expenses. Operations and maintenance expense is primarily affected by the age of company-owned tractors and trailers, the number of miles driven in a period and driver turnover.

Operations and maintenance expense decreased 15.8% to \$90.9 million for the six months ended June 30, 2020 from \$107.9 million for the six months ended June 30, 2019 due to a decrease of \$7.3 million in preventative maintenance costs such as repairs, washes and tires, \$1.8 in lease costs, \$1.1 million in tarps and securement, and \$6.9 million in other operations expenses. Operations and maintenance expense, as a percentage of consolidated revenue (excluding brokerage revenue), remain the same for the six months ended June 30, 2020 as compared to the same period in 2019.

The Company's Specialized Solutions segment's operations and maintenance expense decreased \$10.5 million, or 13.1%, for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019 as a result of a decrease of \$4.3 million in preventative maintenance costs such as repairs, washes and tires due to a reduction of tractors and trailers in the Company's fleet, a decrease of \$2.1 million in lease costs and a decrease of \$4.8 million in other operations expenses. Operations and maintenance expense, as a percentage of Specialized Solutions revenue (excluding brokerage revenue), for the six months ended June 30, 2020 was generally consistent with the same period in 2019.

The Company's Flatbed Solutions segment's operations and maintenance expense decreased \$6.3 million, or 23.1%, for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019, primarily as a result of a decrease of \$3.0 million in maintenance expense such as repairs, washes and tires due to a reduction of tractors and trailers in the Company's fleet, \$0.7 million in tarps and securement and a decrease of \$2.2 million in other operations expenses. Operations and maintenance expense, as a percentage of Flatbed Solutions revenue (excluding brokerage revenue), for the six months ended June 30, 2020 was generally consistent with the same period in 2019.

Purchased Freight. Purchased freight expense consists of the payments to owner-operators, including fuel surcharge reimbursements, and payments to third-party capacity providers that haul loads brokered to them. Purchased freight expense generally takes into account changes in diesel fuel prices, resulting in lower payments during periods of declining fuel prices.

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Total purchased freight expense decreased \$56.6 million or 18.7% from \$303.0 million during the six months ended June 30, 2019 to \$246.4 million during the six months ended June 30, 2020. Purchased freight expense from owner-operators decreased 4.6% from \$174.1 million during the six months ended June 30, 2019 to \$166.1 million during the six months ended June 30, 2020 as a result of a 3.2% decrease in owner operator miles driven. Purchased freight expense from third-party capacity providers decreased 37.7% from \$128.9 million during the six months ended June 30, 2019 to \$80.3 million during the six months ended June 30, 2020, as a result of lower rates and decreased utilization of third-party capacity providers. Purchased freight expense, as a percentage of consolidated revenue, for the six months ended June 30, 2020 was generally consistent with the same period in 2019.

The Company's Specialized Solutions segment's purchased freight expense decreased 15.8% to \$128.5 million during the six months ended June 30, 2020 from \$152.6 million during the six months ended June 30, 2019. Purchased freight expense from owner-operators increased 1.8% from \$58.0 million during the six months ended June 30, 2019 to \$59.0 million during the six months ended June 30, 2020, primarily as a result of an increase in the utilization of owner operators. Purchased freight expense from third-party capacity providers decreased 26.5% from \$94.6 million during the six months ended June 30, 2019 to \$69.5 million during the six months ended June 30, 2020, as a result of a decrease in utilization of third-party capacity providers. Purchased freight expense, as a percentage of Specialized Solutions revenue, for the six months ended June 30, 2020 was generally consistent with the same period in 2019.

The Company's Flatbed Solutions segment's purchased freight expense decreased 19.0% to \$129.6 million for the six months ended June 30, 2020 from \$160.0 million for the six months ended June 30, 2019. Purchased freight expense from owner-operators decreased 7.8% to \$107.1 million for the six months ended June 30, 2020 from \$116.1 million for the six months ended June 30, 2019, as a result of a 4.2% decrease in owner operators' miles driven. Purchased freight expense from third-party capacity providers decreased 48.6% from \$43.9 million during the six months ended June 30, 2019 to \$22.5 million during the six months ended June 30, 2020, primarily as a result of decreased utilization of third-party capacity providers. Purchased freight expense, as a percentage of Flatbed Solutions revenue, for the six months ended June 30, 2020 was generally consistent with the same period in 2019.

Depreciation and Amortization. Depreciation and amortization expense consists primarily of depreciation for company-owned tractors and trailers and amortization of those financed with finance leases. The primary factors affecting these expense items include the size and age of company-owned tractors and trailers and the cost of new equipment. Amortization of intangible assets is also included in this expense.

Depreciation and amortization expense decreased \$32.1 million, or 39.5%, to \$49.1 million during the six months ended June 30, 2020 from \$81.2 million during the six months ended June 30, 2019 as a result of a 10.9% decrease in average tractor count in the Company's fleet and further reduced by the impact of \$97.6 million of impairments recorded in the third quarter of 2019 to reduce asset carrying values to fair value.

The Company's Specialized Solutions segment's depreciation and amortization expense decreased \$22.5 million, or 42.8%, for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019 as a result of a 10.3% decrease in average tractor count in the segment's fleet and further reduced by the impact of \$58.6 million of impairments recorded in the third quarter of 2019 to reduce asset carrying values to fair value.

The Company's Flatbed Solutions segment's depreciation and amortization expense decreased \$10.0 million, or 35.2%, for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019 as a result of a 12.0% decrease in average tractor count in the segment's fleet and further reduced by the impact of a \$39.0 million of impairments recorded in the third quarter of 2019 to reduce asset carrying values to fair value.

Taxes and Licenses. Operating taxes and licenses expense primarily represents the costs of taxes and licenses associated with the Company's fleet of equipment and will vary according to the size of its equipment fleet. Taxes and license expense decreased \$1.4 million for the six months ended June 30, 2020. Operating taxes and license expense, as a percentage of revenue, was 1.1% for the six months ended June 30, 2020 and 2019.

Insurance and Claims. Insurance and claims expense consists of insurance premiums and the accruals the Company makes for estimated payments and expenses for claims for bodily injury, property damage, cargo damage and other casualty events. The primary factor affecting the Company's insurance and claims expense is seasonality (the Company typically experiences higher accident frequency in winter months), the frequency and severity of accidents, trends in the development factors used in its accruals and developments in large, prior-year claims. The frequency of accidents tends to increase with the miles the Company travels. Insurance and claims expense increased 23.9% to \$30.6 million during the six months ended June 30, 2020 from \$24.7 million during the six months ended June 30, 2019 due to increases in insurance premiums. Insurance and claims, as a percentage of revenue, for the six months ended June 30, 2020 was generally consistent with the six months ended June 30, 2019.

Impairment. Impairment charges of \$13.4 million were recognized in the six months ended June 30, 2020 related to Aveda's intangible assets, property and equipment and right-of-use assets.

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Restructuring Costs. Restructuring costs of \$3.5 million were recognized in the six months ended June 30, 2020 in connection with Phase I of Project Synchronize, which was completed in the first quarter of 2020, Phase II of Project Synchronize and the closure of certain Aveda terminals.

Operating Income (Loss). Operating income was \$4.1 million, or 0.6% of revenue, for the six months ended June 30, 2020 compared to operating income \$5.4 million, or 0.6% of revenue, for the six months ended June 30, 2019, primarily as a result of impairment and restructuring charges. Excluding these charges operating income was \$21.0 million or 2.8% of revenue, an increase of \$15.6 million compared to the six months ended June 30, 2019 due to a decrease in salaries, wages and employee benefits, fuel expense, maintenance expense, purchase freight, depreciation and amortization and the Company's plans to integrate and restructure some of its operating segments.

The Company's Specialized Solutions segment's operating income was \$8.0 million, or 1.7% of revenue, for the six months ended June 30, 2020 compared to operating income of \$18.8 million, or 3.4% of revenue, for the six months ended June 30, 2019, primarily as a result of impairment and restructuring charges. Excluding these charges operating income was \$24.7 million or 5.3% of revenue. The change in operating income as a percent of revenue is primarily a result of a decrease in salaries, wages and employee benefits, fuel expense, maintenance expense, purchase freight and depreciation and amortization.

The Company's Flatbed Solutions segment's operating income was \$19.3 million, or 6.6% of revenue, for the six months ended June 30, 2020 compared to operating income \$9.4 million, or 2.7% of revenue, for the six months ended June 30, 2019, the increase primarily as a result of decreases in salaries and wages, fuel expense, maintenance expense, purchase freight and depreciation and amortization.

Interest Expense. Interest expense consists of cash interest, amortization of debt issuance costs, fees and prepayment penalties. Interest expense decreased 9.4% to \$23.0 million during the six months ended June 30, 2020 from \$25.4 million during the six months ended June 30, 2019. This decrease was primarily attributable to lower interest rates on the Term Loan Facility and decreases in equipment term loan and finance lease outstanding balances.

Income Tax. Benefit for income taxes decreased from \$2.6 million for the six months ended June 30, 2019 to \$1.8 million for the six months ended June 30, 2020. The effective tax rate was 9.7% for the six months ended June 30, 2020, compared to 14.2% for the six months ended June 30, 2019. The effective income tax rate varies from the federal statutory rate primarily due to state income taxes and the impact of nondeductible permanent differences, including driver per diems and transaction expenses.

Non-GAAP Financial Measures

Adjusted EBITDA, Free Cash Flow, Adjusted Operating Ratio and Adjusted Net Income (Loss)

Adjusted EBITDA, Free Cash Flow, Adjusted Operating Ratio and Adjusted Net Income (Loss) are not recognized measures under GAAP. The Company uses these non-GAAP measures as supplements to its GAAP results in evaluating certain aspects of its business, as described below.

Adjusted EBITDA

The Company defines Adjusted EBITDA as net income (loss) plus (i) depreciation and amortization, (ii) interest expense, and other fees and charges associated with financings, net of interest income, (iii) income taxes, (iv) acquisition-related transaction expenses (including due diligence costs, legal, accounting and other advisory fees and costs, retention and severance payments and financing fees and expenses), (v) business transformation costs, (vi) non-cash impairment, (vii) restructuring charges, and (viii) stock compensation expense.

The Company's board of directors and executive management team use Adjusted EBITDA as a key measure of its performance and for business planning. Adjusted EBITDA assists them in comparing its operating performance over various reporting periods on a consistent basis because it removes from the Company's operating results the impact of items that, in their opinion, do not reflect the Company's core operating performance. Adjusted EBITDA also allows the Company to more effectively evaluate its operating performance by allowing it to compare the results of operations against its peers without regard to its or its peers' financing method or capital structure. The Company's method of computing Adjusted EBITDA is substantially consistent with that used in its debt covenants and also is routinely reviewed by its management for that purpose.

The Company believes its presentation of Adjusted EBITDA is useful because it provides investors and industry analysts the same information that the Company uses internally for purposes of assessing its core operating performance. However, Adjusted EBITDA is not a substitute for, or more meaningful than, net income (loss), cash flows from operating activities, operating income or any other measure prescribed by GAAP, and there are limitations to using non-GAAP measures such as Adjusted EBITDA. Certain items excluded from Adjusted EBITDA are significant components in understanding and assessing a company's financial performance, such as a company's cost of capital, tax structure and the historic costs of depreciable assets. Also, other companies in its industry may define Adjusted EBITDA differently than the Company does, and as a result, it may be difficult to use Adjusted EBITDA or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to its performance. Because of these limitations, Adjusted EBITDA should not be considered a measure of the income generated by the Company's business or discretionary cash available to it to invest in the growth of its business. The Company's management compensates for these limitations by relying primarily on the Company's GAAP results and using Adjusted EBITDA supplementally.

A reconciliation of Adjusted EBITDA to net loss for the three and six months ended June 30, 2020 and 2019 is as follows:

(Dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss)	\$ 0.5	\$ (6.4)	\$ (16.8)	\$ (15.7)
Depreciation and amortization	22.8	39.7	49.1	81.2
Interest income	(0.1)	(0.2)	(0.4)	(0.4)
Interest expense	11.0	12.7	23.0	25.4
Income tax provision (benefit)	2.1	(0.7)	(1.8)	(2.6)
Business transformation costs	2.7	—	6.1	—
Impairment	—	—	13.4	—
Restructuring	3.0	—	3.5	—
Stock based compensation	1.7	0.9	2.6	1.9
Adjusted EBITDA	\$ 43.7	\$ 46.0	\$ 78.7	\$ 89.8

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The Company defines Free Cash Flow as net cash provided by operating activities less purchases of property and equipment, plus proceeds from sale of property and equipment as such amounts are shown on the face of the Statement of Cash Flows. The Company's board of directors and executive management team use Free Cash Flow to assess the Company's liquidity and ability to repay maturing debt, fund operations and make additional investments. The Company believes Free Cash Flow provides useful information to investors because it is an important indicator of the Company's liquidity, including its ability to reduce net debt, make strategic investments, pay dividends to common shareholders and repurchase stock. The Company's measure of Free Cash Flow may not be directly comparable to similar measures reported by other companies. Furthermore, Free Cash Flow is not a substitute for, or more meaningful than, net cash provided by operating activities nor any other measure prescribed by GAAP, and there are limitations to using non-GAAP measures such as Free Cash Flow. Accordingly, Free Cash Flow should not be considered a measure of the income generated by the Company's business or discretionary cash available to the Company to invest in the growth of its business. The Company's management compensates for these limitations by relying primarily on the Company's GAAP results and using Free Cash Flow supplementally.

A reconciliation of Free Cash Flow to cash flows from operating activities for the three and six months ended June 30, 2020 and 2019 is as follows:

(Dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net cash provided by operating activities	\$ 53.2	\$ 18.5	\$ 82.9	\$ 54.9
Purchases of property and equipment	(10.4)	(8.2)	(14.9)	(12.1)
Proceeds from sale of property and equipment	30.6	11.9	36.4	16.5
Free Cash Flow	\$ 73.4	\$ 22.2	\$ 104.4	\$ 59.3

Adjusted Operating Ratio

The Company uses Adjusted Operating Ratio as a supplement to its GAAP results in evaluating certain aspects of its business, as described below. The Company defines Adjusted Operating Ratio as (a) total operating expenses (i) less, acquisition-related transaction expenses, non-cash impairment charges, unusual or non-regularly recurring expenses or recoveries, (ii) less, business transformation costs, and (iii) further adjusted for the net impact of the step-up in basis (such as increased depreciation and amortization expense) and amortization of identifiable intangible assets resulting from acquisitions, as a percentage of (b) total revenue.

The Company's board of directors and executive management team view Adjusted Operating Ratio, and its key drivers of revenue quality, growth, expense control and operating efficiency, as a very important measure of the Company's performance. The Company believes excluding acquisition-related transaction expenses, additional depreciation and amortization expenses as a result of acquisitions, unusual or non-regularly recurring expenses or recoveries and non-cash impairment enhances the comparability of its performance between periods.

The Company believes its presentation of Adjusted Operating Ratio is useful because it provides investors and industry analysts the same information that it uses internally for purposes of assessing its core operating profitability. However, Adjusted Operating Ratio is not a substitute for, or more meaningful than, operating ratio, operating margin or any other measure derived solely from GAAP measures, and there are limitations to using non-GAAP measures such as Adjusted Operating Ratio. Although the Company believes that Adjusted Operating Ratio can make an evaluation of its operating performance more accurately because it removes items that, in its opinion, do not reflect its core operations, other companies in its industry may define adjusted operating ratio differently than it does. As a result, it may be difficult to use Adjusted Operating Ratio or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to the Company's performance. The Company's management compensates for these limitations by relying primarily on GAAP measures and using Adjusted Operating Ratio supplementally.

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A reconciliation of Adjusted Operating Ratio to operating ratio for each of the three and six months ended June 30, 2020 and 2019 is as follows:

(Dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue	\$ 351.7	\$ 450.6	\$ 742.7	\$ 883.6
Salaries, wages and employee benefits	99.4	124.3	209.8	243.4
Fuel	18.2	36.2	46.9	71.2
Operations and maintenance	45.3	53.1	90.9	107.9
Purchased freight	112.2	156.4	246.4	303.0
Depreciation and amortization	22.8	39.7	49.1	81.2
Impairment	—	—	13.4	—
Restructuring	3.0	—	3.5	—
Other operating expenses	38.4	36.2	78.6	71.5
Operating expenses	339.3	445.9	738.6	878.2
Operating ratio	96.5%	99.0%	99.4%	99.4%
Business transformation costs	2.7	—	6.1	—
Impairment	—	—	13.4	—
Restructuring	3.0	—	3.5	—
Amortization of intangible assets	1.8	3.9	3.6	8.2
Net impact of step-up in basis of acquired assets	—	5.9	—	12.7
Adjusted operating expenses	\$ 331.8	\$ 436.1	\$ 712.0	\$ 857.3
Adjusted operating ratio	94.3%	96.8%	95.9%	97.0%

A reconciliation of the Company's Specialized Solutions segment's Adjusted Operating Ratio to operating ratio for the three and six months ended June 30, 2020 and 2019 is as follows:

(Dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue⁽¹⁾	\$ 221.5	\$ 280.7	\$ 461.9	\$ 550.2
Salaries, wages and employee benefits	63.7	82.7	137.9	163.7
Fuel	11.4	23.4	29.8	45.8
Operations and maintenance	35.1	39.9	69.8	80.3
Purchased freight	60.0	78.6	128.5	152.6
Depreciation and amortization	13.2	26.0	30.1	52.6
Impairment	—	—	13.4	—
Restructuring	2.8	—	3.3	—
Other operating expenses	20.8	19.0	41.1	36.4
Operating expenses	207.0	269.6	453.9	531.4
Operating ratio	93.5%	96.0%	98.3%	96.6%
Business transformation costs	1.3	—	2.0	—
Impairment	—	—	13.4	—
Restructuring	2.8	—	3.3	—
Amortization of intangible assets	1.0	2.6	2.0	5.2
Net impact of step-up in basis of acquired assets	—	5.5	—	11.8
Adjusted operating expenses	\$ 201.9	\$ 261.5	\$ 433.2	\$ 514.4
Adjusted operating ratio	91.2%	93.2%	93.8%	93.5%

(1) Includes intersegment revenues and expenses, as applicable, which are eliminated in the Company's consolidated results.

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A reconciliation of the Company's Flatbed Solutions segment's Adjusted Operating Ratio to operating ratio for the three and six months ended June 30, 2020 and 2019 is as follows:

(Dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue⁽¹⁾	\$ 137.2	\$ 174.9	\$ 292.4	\$ 343.0
Salaries, wages and employee benefits	30.7	34.9	64.2	69.4
Fuel	6.7	12.8	17.1	25.3
Operations and maintenance	10.2	13.0	21.0	27.3
Purchased freight	59.2	82.8	129.6	160.0
Depreciation and amortization	9.3	13.6	18.4	28.4
Restructuring	0.2	—	0.2	—
Other operating expenses	10.2	11.7	22.6	23.2
Operating expenses	126.5	168.8	273.1	333.6
Operating ratio	92.2%	96.5%	93.4%	97.3%
Business transformation costs	—	—	0.1	—
Restructuring	0.2	—	0.2	—
Amortization of intangible assets	0.8	1.3	1.6	3.0
Net impact of step-up in basis of acquired assets	—	0.4	—	0.9
Adjusted operating expenses	\$ 125.5	\$ 167.1	\$ 271.2	\$ 329.7
Adjusted operating ratio	91.5%	95.5%	92.7%	96.1%

(1) Includes intersegment revenues and expenses, as applicable, which are eliminated in the Company's consolidated results.

Adjusted Net Income (Loss)

The Company defines Adjusted Net Income (Loss) as net income (loss) adjusted for acquisition related transaction expenses, business transformation costs, non-cash impairments, restructuring charges, amortization of intangible assets, the net impact of step-up in basis of acquired assets and unusual or non-regularly recurring expenses or recoveries.

The Company's board of directors and executive management team use Adjusted Net Income (Loss) as a key measure of its performance and for business planning. Adjusted Net Income (Loss) assists them in comparing its operating performance over various reporting periods on a consistent basis because it removes from operating results the impact of items that, in its opinion, do not reflect the Company's core operating performance. Adjusted Net Income (Loss) also allows the Company to more effectively evaluate its operating performance by allowing it to compare the results of operations against its peers without regard to its or its peers' acquisition related items, such as acquisition-related transaction expenses, non-cash impairments, amortization of intangible assets and the net impact of the step up in basis of acquired assets, as well as removing the impact of unusual or non-regularly recurring expenses or recoveries.

The Company believes its presentation of Adjusted Net Income (Loss) is useful because it provides investors and industry analysts the same information that it uses internally for purposes of assessing its core operating performance. However, Adjusted Net Income (Loss) is not a substitute for, or more meaningful than, net income (loss) or any other measure derived solely from GAAP measures, and there are limitations to using non-GAAP measures such as Adjusted Net Income (Loss). Although the Company believes that Adjusted Net Income (Loss) can make an evaluation of its operating performance more consistent because it removes items that, in its opinion, do not reflect its core operations, other companies in its industry may define Adjusted Net Income (Loss) differently than it does. As a result, it may be difficult to use Adjusted Net Income (Loss) or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to the Company's performance. The Company's management compensates for these limitations by relying primarily on its GAAP results and using Adjusted Net Income (Loss) supplementally.

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A reconciliation of Adjusted Net Income to net income (loss) for the three and six months ended June 30, 2020 and 2019 is as follows:

(Dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss)	\$ 0.5	\$ (6.4)	\$ (16.8)	\$ (15.7)
Business transformation costs	2.7	—	6.1	—
Impairment	—	—	13.4	—
Restructuring	3.0	—	3.5	—
Amortization of intangible assets	1.8	3.9	3.6	8.2
Net impact of step-up in basis of acquired assets	—	5.9	—	12.7
Tax impact of impairments	—	—	(2.6)	—
Adjusted net income	\$ 8.0	\$ 3.4	\$ 7.2	\$ 5.2

Liquidity and Capital Resources

The Company had the following sources of liquidity available at June 30, 2020 and December 31, 2019.

(Dollars in millions)	June 30, 2020	December 31, 2019
Cash	\$ 157.3	\$ 95.7
Working capital surplus	32.2	71.0
Availability under line of credit	82.6	86.8
Total	\$ 272.1	\$ 253.5

The Company's primary sources of liquidity have been provided by operations, issuances of capital stock and borrowings under its credit facilities. Cash increased by \$61.6 million at June 30, 2020 as compared to December 31, 2019. This increase primarily resulted from net cash provided by operating activities. See below for more information.

As of June 30, 2020 and December 31, 2019, the Company had a working capital surplus of \$32.2 million and \$71.0 million, respectively. The decrease in working capital surplus is due primarily to decrease in accounts receivable of \$35.8 million, increase in assets held for sale of \$4.9 million and increase in accounts payable and accrued liabilities of \$11.2 million.

As of June 30, 2020, the Company had no borrowings on its \$100.0 million asset-based revolving line of credit (ABL Facility) and \$16.2 million in outstanding letters of credit (discussed below), leaving \$82.6 million available under the ABL Facility.

The Company has from time to time considered the possibility of a private offering of securities, which would not be registered under the Securities Act of 1933, as amended (the Securities Act), and which would be offered only to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to persons outside the United States pursuant to Regulation S under the Securities Act. The proceeds of such an offering may be used for general corporate purposes, including the repayment of all or a portion of the Company's term loan credit facility, repayment of outstanding balances on the ABL facility and to support the Company's acquisition strategy. Also, in connection with such offering, the Company's credit facilities may be amended or refinanced. There can be no assurance that the Company will conduct or complete such an offering.

The Company's business requires substantial amounts of cash for operating expenses, including salaries and wages paid to employees, contract payments to independent contractors, insurance and claims payments, tax payments, and others. The Company also uses large amounts of cash and credit for the following activities:

[Table of Contents](#)Capital Expenditures

The Company follows a dual strategy of both owning assets and employing asset-light activities, the latter of which reduces the capital expenditures required to operate the business. Asset-light activities are conducted utilizing tractors and trailers provided by owner-operators and third-party carriers for significant portions of our flatbed and specialized services. Company-owned asset expenditures require substantial cash and financing (including finance and operating leases) to maintain a modern tractor fleet, refresh the trailer fleet, fund replacement and or growth in the revenue equipment fleet, and for the acquisition of real property and improvements to existing terminals and facilities. The Company had net cash capital receipts of approximately \$21.5 million and financed \$30.0 million of non-cash capital expenditures for the six months ended June 30, 2020. The Company had the following capital assets activity in 2020 and 2019:

(Dollars in millions)	Six Months Ended June 30,	
	2020	2019
Net cash capital receipts	\$ (21.5)	\$ (4.4)
Total financed capital expenditures	30.0	47.9
Property and equipment sold for notes receivable	(0.1)	(0.3)
Total net capital assets additions	\$ 8.4	\$ 43.2

The decrease in total net capital assets additions is due to timing of the Company's replacement cycle for revenue equipment, exit of Aveda operations and effort to right size the Company's fleet.

Additionally, the Company entered into operating leases for revenue equipment with terms of 2 to 5 years and real property with terms of 3 to 4 years having asset values at lease inception of \$26.2 million and \$0.5 million, respectively, for the six months ended June 30, 2020.

ABL and Term Loan Facilities and Equipment Financing Agreements

As of June 30, 2020, the Company had (i) a \$500.0 million senior secured term loan credit facility, consisting of a \$250.0 million term loan, a \$150 million tack-on loan and \$100.0 million of term loans funded under a delayed draw term loan facility, and (ii) an asset-based senior secured revolving credit facility with an aggregate maximum credit amount equal to \$100.0 million (subject to availability under a borrowing base). The delayed draw term loans were used to support the Company's acquisition activities. See Note 9 of Notes to Consolidated Financial Statements for more information regarding the Term Loan Facility and the ABL Facility.

The Company had \$171.0 million of term loans and \$29.6 million of finance leases collateralized primarily by revenue equipment, with terms of 48 to 60 months. Certain of the term loans contain conditions, covenants, representations and warranties, events of default, and indemnification provisions applicable to the Company and certain of its subsidiaries that are customary for equipment financings, including, but not limited to, limitations on the incurrence of additional debt and the prepayment of existing indebtedness, certain payments (including dividends and other distributions to persons not party to its ABL Facility) and transfers of assets.

The Company believes it can finance its expected cash needs, including debt repayment, in the short-term with cash flows from operations and borrowings available under the ABL Facility. The Company expects that the ABL Facility will provide sufficient credit availability to support its ongoing operations, fund debt service requirements, capital expenditures, and working capital needs. Over the long-term, the Company will continue to have significant capital requirements, and expects to devote substantial financial resources to grow its operations and fund its acquisition activities. As a result of these funding requirements, the Company likely will need to sell additional equity or debt securities or seek additional financing through additional borrowings, lease financing or equity capital, though it is not likely that the Company will issue any common stock in the near term. The availability of financing or equity capital will depend upon the Company's financial condition and results of operations as well as prevailing market conditions. If such additional borrowings, lease financing or equity capital is not available at the time it needs to incur such expenditures, the Company may be required to extend the maturity of then outstanding indebtedness, rely on alternative financing arrangements or engage in asset sales.

Letters of credit – Under the terms of the ABL Facility, lenders may issue up to \$20 million of standby letters of credit on our behalf. Outstanding letters of credit reduce the availability on the \$100 million ABL Facility. Standby letters of credit are generally issued for the benefit of regulatory authorities, insurance companies and state departments of insurance for the purpose of satisfying certain collateral requirements, primarily related to automobile, workers' compensation, and general insurance liabilities.

Business combinations – The Company's strategy has historically been to consolidate the open-deck transportation industry and it has used significant amounts of capital to acquire 20 businesses since Daseke Companies, Inc.'s inception in 2008. During 2019, the Company began to focus on organic growth, increasing free cash flow and margins, but will continue to evaluate potential tuck-in transactions of its subsidiaries and any other sources of growth it considers in the best interest of the Company.

Material Debt

Overview

As of June 30, 2020, the Company had the following material debt:

- the Term Loan Facility and the ABL Facility;
- secured equipment loans and finance lease agreements; and
- bank mortgage secured by real estate.

The amounts outstanding under such agreements were as follows as of June 30, 2020 (in millions):

Term Loan Facility	\$	486.0
Mortgages		2.8
Equipment term loans		171.0
Finance lease obligations		29.6
Total long-term debt and capital leases		689.4
Less: current portion		(55.0)
Long-term debt and finance leases obligations, less current portion	\$	634.4

See Note 2 and Note 9 of the Notes to Consolidated Financial Statements included herein for information regarding the Company's material debt and finance lease obligations, respectively.

Off-Balance Sheet Arrangements

Information about the Company's standby letters of credit and 17,520,329 shares of common stock issuable upon exercise of outstanding warrants is included in Note 14 and Note 11, respectively, of Notes to Consolidated Financial Statements included herein. See also Liquidity and Capital Resources above.

Cash Flows

The Company's summary statements of cash flows information for the six months ended June 30, 2020 and 2019 is set forth in the table below:

(Dollars in millions)	Six Months Ended June 30,	
	2020	2019
Net cash provided by operating activities	\$ 82.9	\$ 54.9
Net cash provided by investing activities	\$ 21.5	\$ 4.4
Net cash used in financing activities	\$ (43.3)	\$ (41.6)

Operating Activities. Cash provided by the Company's operating activities consists of net income or loss adjusted for certain non-cash items, including depreciation and amortization, deferred interest, gain/loss on disposal of property and equipment, deferred income taxes, impairments, restructuring charges, non-cash operating lease expense, stock-based compensation, bad debt expense and the effect of changes in working capital and other activities.

Cash provided by operating activities was \$82.9 million during the six months ended June 30, 2020 and consisted of \$16.8 million of net loss plus \$68.6 million of non-cash items, consisting primarily of depreciation, amortization, non-cash operating lease expense, impairment and stock-based compensation, plus \$31.1 million of net cash provided by working capital and other activities. Cash provided by working capital and other activities during the six months ended June 30, 2020 reflect a decrease of \$34.0 million in accounts receivable and \$5.2 million in accrued expenses and other liabilities; offset by a \$4.6 million increase in prepaid and other current assets, \$1.2 million increase in drivers' advances and other receivables and \$2.3 decrease in accounts payable. Cash provided by operating activities was \$54.9 million during the six months ended June 30, 2019 and consisted of \$15.7 million of net loss plus \$94.7 million of non-cash items, consisting primarily of depreciation, amortization, non-cash operating lease expense and stock-based compensation, plus \$24.1 million of net cash used for working capital and other activities. Cash used for working capital and other activities during the six months ended June 30, 2019 reflect increases of a \$21.9 million accounts receivable, \$1.7 million in drivers' advances and other receivables, \$0.2 million in prepaid and other current assets, and \$1.7 million decrease in accrued expenses and other liabilities, offset by a \$1.4 million increase in accounts payable.

The \$28.0 million decrease in cash provided by operating activities during the six months ended June 30, 2020, as compared with the six months ended June 30, 2019, was the result of an \$1.1 million increase in net loss, reduced by decreases of \$27.5 million in depreciation,

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\$4.6 million in amortization of intangible assets, \$10.6 million in non-cash operating lease expense, increased by \$0.8 million in deferred taxes, a \$0.3 million decreased in gain on disposition, \$0.7 million in stock-based compensation expense, \$0.6 million in amortization of deferred financing fees, \$13.4 million in impairment and \$0.8 million in bad debt expense. Net cash provided by working capital increased \$55.2 million.

Investing Activities. Cash flows from investing activities increased from \$4.4 million provided by investing activities for the six months ended June 30, 2019 to \$21.5 million provided by investing activities for the six months ended June 30, 2020 reflecting an increase of \$2.8 million in cash equipment purchases and an increase of \$19.9 million in cash receipts from sales of revenue equipment for the six months ended June 30, 2020.

Total net cash capital expenditures (receipts) for the three and six months ended June 30, 2020 and 2019 are shown below:

(Dollars in millions)	Six Months Ended June 30,	
	2020	2019
Revenue equipment (tractors, trailers and trailer accessories)	\$ 13.9	\$ 8.5
Buildings and building improvements	0.6	1.4
Other	0.4	2.2
Total cash capital expenditures	14.9	12.1
Less: Proceeds from sales of property and equipment	36.4	16.5
Net cash capital expenditures (receipts)	<u>\$ (21.5)</u>	<u>\$ (4.4)</u>

Financing Activities. Cash flows from financing activities increased from \$41.6 million used in financing activities for the six months ended June 30, 2019 to \$43.3 million used in financing activities for the six months ended June 30, 2020. This increase was primarily a result of net debt payments of \$1.9 million.

Inflation

Inflation can have an impact on the Company's operating costs. A prolonged period of inflation could cause interest rates, fuel, wages and other costs to increase, which would adversely affect the Company's results of operations unless freight rates correspondingly increase. The Company attempts to limit the effects of inflation through increases in freight rates, certain cost control efforts and limiting the effects of fuel prices through fuel surcharges and measures intended to reduce the consumption of fuel. Over the past three fiscal years, the effect of inflation has been immaterial.

Seasonality

In the transportation industry, results of operations generally show a seasonal pattern. The Company's productivity decreases during the winter season because inclement weather impedes operations, end-users reduce their activity and certain shippers reduce their shipments during winter. At the same time, operating expenses increase and fuel efficiency decreases because of engine idling and harsh weather creating higher accident frequency, increased claims and higher equipment repair expenditures. The Company also may suffer from weather-related or other events such as tornadoes, hurricanes, blizzards, ice storms, floods, fires, earthquakes and explosions. These events may disrupt fuel supplies, increase fuel costs, disrupt freight shipments or routes, affect regional economies, destroy the Company's assets, increase insurance costs or adversely affect the business or financial condition of its customers, any of which could adversely affect the Company's results of operations or make such results more volatile.

Critical Accounting Policies

The Company's significant accounting policies are described in Note 1 of Notes to Consolidated Financial Statements in the Company's Annual Report on Form 10-K filed on March 10, 2020. The Company considers certain of these accounting policies to be "critical" to the portrayal of the Company's financial position and results of operations, as they require the application of significant judgment by management. As a result, they are subject to an inherent degree of uncertainty. The Company identifies and discusses these "critical" accounting policies in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of the Company's Annual Report on Form 10-K filed on March 10, 2020. Management bases its estimates and judgments on historical experience and on various other factors that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. On an ongoing basis, management evaluates its estimates and judgments, including those considered "critical." Management has discussed the development, selection and evaluation of accounting estimates, including those deemed "critical," and the associated disclosures in this Quarterly Report on Form 10-Q with the Audit Committee of the Company's board of directors.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes in the Company's market risk since December 31, 2019. For further information on the Company's market risk, refer to "Item 7A. Quantitative and Qualitative Disclosures About Market Risk" in the Company's Annual Report on Form 10-K filed on March 10, 2020.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of the end of the period covered by this Quarterly Report on Form 10-Q, the Company's management conducted an evaluation, under the supervision and with the participation of the principal executive and financial officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities and Exchange Act of 1934 (the Exchange Act)). Based on this evaluation, the principal executive and principal financial officers concluded, as of the end of the period, our disclosure controls and procedures were not effective as of June 30, 2020 due to material weaknesses in internal control over financial reporting that were disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2019.

Management's Remediation

As previously described in Item 9A of our Annual Report on Form 10-K for the year ended December 31, 2019, we began implementing remediation plans to address the material weaknesses. The weaknesses will not be considered remediated, until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that the remediation of these material weaknesses will be completed by the end of fiscal 2020.

Changes in Internal Control over Financial Reporting

Except as noted above, there have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) or 15d-15(f) of the Exchange Act) that occurred during the second quarter of fiscal 2020 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company and its subsidiaries are involved in litigation and claims primarily arising in the normal course of business, which include claims for personal injury or property damage incurred in the transportation of freight. Based on its knowledge of the facts and, in certain cases, advice of outside counsel, the Company believes the resolution of claims and pending litigation will not have a material adverse effect on the Company's financial position, results of operations or cash flows.

Item 1A. Risk Factors

Other than the risk factor included below, there have been no material changes in the risks facing the Company as described in the Company's Annual Report on Form 10-K for the year ended December 31, 2020.

The COVID-19 pandemic, and various governmental actions taken to mitigate its impact, have affected and may materially adversely affect, and any future outbreak of any other highly infectious or contagious diseases may materially adversely affect, our operations, financial performance and condition, operating results and cash flows.

The COVID-19 pandemic, and various governmental actions taken to mitigate its impact, has affected, and may materially adversely affect, our operations, financial performance and condition, operating results and cash flows. The severity, magnitude and duration of the current COVID-19 pandemic is uncertain, rapidly changing and hard to predict. Thus far in 2020, the COVID-19 pandemic has significantly impacted economic activity and markets around the world, and COVID-19 or another similar outbreak could negatively impact our business in numerous ways, including, but not limited to, the following:

- our revenue has been reduced and may continue to be reduced to the extent the pandemic results in an economic downturn or recession, as many experts predict, which leads to a decrease in demand for our services or the transportation markets in general;
- our operations may be disrupted or impaired, if a significant portion of our drivers or other employees are unable to work due to illness;
- the pandemic has increased volatility and caused negative pressure in the capital markets; as a result, we may experience difficulty accessing the capital or financing needed to fund our operations, which have substantial capital requirements, on satisfactory terms or at all;
- we may experience liquidity challenges, including impacts related to delayed customer payments and payment defaults associated with customer liquidity issues and bankruptcies;
- customers, suppliers and other third parties may argue that their non-performance under our contracts with them is permitted as a result of force majeure or other reasons;
- we may experience workforce rightsizing-related issues and incur severance payments as a result of adjusting our workforce to market conditions, and we may subsequently experience retention issues and driver shortages when market conditions improve;
- our management may be distracted as they are focused on mitigating the effects of COVID-19 on our business operations while protecting the health of our workforce and customers, which has required, and will continue to require, a large investment of time and resources; and
- we may be at greater risk for cybersecurity issues, as digital technologies may become more vulnerable and experience a higher rate of cyberattacks in the current environment of remote connectivity.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks set forth in “Part I. Item 1A. Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2019, such as those relating to our financial performance and debt obligations. The rapid development and fluidity of this situation precludes any prediction as to the ultimate adverse impact of COVID-19 on our business. The extent to which the COVID-19 pandemic impacts the Company will depend on numerous evolving factors and future developments that we are not able to predict, including: the severity and duration of the pandemic; governmental, business and other actions in response to the pandemic (which could include limitations on the Company’s operations or mandates to provide services in a specified manner); the impact of the pandemic on economic activity; the response of the overall economy and the financial markets; the extent and duration of the effect on consumer confidence and spending; the health of and the effect on our workforce and our ability to meet staffing needs; any impairment in the value of our tangible or intangible assets which could be recorded as a result of a weaker economic conditions; and the potential effects on our internal controls, including those over financial reporting, as a result of changes in working environments, such as shelter-in-place and similar orders that are applicable to our employees and business partners, among others. There are no comparable recent events that provide guidance as to the effect the COVID-19 global pandemic may have, and as a result, the ultimate impact of the pandemic is highly uncertain and subject to change.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit No.	Exhibit
3.1	Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by the registrant on March 3, 2017).
3.2*	Charter Amendment to Second Amended and Restated Certificate of Incorporation.
3.3	By-Laws (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed by the registrant on May 25, 2018).
3.4	Certificate of Designations, Preferences, Rights and Limitations of 7.625% Series A Convertible Cumulative Preferred Stock (incorporated by reference to Exhibit 3.2 to the registrant's Current Report on Form 8-K filed by the registrant on March 3, 2017).
10.1*+	Amended and Restated Employment Agreement, dated as of April 20, 2020, by and between Christopher R. Easter and Daseke, Inc.
10.2*+	Non-Qualified Stock Option Award Agreement, dated as of April 20, 2020, by and between Christopher R. Easter and Daseke, Inc.
10.3*+	Performance Stock Unit Award Agreement, dated as of April 20, 2020, by and between Christopher R. Easter and Daseke, Inc.
10.4*+	Employment Agreement, dated as of April 20, 2020, by and between Jason Bates and Daseke, Inc.
10.5+	Non-Qualified Stock Option Award Agreement between Jason Bates and Daseke, Inc. (incorporated by reference to Exhibit 4.3 to the Registration Statement on Form S-8 filed by the registrant on April 23, 2020).
10.6+	Non-Qualified Stock Option Award Agreement between Jason Bates and Daseke, Inc. (incorporated by reference to Exhibit 4.4 to the Registration Statement on Form S-8 filed by the registrant on April 23, 2020).
10.7+	Performance Stock Unit Award Agreement between Jason Bates and Daseke, Inc. (incorporated by reference to Exhibit 4.5 to the Registration Statement on Form S-8 filed by the registrant on April 23, 2020).
10.8*+	Employment Agreement, dated as of May 6, 2020, by and between Rick Williams and Daseke, Inc.
10.9*+	Non-Qualified Stock Option Award Agreement, dated as of May 6, 2020, by and between Rick Williams and Daseke, Inc.
10.10*+	Non-Qualified Stock Option Award Agreement, dated as of May 6, 2020, by and between Rick Williams and Daseke, Inc.
10.11*+	Performance Stock Unit Award Agreement, dated as of May 6, 2020, by and between Rick Williams and Daseke, Inc.
10.12*+	Transition and Separation Agreement, dated as of April 2, 2020, by and between Angie Moss and Daseke, Inc.
31.1*	Chief Executive Officer certification under Section 302 of Sarbanes-Oxley Act of 2002.
31.2*	Chief Financial Officer certification under Section 302 of Sarbanes-Oxley Act of 2002.
32.1**	Chief Executive Officer certification under Section 906 of Sarbanes-Oxley Act of 2002.
32.2**	Chief Financial Officer certification under Section 906 of Sarbanes-Oxley Act of 2002.
101.INS*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.

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Exhibit No.	Exhibit
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Inline Cover Page Interactive Data File (embedded within the Inline XBRL document).
*	Filed herewith.
**	Furnished herewith.
+	Management contract or compensatory plan or arrangement.

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 thereunto duly authorized.

Date: August 6, 2020

DASEKE, INC.

By: /s/ Christopher Easter
Name: Christopher Easter
Title: Chief Executive Officer and Director
(On behalf of the Registrant and as the Registrant's Principal Executive Officer)

CERTIFICATE OF AMENDMENT
TO
SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
DASEKE, INC.

* * * * *

Daseke, Inc., a corporation duly organized and validly existing under and by virtue of the General Corporation Law of the State of Delaware (the “*Corporation*”), does hereby certify as follows:

FIRST: The Second Amended and Restated Certificate of Incorporation of the Corporation, as amended, be, and hereby is, amended by deleting Sections 5.2, 5.3, 5.4 and 5.5 thereof in their entirety and inserting the following in lieu thereof:

Section 5.2 Number, Election and Term.

(a) Subject to the rights of any holder of any series of Preferred Stock to elect directors, the number of directors which shall constitute the whole Board shall be the number from time to time fixed by resolution of the Board and which shall be, upon initial filing of this Certificate of Amendment, nine (9).

(b) Subject to Section 5.5 hereof, commencing with the election of directors at the Corporation’s 2021 annual meeting of stockholders, all directors shall be elected annually for terms of one year, and each director elected at and after the 2021 annual meeting of stockholders shall hold office until the next succeeding annual meeting of stockholders and until his or her successor has been elected and qualified, subject, however, to such director’s earlier death, resignation, retirement, disqualification or removal. Each director elected prior to the 2021 annual meeting of stockholders for a term extending beyond the 2021 annual meeting of stockholders shall, notwithstanding such term, hold office only until the 2021 annual meeting of stockholders and until his or her successor has been elected and qualified, subject, however, to such director’s earlier death, resignation, retirement, disqualification or removal.

(c) Unless and except to the extent that the Bylaws shall so require, the election of directors need not be by written ballot. The holders of shares of Common Stock shall not have cumulative voting rights.

Section 5.3 Newly Created Directorships and Vacancies. Subject to Section 5.5 hereof, newly created directorships resulting from an increase in the number of directors and any vacancies on the Board resulting from death,

resignation, retirement, disqualification, removal or other cause may be filled solely by a majority vote of the remaining directors then in office, even if less than a quorum, or by a sole remaining director (and not by stockholders), and any director so chosen shall hold office until his or her successor has been elected and qualified, subject, however, to such director's earlier death, resignation, retirement, disqualification or removal.

Section 5.4 [Reserved.]

Section 5.5 Preferred Stock — Directors. Notwithstanding any other provision of this Article V, and except as otherwise required by law, whenever the holders of one or more series of the Preferred Stock shall have the right, voting separately by class or series, to elect one or more directors, the term of office, the filling of vacancies, the removal from office and other features of such directorships shall be governed by the terms of such series of the Preferred Stock as set forth in this Second Amended and Restated Certificate (including any Preferred Stock Designation).

SECOND: The amendments set forth in this Certificate of Amendment were duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware.

[Signature page follows.]

IN WITNESS WHEREOF, the undersigned officer of the Corporation has executed this Certificate of Amendment to Second Amended and Restated Certificate of Incorporation of the Corporation on May 22, 2020.

DASEKE, INC.,
a Delaware corporation

By: /s/ Christopher Easter
Name: Christopher Easter
Its: Chief Executive Officer

Signature Page to Certificate of Amendment

**AMENDED AND RESTATED
EMPLOYMENT AGREEMENT**

This Amended and Restated Employment Agreement (“**Agreement**”) is made and entered into by and between Daseke, Inc., a Delaware corporation (the “**Company**”), and Christopher R. Easter (“**Employee**”) effective as of April 20, 2020 (the “**Effective Date**”). This Agreement amends and restates in its entirety the Employment Agreement between the Company and Employee, dated January 16, 2019, as amended September 6, 2019 (the “**Prior Employment Agreement**”).

1. **Employment.** During the Employment Period (as defined in Section 4), the Company shall employ Employee, and Employee shall serve, as Chief Executive Officer of the Company and in such other position or positions as may be assigned from time to time by the Board (as defined in Section 2(b)). In addition, during the Employment Period, the Board shall nominate the Employee to serve as a member of the Board so long as Employee continues to serve as Chief Executive Officer of the Company.

2. **Duties and Responsibilities of Employee.**

(a) During the Employment Period, Employee shall devote Employee’s full business time, attention and best efforts to the businesses of the Company and its direct and indirect subsidiaries (collectively, the “**Company Group**”) as may be requested by the Board or the from time to time. Employee’s duties shall include those normally incidental to the position identified in Section 1, as well as such additional duties as may be assigned to Employee by the Board from time to time, which duties may include providing services to other members of the Company Group in addition to the Company.

(b) Employee may, without violating this Agreement: (i) as a passive investment, own publicly traded securities in such form or manner as shall not require any services by Employee in the operation of the entities in which such securities are owned; (ii) engage in charitable and civic activities, including participation in professional groups and associations; (iii) serve on other company boards with the prior approval of the board of directors of the Company (the “**Board**”); or (iv) with the prior written consent of the Board, engage in other personal and passive investment activities, in each case, so long as such interests or activities do not interfere with Employee’s ability to fulfill Employee’s duties and responsibilities under this Agreement and are not inconsistent with Employee’s obligations to the Company Group or competitive with the business of the Company Group.

(c) Employee hereby represents and warrants that Employee is not the subject of, or a party to, any employment agreement, non-competition covenant, nondisclosure agreement, or any other agreement, obligation, restriction or understanding that would prohibit Employee from executing this Agreement or fully performing each of Employee’s duties and responsibilities hereunder, or would in any manner, directly or indirectly, limit or affect any of the duties and responsibilities that may now or in the future be assigned to Employee hereunder.

(d) Employee owes each member of the Company Group fiduciary duties (including (i) duties of loyalty and non-disclosure and (ii) such fiduciary duties that an officer of

the Company has under applicable law), and the obligations described in this Agreement are in addition to, and not in lieu of, the obligations Employee owes each member of the Company Group under statutory or common law.

3. **Compensation.**

(a) **Base Salary.** During the Employment Period, the Company shall pay to Employee an annualized base salary of \$700,000 (the “**Base Salary**”), retroactive to February 7, 2020, in consideration for Employee’s services under this Agreement, payable in substantially equal installments in conformity with the Company’s customary payroll practices for other senior executives as may exist from time to time, but no less frequently than monthly, provided that Employee’s retroactive increase in Base Salary for 2020 shall be paid in a lump sum on the Company’s first regularly scheduled pay date coincident with or next following the Effective Date. The Base Salary shall be reviewed by the Compensation Committee of the Board (the “**Compensation Committee**”) in accordance with the Company’s policies and practices, but no less frequently than once annually, and may be increased but not decreased (unless agreed to in writing by Employee). To the extent applicable, the term “Base Salary” shall include any such increases (or decreases agreed to in writing by Employee) to the Base Salary enumerated above.

(b) **Annual Bonus.** Employee shall be eligible for discretionary bonus compensation for each complete calendar year that Employee is employed by the Company hereunder (the “**Annual Bonus**”) (including, for the calendar year in which the Effective Date occurs, a pro rata Annual Bonus). Each Annual Bonus shall have a target value equal to 100% of Base Salary. The performance targets that must be achieved in order to be eligible for certain bonus levels shall be established by the Compensation Committee annually, in its sole discretion, within 150 days of the beginning of the year after consultation with Employee. Each Annual Bonus, if any, shall be paid as soon as administratively feasible after the Compensation Committee certifies whether the applicable performance targets for the applicable calendar year to which such Annual Bonus relates (the “**Bonus Year**”) have been achieved, but in no event later than April 15 following the end of such Bonus Year. Except as set forth in this Agreement, no Annual Bonus, if any, nor any portion thereof, shall be payable for any Bonus Year unless Employee remains continuously employed by the Company from the Effective Date through the end of the applicable performance year.

(c) **Incentive Compensation.**

(i) During the Employment Period, Employee shall be eligible to participate in the Company’s 2017 Omnibus Incentive Plan, as amended from time to time (the “**Omnibus Plan**”), with a target annual equity award for each year covering a number of shares of the Company’s common stock (“**Shares**”) having a grant date value equal to 150% of Employee’s Base Salary (the “**Target Equity Award**”), *provided* that (A) the Target Equity Award for 2020 shall be a time-vested stock option to purchase 652,200 shares and shall contain terms and conditions substantially consistent with those set forth in the award agreement attached hereto as Exhibit A; (B) the Target Equity Awards for years after 2020 may be granted in the form of time-based or performance-based awards, or a combination thereof; (C) the grant date value of any Target Equity Awards granted in years 2021 and 2022 shall equal 150% of Employee’s Base Salary; and (D) the grant date

value of any Target Equity Awards granted in years after 2022 shall be equal to or greater than 200% of Employee's Base Salary and shall be reviewed by the Board for increase.

(ii) Employee shall be eligible to receive a one-time, 2020 performance-based equity award consisting entirely of 755,400 restricted stock units, which Employee acknowledges represents 150% of Employee's Base Salary, upon the terms set forth in the award agreement attached hereto as Exhibit B (the "**Turn-Around Award**").

(iii) If the Omnibus Plan does not have a sufficient number of Shares available to grant any Target Equity Award or the Turn-Around Award, the Target Equity Award or Turn-Around Award, as applicable, shall be granted as a cash-settled restricted stock unit award or cash-settled stock appreciation right, as applicable, with terms and conditions substantially consistent with those set forth in the award agreements attached hereto as Exhibit A and Exhibit B, respectively.

(iv) During the Employment Period, Employee shall be eligible to participate in all of the Company's short-term and long-term incentive compensation plans, programs or arrangements made available to other senior executives, including the receipt of awards under any equity incentive plan, programs or arrangements of the Company made available to other senior executives, in each case, in amounts determined by the Compensation Committee in its sole discretion and subject to the terms and conditions of such plans, programs or arrangements as in effect from time to time. Nothing herein shall be construed to give Employee any rights to any amount or type of grant or award except as provided in a written award agreement with Employee and approved by the Compensation Committee.

(d) Business Expenses. Subject to Section 24, the Company shall reimburse Employee for Employee's reasonable out-of-pocket business-related expenses actually incurred in the performance of Employee's duties under this Agreement so long as Employee timely submits all documentation for such reimbursement, as required by Company policy in effect from time to time. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of such documentation (but in any event not later than the close of Employee's taxable year following the taxable year in which the expense is incurred by Employee). In no event shall any reimbursement be made to Employee for such expenses incurred after the date of Employee's termination of employment with the Company.

(e) Benefits. During the Employment Period, Employee shall be eligible to participate in the same benefit plans and programs in which other similarly situated senior executives are eligible to participate, subject to the terms and conditions of the applicable plans and programs in effect from time to time. In addition, during the Employment Period, Employee shall be entitled to six weeks of paid vacation in accordance with the policies set forth in the employee handbook of the Company or in any approved Company policy. The Company shall not, however, by reason of this Section 3(e), be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such plan or policy, so long as such changes are similarly applicable to other similarly situated senior executives generally. In addition, during the Employment Period, Employee shall be entitled to an annual executive physical/health screening at a facility of Employee's choice (e.g. Cooper Clinic) with such physical/screening paid for by

the Employer to the extent not covered by insurance, with the amount of Employer's out-of-pocket cost not to exceed \$5,000 per year.

(f) Life Insurance. During the Employment Period, the Company shall maintain and pay annual premiums in the aggregate on one or more term life insurance policies for the benefit of Employee, providing a death benefit of not less than \$5,000,000, payable to Employee designated beneficiaries, subject in all events to Employee's continued insurability under such policies.

4. Term of Employment. Employee's employment under this Agreement shall be commence on the Effective Date. Notwithstanding any other provision of this Agreement, Employee's employment pursuant to this Agreement is at will and may be terminated at any time in accordance with Section 5. The period from the Effective Date until the termination of Employee's employment pursuant to this Agreement, regardless of the time or reason for such termination, shall be referred to herein as the "Employment Period."

5. Termination of Employment.

(a) Company's Right to Terminate Employee's Employment for Cause. The Company shall have the right to terminate Employee's employment hereunder at any time for "Cause." For purposes of this Agreement, "Cause" shall mean:

(i) Employee's commission of fraud, breach of fiduciary duty, theft, embezzlement, misappropriation, misrepresentation, or other financial crimes against the Company, its subsidiaries, affiliates or customers;

(ii) Employee's willful refusal without proper legal cause to faithfully and diligently perform Employee's duties;

(iii) Employee's breach of Sections 8, 9 or 10 of this Agreement or material breach of any other material written agreement between Employee and one or more members of the Company Group;

(iv) Employee's conviction of, or plea of guilty or *nolo contendere* to, any crime involving harassment, assault, or moral turpitude or a felony (or state law equivalent);

(v) Employee's willful misconduct or gross negligence in the performance of duties to the Company that has or could reasonably be expected to have a material adverse effect on the Company; or

(vi) Employee's material breach and violation of the Company's written policies pertaining to workplace conduct (including sexual harassment), discrimination or insider trading.

Provided, however, that solely with respect to the actions or omissions set forth in Section 5(a)(ii), (iii), (v) and (vi), such actions or omissions must remain uncured thirty (30) days after the Board has provided Employee written notice of the obligation to cure such actions or omissions. For the

avoidance of doubt, the actions or omissions set forth in Section 5(a)(i), (iv) and (vii) are not permitted to be cured by Employee under any circumstances. Any act or failure to act (i) based on specific authority given pursuant to a resolution adopted by the Board, (ii) based on specific advice of the Company's outside counsel, or (iii) based on the specific direction of the Board shall be presumed to be done, or omitted to be done, by Employee in good faith and in the best interests of the Company and therefore shall not form the basis for a Cause termination.

(b) Company's Right to Terminate without Cause. The Company shall have the right to terminate Employee's employment for convenience at any time and for any reason, or no reason at all, upon at least ninety (90) days' advance written notice to Employee.

(c) Employee's Right to Terminate for Good Reason. Employee shall have the right to terminate Employee's employment with the Company at any time for "Good Reason." For purposes of this Agreement, "**Good Reason**" shall mean:

(i) a material reduction in Base Salary or Target Bonus, other than a general reduction in Base Salary and/or Target Bonus, that affects all similarly situated executives in substantially the same proportions;

(ii) a material diminution in Employee's Chief Executive Officer position, reporting relationship to the Board, responsibilities or duties or the assignment of Employee to a position, responsibilities or duties of a materially lesser status or degree of responsibility than his position, responsibilities or duties immediately following the Effective Date;

(iii) any requirement of the Company that Employee be based anywhere more than 40 miles from the office where Employee is located on the Effective Date;

(iv) any material breach by the Company of this Agreement (including, without limitation, any failure by the Company to cause an acquiring company in a change in control transaction to assume the terms of this Agreement) or any other material agreement between the Company and Employee;

(v) any failure by the Company to cause an acquiring company in a change in control transaction to assume the terms of this Agreement;

(vi) the closing of a merger or acquisition involving the Company where the stockholders as of the Effective Date comprise not more than fifty percent (50%) of the stockholders following such closing;

(vii) the consummation of a "hostile takeover" tender offer wherein any person or entity takes control of the Company through a purchase of forty percent (40%) or more of its Shares;

(viii) the consummation of a “hostile takeover” proxy contest wherein any person or entity (or persons or entities) takes control of the Company through the replacement of fifty percent (50%) or more of the Board;

(ix) the closing of a sale or liquidation of substantially all the assets of the Company; or

(x) the Board fails to nominate Employee to serve as a member of the Board.

Notwithstanding the foregoing provisions of this Section 5(c) or any other provision of this Agreement to the contrary, any assertion by Employee of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (A) the condition giving rise to Employee’s termination of employment must have arisen without Employee’s consent; (B) Employee must provide written notice to the Board of the existence of such condition(s) within thirty (30) days of the initial existence of such condition(s); (C) the condition(s) specified in such notice must remain uncorrected for thirty (30) days following the Board’s receipt of such written notice; and (D) the date of Employee’s termination of employment must occur following the expiration of the thirty (30) day cure period, but in any event within sixty-five (65) days following the Board’s receipt of such notice. “For the avoidance of doubt and notwithstanding the preceding provisions of this Section 5(c), the Company and Employee expressly agree that any diminution or reduction in Employee’s title, position, responsibilities or duties associated with the cessation of his service as PFO shall not constitute Good Reason.

(d) Death or Disability. Upon the death or Disability of Employee, Employee’s employment with Company shall terminate. For purposes of this Agreement, a “Disability” shall exist if Employee is entitled to receive long-term disability benefits under the Company’s disability plan or, if there is no such plan, Employee’s inability to perform the essential functions of Employee’s position (after accounting for reasonable accommodation, if applicable), due to an illness or physical or mental impairment or other incapacity that continues, or can reasonably be expected to continue, for a period in excess of one hundred-twenty (120) days, whether or not consecutive. The determination of whether Employee has incurred a Disability shall be made in good faith by the Board.

(e) Employee’s Right to Terminate for Convenience. In addition to Employee’s right to terminate Employee’s employment for Good Reason, Employee shall have the right to terminate Employee’s employment with the Company for convenience at any time and for any other reason, or no reason at all, upon ninety (90) days’ advance written notice to the Company; *provided, however*, that if Employee has provided notice to the Company of Employee’s termination of employment, the Company may determine, in its sole discretion, that such termination shall be effective on any date prior to the effective date of termination provided in such notice (and, if such earlier date is so required, then it shall not change the basis for Employee’s termination of employment nor be construed or interpreted as a termination of employment pursuant to Section 5(b)).

6. **Obligations of the Company upon Termination of Employment.**

(a) **For Cause; Other than for Good Reason.** If Employee's employment is terminated during the Employment Period (i) by the Company for Cause pursuant to Section 5(a); or (ii) by Employee other than for Good Reason pursuant to Section 5(e), then Employee shall be entitled to all Base Salary and accrued but unused vacation earned by Employee through the date that Employee's employment terminates (the "**Termination Date**") and, subject to the terms and conditions of any benefit plans in which he may participate at the time of such termination, any post-employment benefits available pursuant to the terms of those plans (together with earned Base Salary and accrued but unused vacation, the "**Accrued Benefits**"); however, Employee shall not be entitled to any additional amounts or benefits as the result of such termination of employment.

(b) **Without Cause; Good Reason.** Subject to Section 6(f) below, Employee shall be entitled to the Accrued Benefits and certain severance consideration described below, payable at the times and in the form set forth in Section 6(d) below, if Employee's employment is terminated during the Employment Period (x) by the Company without Cause pursuant to Section 5(b), or (y) by Employee for Good Reason pursuant to Section 5(c), in which case the Company shall provide Employee with a severance payment in an amount equal to the sum of (A) twenty-four (24) months of Employee's Base Salary as in effect immediately prior to the Termination Date and (B) a pro rata portion of Employee's target Annual Bonus for the year in which such event occurred prorated for the period of days beginning on January 1 and ending on the Termination Date (the "**Severance Payment**"). In addition, subject to Section 6(f) below and subject to (A) Employee's timely and proper election of group health plan continuation coverage under the Company's group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), and continued eligibility for such coverage under COBRA, and (B) Employee's continued copayment of premiums at the same level and cost to Employee as if Employee were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), the Company shall provide Employee with a monthly cash payment equal to 100% of the excess of the applicable COBRA participation premiums for Employee and Employee's spouse and eligible dependents, if any, over the amount described in clause (B) until the earlier of (i) twenty-four (24) months following the Termination Date, (ii) the date on which Employee becomes employed by a third party and becomes eligible to participate in such third party's group health plan, or (iii) the maximum period allowed by COBRA for Employee to continue such coverage under Company's plans.

(c) **Death or Disability.** If Employee's employment is terminated during the Employment Period due to Employee's death or Disability pursuant to Section 5(d), then subject to Section 6(f) below, Employee shall be entitled to the (i) Accrued Benefits; and (ii) Employee's target Annual Bonus for the year in which such event occurred prorated for the period of days beginning on January 1 and ending on the date of death or Disability, as applicable, and payable within 60 days following the date of Employee's death or termination due to Disability, as applicable. In addition, subject to Section 6(f) below and subject to (A) Employee's (or his beneficiary's) timely and proper election of group health plan continuation coverage under COBRA, and continued eligibility for such coverage under COBRA, and (B) the continued copayment of premiums at the same level and cost to Employee (or his beneficiaries) as if Employee were an employee of the Company (excluding, for purposes of calculating cost, an

employee's ability to pay premiums with pre-tax dollars), the Company shall provide Employee (or his beneficiary) with a monthly cash payment equal to 100% of the excess of the applicable COBRA participation premiums over the amount described in clause (B) until the earlier of twenty four (24) months following the Termination Date, (ii) the date on which Employee becomes employed by a third party and becomes eligible to participate in such third party's group health plan, or (iii) the maximum period allowed by COBRA for Employee to continue such coverage under Company's plans. Employee shall not be entitled to any additional amounts or benefits as the result of such termination of employment.

(d) Payment Timing. Payment of the Severance Payment shall be divided into substantially equal installments and paid in accordance with the Company's normal payroll procedures over a 24-month period, following the Termination Date; *provided, however*, that (i) the first installment of the Severance Payment shall be paid on the Company's first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Termination Date (but in any event no later than March 15th of the year following the year in which the Termination Date occurs), and on such pay date the Company shall pay to Employee, without interest, a number of such installments equal to the number of such installments that would have been paid during the period beginning on the Termination Date and ending on the Company's first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Termination Date had the installments been paid on a monthly basis commencing on the Company's first regularly scheduled pay date coincident with or next following the Termination Date, and each of the remaining installments shall be paid on a monthly basis thereafter, (ii) to the extent, if any, that the aggregate amount of the installments of the Severance Payment that would otherwise be paid pursuant to the preceding provisions of this Section 6(d) after March 15 of the calendar year following the calendar year in which the Termination Date occurs (the "**Applicable March 15**") exceeds the maximum exemption amount under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A), then such excess shall be paid to Employee in a lump sum on the Applicable March 15 (or the first business day preceding the Applicable March 15 if the Applicable March 15 is not a business day) and the installments of the Severance Payment payable after the Applicable March 15 shall be reduced by such excess (beginning with the installment first payable after the Applicable March 15 and continuing with the next succeeding installment until the aggregate reduction equals such excess), and (iii) all remaining installments of the Severance Payment, if any, that would otherwise be paid pursuant to the preceding provisions of this Section 6(d) after December 31 of the calendar year following the calendar year in which the Termination Date occurs shall be paid with the installment of the Severance Payment, if any, due in December of the calendar year following the calendar year in which the Termination Date occurs.

(e) Acceleration of Unvested Equity Awards. Subject to Section 6(f) below, if Employee's employment is terminated during the Employment Period (x) by the Company without Cause pursuant to Section 5(b), (y) by Employee for Good Reason pursuant to Section 5(c), or (z) due to Employee's death or Disability pursuant to Section 5(d):

(i) the Target Equity Award and the Turn-Around Award, or any cash-settled restricted stock units or stock appreciation rights granted in lieu of the Target Equity Award or the Turn-Around Award, shall be treated in accordance with the terms and conditions set forth in the applicable award agreements attached hereto as Exhibit A and Exhibit B; and

(ii) subject to clause (i) immediately above, upon a termination of service by the Company without Cause or a resignation by Employee for Good Reason, (A) any outstanding, unvested stock options or restricted stock units that are eligible to vest based solely on continued service shall become immediately vested, and (B) any outstanding, unvested stock options or restricted stock units that are eligible to vest based on a combination of continued service and achievement of performance-based conditions shall immediately become vested based on actual achievement of the applicable performance-based conditions as determined by the Board; and, except as set forth in this clause (ii), all stock options and restricted stock units covered by this clause (ii) shall remain unchanged and subject to all of their original terms and conditions.

(iii) subject to clause (i) immediately above, upon a termination of service due to death or Disability, (A) any outstanding, unvested stock options or restricted stock units that are eligible to vest based solely on continued service and that are scheduled to vest within the calendar year in which the Termination Date occurs shall become immediately vested, and (B) any outstanding, unvested stock options or restricted stock units that are eligible to vest based on a combination of continued service and achievement of performance-based conditions shall immediately become vested based on actual achievement of the applicable performance-based conditions as determined by the Board; and, except as set forth in this clause (iii), all stock options and restricted stock units covered by this clause (iii) shall remain unchanged and subject to all of their original terms and conditions.

(f) Conditions to Receipt of Severance Consideration. Notwithstanding the foregoing, Employee's eligibility and entitlement to the Severance Payment, and any other payment or benefit referenced in Section 6 above (collectively, the "**Severance Consideration**") are dependent upon Employee's (i) continued compliance with Employee's obligations under each of Sections 8, 9 and 10 below and (ii) execution and delivery to the Company, on or before the Release Expiration Date (as defined below), and non-revocation within any time provided by the Company to do so, of a release of all claims in a form acceptable to the Company (the "**Release**"), which Release shall release each member of the Company Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, fiduciaries, employees, representatives, attorneys, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Employee's employment with the Company and any other member of the Company Group or the termination of such employment, but excluding all claims to severance payments Employee may have under this Section 6. If the Release is not executed and returned to the Company on or before the Release Expiration Date, and the required revocation period has not fully expired without revocation of the Release by Employee, then Employee shall not be entitled to any portion of the Severance Consideration. As used herein, the "**Release Expiration Date**" is that date that is twenty-one (21) days following the date upon which the Company delivers the Release to Employee (which shall occur no later than seven (7) days after the Termination Date) or, in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is forty-five (45) days following such delivery date.

(g) No Mitigation. Employee is under no obligation to seek other employment or to otherwise mitigate the amounts payable to the Employee under any of the provisions of this Agreement.

7. Disclosures. Promptly (and in any event, within three business days) upon becoming aware of (a) any actual or potential Conflict of Interest or (b) any lawsuit, claim or arbitration filed against or involving Employee or any trust or vehicle owned or controlled by Employee, in each case, Employee shall disclose such actual or potential Conflict of Interest or such lawsuit, claim or arbitration to the Board. A “Conflict of Interest” shall exist when Employee engages in, or plans to engage in, any activities, associations, or interests that conflict with, or create an appearance of a conflict with, Employee’s duties, responsibilities, authorities, or obligations for and to the Company Group.

8. Confidentiality.

(a) Disclosure to and Property of the Company. All information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, acquired by or disclosed to Employee, individually or in conjunction with others, during the term of his employment (whether during business hours or otherwise and whether on the Company’s premises or otherwise) that relate to the Company’s or any member of the Company Group’s business, products or services and all writings or materials of any type embodying any such matters (collectively, “Confidential Information”) shall be disclosed to the Company, and are and shall be the sole and exclusive property of the Company or its Affiliates. Confidential Information does not, however, include any information that is available to the public other than as a result of any unauthorized act of Employee.

(b) No Unauthorized Use or Disclosure. Employee agrees that Employee will preserve and protect the confidentiality of all Confidential Information and work product of the Company and each member of the Company Group, and will not, at any time during or after the termination of Employee’s employment with the Company, make any unauthorized disclosure of, and shall not remove from the Company premises, and will use reasonable efforts to prevent the removal from the Company premises of, Confidential Information or work product of the Company or its Affiliates, or make any use thereof, in each case, except in the carrying out of Employee’s responsibilities hereunder. Notwithstanding the foregoing, Employee shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent (i) such information becomes generally known to the public or within the relevant trade or industry other than due to Employee’s violation of this Section 8(b), or (ii) disclosure thereof is specifically required by law; *provided, however*, that in the event disclosure is required by applicable law and Employee is making such disclosure, Employee shall provide the Company with prompt notice of such requirement, and shall use commercially reasonable efforts to give such notice prior to making any disclosure so that the Company may seek an appropriate protective order, or (iii) Employee is making a good faith report of possible violations of applicable law to any governmental agency or entity or is making disclosures that are otherwise compelled by law or provided under the whistleblower provisions of applicable law.

(c) Remedies. Employee acknowledges that money damages would not be a sufficient remedy for any breach of this Section 8 by Employee, and the Company or its Affiliates shall be entitled to enforce the provisions of this Section 8 by terminating payments then owing to Employee under this Agreement and/or by specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Section 8, but shall be in addition to all remedies available at law or in equity to the Company, including the recovery of damages from Employee and remedies available to the Company pursuant to other agreements with Employee.

(d) No Prohibition. Nothing in this Section 8 shall be construed as prohibiting Employee, following the expiration of the 24-month period immediately following Employee's termination of employment with the Company, from being employed by any entity engaged in the Business (as defined below) or engaging in any activity prohibited by Section 9; *provided*, that during such employment or engagement Employee complies with his obligations under this Section 8.

(e) Permitted Disclosures. Nothing herein will prevent Employee from: (i) making a good faith report of possible violations of applicable law to any governmental agency or entity; or (ii) making disclosures that are protected under the whistleblower provisions of applicable law. Further, an individual (including Employee) shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer of reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

9. **Non-Competition; Non-Solicitation; Non-Disparagement**.

(a) The Company shall provide Employee access to Confidential Information for use only during the Employment Period, and Employee acknowledges and agrees that the Company Group shall be entrusting Employee, in Employee's unique and special capacity, with developing the goodwill of the Company Group, and in consideration thereof and in consideration of the Company providing Employee with access to Confidential Information and as an express incentive for the Company to enter into this Agreement and employ Employee, Employee has voluntarily agreed to the covenants set forth in this Section 9. Employee further agrees and acknowledges that the limitations and restrictions set forth herein, including geographical and temporal restrictions on certain competitive activities, are reasonable in all respects and not oppressive, shall not cause Employee undue hardship, and are material and substantial parts of this Agreement intended and necessary to prevent unfair competition and to protect the Company Group's Confidential Information, goodwill and substantial and legitimate business interests.

(b) Employee agrees that, during the Prohibited Period, Employee shall not, without the prior written approval of the Board, directly or indirectly, for Employee or on behalf of or in conjunction with any other person or entity of any nature:

(i) engage in or participate within the Market Area in competition with any member of the Company Group in any aspect of the Business, which prohibition shall prevent Employee from directly or indirectly owning, managing, operating, joining, becoming an officer, director, employee or consultant of, or loaning money to, or selling or leasing equipment or real estate to or otherwise being affiliated with any person or entity engaged in, or planning to engage in, the Business in the Market Area in competition, or anticipated competition, with any member of the Company Group;

(ii) appropriate any Business Opportunity of, or relating to, the Company Group located in the Market Area;

(iii) solicit, canvass, approach, encourage, entice or induce any customer or supplier of any member of the Company Group to cease or lessen such customer's or supplier's business with the Company Group, including any customer or supplier who was a customer or supplier of any member of the Company Group during the eighteen (18) month period preceding the Termination Date; or

(iv) solicit, canvass, approach, encourage, entice or induce any employee or contractor of the Company Group to terminate his, her or its employment or engagement with any member of the Company Group, including any employee or contractor who was an employee or contractor of any member of the Company Group during the eighteen (18) month period preceding the Termination Date.

(c) Because of the difficulty of measuring economic losses to the Company Group as a result of a breach or threatened breach of the covenants set forth in Section 8 and in this Section 9, and because of the immediate and irreparable damage that would be caused to the members of the Company Group for which they would have no other adequate remedy, the Company and each other member of the Company Group shall be entitled to enforce the foregoing covenants, in the event of a breach or threatened breach, by injunctions and restraining orders from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall not be the Company's or any other member of the Company Group's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company and each other member of the Company Group at law and equity. In addition, Employee acknowledges that money damages would not be a sufficient remedy for any breach of this Section 9 by Employee, and the Company or its Affiliates shall be entitled to enforce the provisions of this Section 9 by terminating payments then owing to Employee under this Agreement.

(d) The covenants in this Section 9, and each provision and portion hereof, are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial

restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which such arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

(e) For purposes of this Section 9, the following terms shall have the following meanings:

(i) “**Business**” shall mean the business and operations that are the same or similar to those performed by the Company in the flatbed specialized, and open deck trucking, brokerage, 3PL, 4PL, warehousing, transportation and logistics business, and any other member of the Company Group for which Employee provides services or about which Employee obtains Confidential Information during the Employment Period, and any other arenas that Company may designate during the Employment Period.

(ii) “**Business Opportunity**” shall mean any commercial, investment or other business opportunity relating to the Business.

(iii) “**Market Area**” shall mean the continental United States, Canada, Mexico, and any other geographical area in which the company intends to conduct Business (to the extent Employee is aware of and involved in the development or the expansion of such Business) as of the Termination Date.

(iv) “**Prohibited Period**” shall mean the period during which Employee is employed by any member of the Company Group and continuing for a period of 24 months following the date that Employee is no longer employed by any member of the Company Group.

(f) Employee shall not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage, or in any way criticize the personal or business reputations, practices, or conduct of any member of the Company Group; and the Company shall cause its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage, or in any way criticize the personal or business reputation, practice, or conduct of Employee. Notwithstanding the foregoing, Employee shall be permitted to make a truthful statement: (i) to the extent required by law or by any court, governmental and/or regulatory body or committee; or (ii) to the extent necessary in connection with any dispute regarding this Agreement or any other written agreement between or among Employee and the Company (or any other member of the Company Group).

10. **Ownership of Intellectual Property.** Employee agrees that the Company shall own, and Employee shall (and hereby does) assign, all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information authored, created, contributed to, made or conceived or reduced to practice, in whole or in part, by Employee during the period in which Employee is or has been employed by or affiliated with the Company or any other member of the Company Group that either (a) relate, at

the time of conception, reduction to practice, creation, derivation or development, to any member of the Company Group's businesses or actual or anticipated research or development, or (b) were developed on any amount of the Company's or any other member of the Company Group's time or with the use of any member of the Company Group's equipment, supplies, facilities or trade secret information (all of the foregoing collectively referred to herein as "**Company Intellectual Property**"), and Employee shall promptly disclose all Company Intellectual Property to the Company. All of Employee's works of authorship and associated copyrights created during the period in which Employee is employed by or affiliated with the Company or any member of the Company Group and in the scope of Employee's employment shall be deemed to be "works made for hire" within the meaning of the Copyright Act. Employee shall perform, during and after the period in which Employee is or has been employed by or affiliated with the Company or any other member of the Company Group, all reasonable acts deemed necessary by the Company to assist the Company Group, at the Company's expense, in obtaining and enforcing its rights throughout the world in the Company Intellectual Property. Such acts may include execution of documents and assistance or cooperation (i) in the filing, prosecution, registration, and memorialization of assignment of any applicable patents, copyrights, mask work, or other applications, (ii) in the enforcement of any applicable patents, copyrights, mask work, moral rights, trade secrets, or other proprietary rights, and (iii) in other legal proceedings related to the Company Intellectual Property.

11. **Arbitration**.

(a) Subject to Section 11(b), any dispute, controversy or claim between Employee and the Company arising out of or relating to this Agreement or Employee's employment with the Company shall be finally settled by arbitration in Dallas, Texas before, and in accordance with the then-existing American Arbitration Association ("**AAA**") Employment Arbitration Rules. The arbitration award shall be final and binding on both parties. Any arbitration conducted under this Section 11 shall be heard by a single arbitrator (the "**Arbitrator**") selected in accordance with the then-applicable rules of the AAA. The Arbitrator shall expeditiously (and, if practicable, within ninety (90) days after the selection of the Arbitrator) hear and decide all matters concerning the dispute. Except as expressly provided to the contrary in this Agreement, the Arbitrator shall have the power to (i) gather such materials, information, testimony and evidence as the Arbitrator deems relevant to the dispute before him or her (and each party shall provide such materials, information, testimony and evidence requested by the Arbitrator), and (ii) grant injunctive relief and enforce specific performance. The decision of the Arbitrator shall be reasoned, rendered in writing, be final and binding upon the disputing parties and the parties agree that judgment upon the award may be entered by any court of competent jurisdiction; *provided, however*, that the parties agree that the Arbitrator and any court enforcing the award of the Arbitrator shall not have the right or authority to award punitive or exemplary damages to any disputing party. The party whom the Arbitrator determines is the prevailing party in such arbitration shall receive, in addition to any other award pursuant to such arbitration or associated judgment, reimbursement from the other party of all reasonable legal fees and costs associated with such arbitration and associated judgment.

(b) Notwithstanding Section 11(a), either party may make a timely application for, and obtain, judicial emergency or temporary injunctive relief to enforce any of the provisions of Sections 8 through 10; *provided, however*, that the remainder of any such dispute (beyond the

application for emergency or temporary injunctive relief) shall be subject to arbitration under this Section 11.

(c) By entering into this Agreement and entering into the arbitration provisions of this Section 11, THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY ARE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVING THEIR RIGHTS TO A JURY TRIAL.

(d) Nothing in this Section 11 shall prohibit a party to this Agreement from (i) instituting litigation to enforce any arbitration award, or (ii) joining the other party to this Agreement in a litigation initiated by a person or entity that is not a party to this Agreement.

12. **Defense of Claims.** During the Employment Period and thereafter, upon request from the Company, Employee shall cooperate with the Company Group in the defense of any claims or actions that may be made by or against any member of the Company Group that relate to Employee's actual or prior areas of responsibility. The Company shall pay or reimburse Employee for all of Employee's reasonable travel and other direct expenses reasonably incurred (including, if applicable, lost wages), to comply with Employee's obligations under this Section 12, so long as Employee provides reasonable documentation of such expenses and obtains the Company's prior approval before incurring such expenses.

13. **Withholdings; Deductions.** The Company may withhold and deduct from any benefits and payments made or to be made pursuant to this Agreement (a) all federal, state, local and other taxes as may be required pursuant to any law or governmental regulation or ruling and (b) any deductions consented to in writing by Employee.

14. **Indemnification.** The Company agrees to indemnify Employee with respect to any acts or omissions he may in good faith commit during the period during which he is an officer, director and/or employee of the Company or any member of the Company Group, and to provide Employee with coverage under any directors' and officers' liability insurance policies, in each case on terms not less favorable than those provided to its other directors and officers generally, as in effect from time to time.

15. **Title and Headings; Construction.** Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Unless the context requires otherwise, all references herein to an agreement, instrument or other document shall be deemed to refer to such agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to "dollars" or "\$" in this Agreement refer to United States dollars. The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement, and not to any particular provision hereof. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation", "but not limited to", or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or

matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

16. **Applicable Law; Submission to Jurisdiction.** This Agreement shall in all respects be construed according to the laws of the State of Texas without regard to its conflict of laws principles that would result in the application of the laws of another jurisdiction. With respect to any claim or dispute related to or arising under this Agreement, the parties hereby consent to the arbitration provisions of Section 11 and recognize and agree that should any resort to a court be necessary and permitted under this Agreement, then they consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Dallas, Dallas County, Texas.

17. **Entire Agreement and Amendment.** This Agreement contains the entire agreement of the parties with respect to the matters covered herein and supersedes all prior and contemporaneous agreements and understandings, oral or written, between the parties hereto concerning the subject matter hereof, including the Prior Employment Agreement. This Agreement may be amended only by a written instrument executed by both parties hereto.

18. **Waiver of Breach.** Any waiver of this Agreement must be executed by the party to be bound by such waiver. No waiver by either party hereto of a breach of any provision of this Agreement by the other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, shall operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either party hereto to take any action by reason of any breach shall not deprive such party of the right to take action at any time.

19. **Assignment.** This Agreement is personal to Employee, and neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise transferred by Employee. The Company may assign this Agreement without Employee's consent, including to any member of the Company Group and shall assign this Agreement to any successor (whether by merger, purchase, change in control transaction, or otherwise) to all or substantially all of the equity, assets or businesses of the Company.

20. **Notices.** Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly received (a) when delivered in person, (b) when sent by facsimile transmission (with confirmation of transmission) on a business day to the number set forth below, if applicable; *provided, however*, that if a notice is sent by facsimile transmission after normal business hours of the recipient or on a non-business day, then it shall be deemed to have been received on the next business day after it is sent, (c) on the first business day after such notice is sent by air express overnight courier service, or (d) on the second business day following deposit with an internationally-recognized overnight or second-day courier service with proof of receipt maintained, in each case, to the following address, as applicable:

If to the Company, addressed to:

Daseke, Inc.
ATTN: Board of Directors
15455 Dallas Parkway, Suite 550
Addison, TX 75001

If to Employee, addressed to:

*The most recent address on the
Company's records.*

21. **Counterparts.** This Agreement may be executed in any number of counterparts, including by electronic mail or facsimile, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signature pages, each signed by one party, but together signed by both parties hereto.

22. **Deemed Resignations.** Except as otherwise determined by the Board or as otherwise agreed to in writing by Employee and any member of the Company Group prior to the termination of Employee's employment with the Company or any member of the Company Group, any termination of Employee's employment shall constitute, as applicable, an automatic resignation of Employee: (a) as an officer of the Company and each member of the Company Group; (b) from the Board, if applicable; and (c) from the board of directors or board of managers (or similar governing body) of any member of the Company Group and from the board of directors or board of managers (or similar governing body) of any corporation, limited liability entity, unlimited liability entity or other entity in which any member of the Company Group holds an equity interest and with respect to which board of directors or board of managers (or similar governing body) Employee serves as such Company Group member's designee or other representative.

23. **Certain Excise Taxes.** Notwithstanding anything to the contrary in this Agreement, if Employee is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Employee has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (i) reduced (but not below zero) so that the present value of such total amounts and benefits received by Employee from the Company or any of its affiliates shall be one dollar (\$1.00) less than three times Employee's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Employee shall be subject to the excise tax imposed by Section 4999 of the Code or (ii) paid in full, whichever produces the better net after-tax position to Employee (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit

that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company or any of its affiliates used in determining if a “parachute payment” exists, exceeds one dollar (\$1.00) less than three times Employee’s base amount, then Employee shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 23 shall require the Company to be responsible for, or have any liability or obligation with respect to, Employee’s excise tax liabilities under Section 4999 of the Code.

24. **Section 409A.**

(a) Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Code, and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, “**Section 409A**”) or an exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of Employee’s employment shall only be made if such termination of employment constitutes a “separation from service” under Section 409A.

(b) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Employee, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

(c) Notwithstanding any provision in this Agreement to the contrary, (i) if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Employee’s receipt of such payment or benefit is not delayed until the earlier of (A) the date of Employee’s death or (B) the date that is six (6) months after the Termination Date (such date, the “**Section 409A Payment Date**”), then such payment or benefit shall not be provided to Employee (or Employee’s estate, if applicable) until the Section 409A Payment Date, and (ii) to the extent any payment hereunder constitutes nonqualified deferred compensation (within the meaning of Section 409A), then each such payment which is conditioned upon Employee’s execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year shall be paid or provided in the later of the two taxable years. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall any member of the Company Group be liable for all or any portion of

any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

25. **Claw back**. To the extent required by applicable law, any applicable securities exchange listing standards or any claw back policy adopted by the Company, the Annual Bonus and any incentive compensation granted pursuant to Section 3(c) under this Agreement shall be subject to the provisions of any applicable claw back policies or procedures, which claw back policies or procedures may provide for forfeiture and/or recoupment of such amounts paid or payable under this Agreement.

26. **Effect of Termination**. The provisions of Sections 5, 8-13 and 22 and those provisions necessary to interpret and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Employee and the Company.

27. **Third-Party Beneficiaries**. Each member of the Company Group that is not a signatory to this Agreement shall be a third-party beneficiary of Employee's obligations under Sections 7-10 and shall be entitled to enforce such obligations as if a party hereto.

28. **Severability**. If an arbitrator or court of competent jurisdiction determines that any provision of this Agreement (or portion thereof) is invalid or unenforceable, then the invalidity or unenforceability of that provision (or portion thereof) shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, Employee and the Company each have caused this Agreement to be executed and effective as of the Effective Date.

EMPLOYEE

By: /s/ Christopher Easter
Name: Christopher R. Easter
Title: Chief Executive Officer

DASEKE, INC.

By: /s/ Soumit Roy
Name: Soumit Roy
Title: Corporate Secretary
Signature Page to Employment Agreement

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

DASEKE, INC. 2017 OMNIBUS INCENTIVE PLAN

This NON-QUALIFIED STOCK OPTION AWARD AGREEMENT (this “Agreement”), is made as of April 20, 2020 between Daseke, Inc. (the “Company”), and Chris Easter (the “Participant”), and is made pursuant to the terms of the Company’s 2017 Omnibus Incentive Plan, as amended and restated (the “Plan”). Capitalized terms used herein but not defined shall have the meanings set forth in the Plan. For the purposes of this Agreement, the “Grant Date” shall be April 20, 2020.

Section 1. Non-Qualified Stock Option. Subject to the terms and conditions set forth in this Agreement and the Plan, the Company hereby grants to the Participant, as of the Grant Date, a Non-Qualified Stock Option (the “Option”) to purchase from the Company 652,200 Shares (such Shares are referred to as the “Option Shares”) at an exercise price per Share of \$1.38, subject to such vesting, transfer and other restrictions and conditions as set forth in this Agreement (the “Award”).

Section 2. Vesting Requirements.

(a) Generally. Except as otherwise provided herein, the Award shall vest and become exercisable with respect to the percentage of Option Shares set forth across from each “Option Vesting Date” (as defined below), subject to the Participant’s continuous service or employment with the Company or an Affiliate (“Service”) from the Grant Date through such Option Vesting Date, as set forth in the following “Vesting Schedule”:

Vesting Schedule	
<u>Option Vesting Date</u>	<u>Percentage of Option Shares Vested*</u>
1st anniversary of Grant Date	33.33%
2nd anniversary of Grant Date	33.33%
3rd anniversary of Grant Date	33.34%

*Any resultant fractional Option Shares shall not become vested and instead shall be subject to the next Option Vesting Date.

(b) Change in Control. Notwithstanding Section 2(a) hereof, upon the occurrence of a Change in Control, except to the extent that a Replacement Award (as such award is defined and determined under Section 13 of the Plan) is provided to the Participant to replace or adjust this outstanding Award, 100% of any then unvested, outstanding Option Shares shall immediately become fully vested and exercisable, provided that the Participant remains in continuous Service from the Grant Date through the occurrence of the Change in Control.

(c) Termination of Service Without Cause or Resignation for Good Reason. Notwithstanding Section 2(a) hereof, in the event of the Participant’s termination of Service (x) by the Company without Cause or (y) by the Participant’s resignation for Good Reason, any then unvested Option Shares shall immediately become vested and exercisable as of the date of the Participant’s termination (the “Termination Date”). For purposes of this Agreement, “Cause” and “Good Reason” shall have the meanings set forth in that certain Amended and Restated Employment Agreement, dated as of April 20, 2020, between the Company and the Participant (the “Employment Agreement”); provided, however, that with respect to clauses (v) through (x) of the Good Reason definition of the Employment Agreement, the Participant shall

have (90) days from the initial existence of the condition to provide written notice to the Board (notwithstanding Clause (B) of the Good Reason definition). Notwithstanding the foregoing, the Participant's eligibility and entitlement to acceleration of vesting described under this Section 2(c) is dependent upon the satisfaction of all conditions to receipt of severance consideration pursuant to Section 6(f) of the Employment Agreement.

(d) Termination of Service Due to Death or Disability. Notwithstanding Section 2(a) hereof, in the event of the Participant's termination of Service due to death or Disability, in each case prior to any Option Vesting Date, any then unvested Option Shares that would have vested within the calendar year of the Termination Date shall immediately become vested and exercisable as of the Termination Date. Notwithstanding the foregoing, the Participant's eligibility and entitlement to acceleration of vesting described under this Section 2(d) is dependent upon the satisfaction of all conditions to receipt of severance consideration pursuant to Section 6(f) of the Employment Agreement.

(e) Other Terminations of Service. Upon the occurrence of a termination of the Participant's Service for any reason other than as contemplated by Section 2(c) or Section 2(d) hereof, all outstanding and unvested Option Shares shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto. Notwithstanding anything to the contrary herein, upon a termination of the Participant's Service for Cause, all Option Shares, whether vested or unvested, shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto.

Section 3.Option Exercise. Subject to this Agreement and the Plan, on and after a Vesting Date, the Option may be exercised in whole or in part with respect to the number of Option Shares which have become vested pursuant to Section 2 hereof by filing a written notice with the Company on a form approved by the Committee in accordance with rules and procedures established by the Committee; provided, however, that in no event shall the Option (or any portion thereof) be exercisable after the Expiration Date of the Option. Any such notice shall specify the number of Option Shares which the Participant elects to purchase and shall be accompanied by payment of the aggregate exercise price for such Option Shares indicated by the Participant's election (except as otherwise provided by the Committee in connection with a broker-assisted cashless exercise program). Subject to applicable law and as approved by the Committee, the Exercise Price shall be payable (a) in cash, or its equivalent, (b) through delivery of irrevocable instructions to a broker to sell the Option Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the aggregate Exercise Price, (c) the Company's withholding of Option Shares otherwise issuable upon exercise of an Option pursuant to a "net exercise" arrangement, (d) by a combination of the foregoing, or (e) by such other methods as may be approved by the Committee.

Section 4.Certificates: Cash in Lieu of Fractional Shares. Option Shares or other securities of the Company or any Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Option Shares or other securities are then listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. In lieu of issuing a fraction of a Share pursuant to the Plan or this Agreement, the Company may pay to the Participant an amount equal to the Fair Market Value of such fractional share.

Section 5.Restrictions on Transfer. No Options (nor any interest therein) may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any

Affiliate; provided that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance. Notwithstanding the foregoing, at the discretion of the Committee, Options may be transferred by the Participant solely to the Participant's spouse, siblings, parents, children and grandchildren or trusts for the benefit of such persons or partnerships, corporations, limited liability companies or other entities owned solely by such persons, including, but not limited to, trusts for such persons.

Section 6. Expiration Date. The Expiration Date of the Option shall occur on the earliest to occur of the following: (a) the 10-year anniversary of the Grant Date or (b) if the Participant's Termination Date occurs for Cause, the Termination Date.

Section 7. Adjustments. The Award granted hereunder shall be subject to the adjustment as provided in Section 4(b) of the Plan.

Section 8. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continued Service.

Section 9. Tax Withholding. Unless determined otherwise by the Committee, the Company shall withhold from the Option Shares to be issued to the Participant pursuant to Section 3 hereof the number of Option Shares (and any amount of cash) determined at up to the maximum allowable rate in the Participant's relevant tax jurisdiction on the Option Shares' Fair Market Value at the time such determination is made.

Section 10. No Voting Rights as a Stockholder; Rights to Dividends or Other Distributions. The Participant shall not have any voting privileges of a stockholder of the Company with respect to the Option unless and until Option Shares underlying the Option are delivered to the Participant in accordance with Section 3 hereof.

Section 11. Claw back. The Award shall be subject to recoupment in accordance with any existing claw back policy or claw back policy 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 law. In addition, the Board may impose such other claw back, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Option Shares or other cash or property upon the occurrence of Cause. The implementation of any claw back policy shall not be deemed a triggering event for purposes of any definition of "constructive termination."

Section 12. Amendment and Termination. Subject to the terms of the Plan, any amendment to this Agreement shall be in writing and signed by the parties hereto. Notwithstanding the immediately-preceding sentence, subject to the terms of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Agreement and/or the Award; provided that, subject to the terms of the Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially impair the rights of the Participant or any holder or beneficiary of the Award shall not be effective without the written consent of the Participant, holder or beneficiary.

Section 13. Securities Law Requirements. Notwithstanding any other provision of this Agreement, the Company shall have no liability to make any distribution of Option Shares under this Agreement unless such delivery or distribution would comply with all applicable laws. In particular, no Option Shares shall be delivered to a Participant unless, at the time of delivery, the shares qualify for exemption from, or are registered pursuant to, applicable federal and state securities laws.

Section 14. Construction. The Award granted hereunder is granted by the Company pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. The Participant hereby acknowledges that a copy of the Plan has been delivered to the Participant and accepts the Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, this Agreement shall govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon the Participant.

Section 15. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 17. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 18. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Grant Date.

DASEKE, INC.

By: /s/ Soumit Roy_____

Name: Soumit Roy

Title: Corporate Secretary

PARTICIPANT

/s/ Christopher Easter_____

Participant's Signature Date

Name: Chris Easter

Address: _____

PERFORMANCE STOCK UNIT AWARD AGREEMENT

DASEKE, INC. 2017 OMNIBUS INCENTIVE PLAN

This PERFORMANCE STOCK UNIT AWARD AGREEMENT (this “Agreement”), is made as of April 20, 2020 between Daseke, Inc. (the “Company”), and Chris Easter (the “Participant”), and is made pursuant to the terms of the Company’s 2017 Omnibus Incentive Plan, as amended and restated (the “Plan”). Capitalized terms used herein but not defined shall have the meanings set forth in the Plan. For the purposes of this Agreement, the “Grant Date” shall be April 20, 2020.

Section 1. Performance Stock Units (PSUs). Subject to the terms and conditions set forth in this Agreement, the Company hereby grants to the Participant, as of the Grant Date, 755,400 performance-based restricted stock units (the “PSUs”), subject to such vesting, transfer and other restrictions and conditions as set forth in this Agreement (the “Award”). Each PSU represents the right to receive one Share, subject to the terms and conditions set forth in this Agreement.

Section 2. Vesting Requirements.

(a) Generally. Except as otherwise provided herein, the Award shall be subject to both time- and performance-based vesting conditions and shall only be deemed fully vested and exercisable when it has both time vested and performance vested in accordance with the terms hereof.

(i) The Award shall time-vest with respect to the total number of PSUs subject to the Award on the third anniversary of the Grant Date (the “Vesting Date”, and such three-year period following the Grant Date, the “Performance Period”), subject to the Participant’s continuous service or employment with the Company or an Affiliate (“Service”) from the Grant Date through the Vesting Date.

(ii) In the event that the Fair Market Value of a Share equals or exceeds the “Hurdle Price” (as defined below) for any twenty (20) trading days out of thirty (30) consecutive trading days during the Performance Period, the Award shall performance-vest with respect to the percentage of PSUs set forth across from such Hurdle Price in the following “Performance Vesting Schedule”:

Performance Vesting Schedule	
Hurdle Price	Percentage of PSUs Vested*
\$4.00	33.33%
\$6.00	33.33%
\$9.00	33.34%

*Any resultant fractional PSU shall not become vested and instead shall be subject to the next performance vesting hurdle.

(b) Change in Control - No Replacement Award. Notwithstanding Section 2(a)(i) hereof, upon the occurrence of a Change in Control, except to the extent that a Replacement Award (as such award is defined and determined under Section 13 of the Plan) is provided to the Participant in connection with the Change in Control to replace or adjust this outstanding Award, 100% of any then unvested PSUs granted hereunder shall immediately become time-vested; provided that the Participant remains in continuous Service from the Grant Date through the occurrence of the Change in Control.

(c) Termination of Service Without Cause; Resignation for Good Reason; Termination of Service Due to Death or Disability. Notwithstanding Section 2(a)(i) hereof, in the event of the Participant's termination of Service (x) by the Company without Cause pursuant to that certain Amended and Restated Employment Agreement, dated as of April 20, 2020, between the Company and the Participant (the "Employment Agreement"), (y) by the Participant's resignation for Good Reason, or (z) due to the Participant's death or Disability, the time-based vesting conditions related to these PSUs shall be deemed to be satisfied as of the date of the Participant's termination of employment and the achievement of all relevant performance goals shall be determined by the actual level achievement of those goals, as determined in good faith by the Compensation Committee at the time of Employee's termination, measured against the attainment toward the Hurdle Prices applicable to this PSU. Notwithstanding the foregoing, the Participant's eligibility and entitlement to acceleration of vesting described under this Section 2(c) is dependent upon the satisfaction of all conditions to receipt of severance consideration pursuant to Section 6(f) of the Employment Agreement. For purposes of this Agreement, "Cause" and "Good Reason" shall have the meanings set forth in the Employment Agreement.

(d) Other Terminations of Service. Upon the occurrence of a termination of the Participant's Service for any reason other than as contemplated by Section 2(b) and Section 2(c) hereof, all outstanding and unvested PSUs shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto. Notwithstanding anything to the contrary herein, upon a termination of the Participant's Service for Cause, all PSUs, whether vested or unvested, shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto.

Section 3. Settlement. As soon as reasonably practicable following the Vesting Date, termination of service, or the occurrence of the Change in Control that does not include the receipt of any Replacement Award by the Participant, as applicable (and in any event within 60 days following the Vesting Date, termination of service, or the occurrence of the Change in Control that does not include the receipt of any Replacement Award by the Participant, as applicable), any PSUs that become vested and non-forfeitable pursuant to Section 2 hereof shall be paid by the Company delivering to the Participant a number of Shares equal to the number of such PSUs.

Section 4. Restrictions on Transfer. No PSUs (nor any interest therein) may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance. Notwithstanding the foregoing, at the discretion of the Committee, PSUs may be transferred by the Participant solely to the Participant's spouse, siblings, parents, children and grandchildren or trusts for the benefit of such persons or partnerships, corporations, limited liability companies or other entities owned solely by such persons, including, but not limited to, trusts for such persons.

Section 5. Adjustments. The Award granted hereunder shall be subject to the adjustment as provided in Section 4(b) of the Plan.

Section 6. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continued Service.

Section 7. Tax Withholding. Unless determined otherwise by the Committee, the Company shall withhold from the Shares to be issued to the Participant pursuant to Section 3 hereof the number of Shares (and any amount of cash) determined at up to the maximum allowable rate in the

Participant's relevant tax jurisdiction on the Shares' Fair Market Value at the time such determination is made.

Section 8. No Voting Rights as a Stockholder: Rights to Dividends or Other Distributions. The Participant shall not have any voting privileges of a stockholder of the Company with respect to the Award unless and until Shares underlying the PSUs are delivered to the Participant in accordance with Section 3 hereof.

Section 9. Claw back. The Award shall be subject to recoupment in accordance with any existing claw back policy or claw back policy 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 law. In addition, the Board may impose such other claw back, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Shares or other cash or property upon the occurrence of Cause. The implementation of any claw back policy shall not be deemed a triggering event for purposes of any definition of "constructive termination."

Section 10. Amendment and Termination. Subject to Section 12 of the Plan, any amendment to this Agreement shall be in writing and signed by the parties hereto. Notwithstanding the immediately-preceding sentence, subject to Section 12 of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Agreement and/or the Award; provided that, subject to Section 12 of the Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially impair the rights of the Participant or any holder or beneficiary of the Award shall not be effective without the written consent of the Participant, holder or beneficiary.

Section 11. Securities Law Requirements. Notwithstanding any other provision of this Agreement, the Company shall have no liability to make any distribution of Shares under this Agreement unless such delivery or distribution would comply with all applicable laws. In particular, no Shares shall be delivered to a Participant unless, at the time of delivery, the shares qualify for exemption from, or are registered pursuant to, applicable federal and state securities laws.

Section 12. Construction. The Award granted hereunder is granted by the Company pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. The Participant hereby acknowledges that a copy of the Plan has been delivered to the Participant and accepts the Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, this Agreement shall govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon the Participant.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Grant Date.

DASEKE, INC.

By: /s/ Soumit Roy_____

Name: Soumit Roy

Title: Corporate Secretary

PARTICIPANT

/s/ Christopher Easter_____

Participant's Signature Date

Name: Chris Easter

Address: _____

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is made and entered into by and between Daseke, Inc., a Delaware corporation (the "**Company**"), and Jason Bates ("**Employee**") effective as of April 20, 2020 (the "**Effective Date**").

1. **Employment.** During the Employment Period (as defined in Section 4), the Company shall employ Employee, and Employee shall serve, as Executive Vice President and Chief Financial Officer of the Company and in such other position or positions as may be assigned from time to time by the Board (as defined in Section 2(b)) or the Company's Chief Executive Officer (the "**CEO**").

2. **Duties and Responsibilities of Employee.** During the Employment Period, Employee shall devote Employee's full business time, attention and best efforts to the businesses of the Company and its direct and indirect subsidiaries (collectively, the "**Company Group**") as may be requested by the Board or its designee or the CEO or the CEO's designees from time to time. Employee's duties shall include those normally incidental to the position identified in Section 1, as well as such additional duties as may be assigned to Employee by the Board or its designee or by the CEO or the CEO's designees from time to time, which duties may include providing services to other members of the Company Group in addition to the Company. Employee shall relocate to the Dallas-Ft. Worth metropolitan area, *provided* that, until August 31, 2020, Employee shall be permitted to commute from Employee's residence in Alma, Arkansas, with the understanding that Employee shall regularly work from the Company's Addison, Texas office or travel on behalf of Company for at least 80% of the business week.

(a) Employee may, without violating this Agreement: (i) as a passive investment, own publicly traded securities in such form or manner as shall not require any services by Employee in the operation of the entities in which such securities are owned; (ii) engage in charitable and civic activities, including participation in professional groups and associations (including, without limitation, serving as a member of the Undergraduate Management Advisory Board at Bingham Young University); (iii) serve on one other company board with the prior approval of the board of directors of the Company or its designee (the "**Board**") and the CEO; or (iv) with the prior written consent of the Board, engage in other personal and passive investment activities, in each case, so long as such interests or activities do not interfere with Employee's ability to fulfill Employee's duties and responsibilities under this Agreement and are not inconsistent with Employee's obligations to the Company Group or competitive with the business of the Company Group.

(b) Employee hereby represents and warrants that Employee is not the subject of, or a party to, any employment agreement, non-competition covenant, nondisclosure agreement, or any other agreement, obligation, restriction or understanding that would prohibit Employee from executing this Agreement or fully performing each of Employee's duties and responsibilities hereunder, or would in any manner, directly or indirectly, limit or affect any of the duties and responsibilities that may now or in the future be assigned to Employee hereunder.

(c) Employee owes each member of the Company Group fiduciary duties (including (i) duties of loyalty and non-disclosure and (ii) such fiduciary duties that an officer of

the Company has under applicable law), and the obligations described in this Agreement are in addition to, and not in lieu of, the obligations Employee owes each member of the Company Group under statutory or common law.

3. **Compensation.**

(a) **Base Salary.** During the Employment Period, the Company shall pay to Employee an annualized base salary of \$450,000, (the “**Base Salary**”) in consideration for Employee’s services under this Agreement, payable in substantially equal installments in conformity with the Company’s customary payroll practices for other senior executives as may exist from time to time, but no less frequently than monthly. The Base Salary shall be reviewed by the Compensation Committee of the Board (the “**Compensation Committee**”) in accordance with the Company’s policies and practices, but no less frequently than once annually, and may be increased but not decreased (unless agreed to in writing by Employee). To the extent applicable, the term “Base Salary” shall include any such increases (or decreases agreed to in writing by Employee) to the Base Salary enumerated above.

(b) **Annual Bonus.** Employee shall be eligible for discretionary bonus compensation for each complete calendar year that Employee is employed by the Company hereunder (the “**Annual Bonus**”) (including, for 2020, a pro rata Annual Bonus based on Employee’s start date with the Company). Each Annual Bonus shall have a target value equal to 75% of Base Salary. The performance targets that must be achieved in order to be eligible for certain bonus levels shall be established by the Compensation Committee annually, in its sole discretion. Each Annual Bonus, if any, shall be paid as soon as administratively feasible after the Compensation Committee certifies whether the applicable performance targets for the applicable calendar year to which such Annual Bonus relates (the “**Bonus Year**”) have been achieved, but in no event later than April 15 following the end of such Bonus Year. Except as set forth in this Agreement, no Annual Bonus, if any, nor any portion thereof, shall be payable for any Bonus Year unless Employee remains continuously employed by the Company from the Effective Date through the end of the applicable performance year.

(c) **Long-Term Incentive Compensation.**

(i) During the Employment Period, Employee shall be eligible to receive a target annual equity award for each year of the Term, as defined herein, with a target annual equity award for each year covering a number of shares of the Company’s common stock (“**Shares**”) having a grant date value equal to at least 80% of Employee’s Base Salary (the “**Target Equity Award**”), *provided that* (A) the Target Equity Award for 2020 shall be a time-vested stock option to purchase 223,600 Shares upon the terms set forth in the award agreement attached hereto as attached hereto as Exhibit A; (B) the Target Equity Awards for years after 2020 may be granted in the form of time-based or performance-based awards, or a combination thereof; (C) the grant date value of any Target Equity Awards granted in years 2021 and 2022 shall equal 80% of Employee’s Base Salary; and (D) the grant date value of any Target Equity Awards granted in years after 2022 shall be equal to or greater than 120% of Employee’s Base Salary and shall be reviewed by the Board for increase.

(ii) Employee shall be eligible to receive a one-time, 2020 performance-based equity award consisting entirely of 388,500 performance stock units (the “**Turn-Around Award**”), which Employee agrees equals 120% of Employee’s Base Salary, upon the terms set forth in the award agreement attached hereto as Exhibit B.

(iii) Employee shall be eligible to receive a one-time, 2020 equity award consisting entirely of time-vested stock options to purchase up to 186,300 Shares (the “**Make-Whole Award**”), upon the terms set forth in the award agreement attached hereto as Exhibit C.

(iv) To the extent permitted by applicable law and applicable securities exchange listing rules, the 2020 Target Equity Award, the Turn-Around Award and the Make-Whole Award, and each other equity award granted to Employee as a material inducement to Employee entering into employment with the Company shall be granted as an “employment inducement grant” under NASDAQ Listing Rule 5635(c)(4); *provided, however*, that if any such award does not qualify as an employment inducement grant, the award shall be granted under the Company’s 2017 Omnibus Incentive Plan, as amended from time to time (the “**Omnibus Plan**”); and *provided, further*, that if the Omnibus Plan does not have a sufficient number of Shares available to cover any equity award to be granted to Employee, such award, as applicable, shall be granted as a cash-settled restricted stock unit award or cash-settled stock appreciation right, as applicable, with terms and conditions substantially consistent with those set forth in the award agreements attached hereto as Exhibit A, Exhibit B and Exhibit C respectively.

(v) During the Employment Period, Employee shall be eligible to participate in all of the Company’s short-term and long-term incentive compensation plans, programs or arrangements made available to other senior executives, including the receipt of awards under any equity incentive plan, programs or arrangements of the Company made available to other senior executives, in each case, in amounts determined by the Compensation Committee in its sole discretion and subject to the terms and conditions of such plans, programs or arrangements as in effect from time to time. Nothing herein shall be construed to give Employee any rights to any amount or type of grant or award except as provided in a written award agreement with Employee and approved by the Compensation Committee.

(d) Sign-on Award. On the Company’s first regularly scheduled pay date coincident with or next following Employee’s start date with the Company, the Company shall pay Employee a single lump sum cash payment equal to \$75,000 (the “**Sign-on Award**”). The Sign-on Award shall be repaid immediately by Employee if Employee terminates voluntarily without Good Reason or is terminated by the Company for Cause within one year following the Effective Date.

(e) Business Expenses. Subject to Section 24, the Company shall reimburse Employee for Employee’s reasonable out-of-pocket business-related expenses actually incurred in the performance of Employee’s duties under this Agreement so long as Employee timely submits all documentation for such reimbursement, as required by Company policy in effect from time to time. Any such reimbursement of expenses shall be made by the Company upon or as soon as

practicable following receipt of such documentation (but in any event not later than the close of Employee's taxable year following the taxable year in which the expense is incurred by Employee). In no event shall any reimbursement be made to Employee for such expenses incurred after the date of Employee's termination of employment with the Company.

(f) Benefits. During the Employment Period, Employee shall be eligible to participate in the same benefit plans and programs in which other similarly situated senior executives are eligible to participate, subject to the terms and conditions of the applicable plans and programs in effect from time to time. In addition, during the Employment Period, Employee shall be entitled to four weeks of paid vacation in accordance with the policies set forth in the employee handbook of the Company or in any approved Company policy (including any maximum accrual rules contained therein). The Company shall not, however, by reason of this Section 3(f), be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such plan or policy, so long as such changes are similarly applicable to other similarly situated senior executives generally. In addition, during the Employment Period, Employee shall be entitled to an annual executive physical/health screening at a facility of Employee's choice (e.g., Cooper Clinic) with such physical/screening paid for by the Employer to the extent not covered by insurance, with the amount of Employer's out-of-pocket cost not to exceed \$5,000 per year.

(g) Relocation Expenses. In order to assist Employee with his relocation to the Dallas-Ft. Worth metropolitan area, on the Company's first regularly scheduled pay date coincident with or next following the Employee's start date with the Company, the Company shall pay Employee a single lump sum cash payment equal to \$250,000 (the "Relocation Award"). The Relocation Award may be used for any purpose, in the Employee's sole discretion, including, without limitation, for relocation expenses incurred as a result of Employee's relocation to Dallas-Ft. Worth. The Relocation Award shall be repaid immediately by Employee if Employee terminates voluntarily without Good Reason or is terminated by the Company for Cause within one year following the Effective Date. In addition, the Company shall, subject to the Company's travel policy, reimburse Employee for the following reasonable out-of-pocket expenses actually incurred by Employee: (A) travel expenses incurred as a result of Employee's travel between Employee's residence in Alma, Arkansas and the Company's offices in Addison, Texas during the period from the Effective Date through the earlier of the date on which Employee establishes a residence in the Dallas-Ft. Worth metropolitan area or August 31, 2020 (the "Commuting Period"); and (B) temporary lodging (e.g., hotel room, corporate housing, or similar accommodations) expenses incurred while working in the Company's offices in Addison, Texas during the Commuting Period.

4. Term of Employment. Employee's employment under this Agreement shall commence on the Effective Date. Notwithstanding any other provision of this Agreement, Employee's employment pursuant to this Agreement is at will and may be terminated at any time in accordance with Section 5. The period from the Effective Date until the termination of Employee's employment pursuant to this Agreement, regardless of the time or reason for such termination, shall be referred to herein as the "Employment Period."

5. **Termination of Employment.** For purposes of this Agreement, “**Termination Date**” shall mean the date of Employee’s termination of employment with the Company for any reason.

(a) Company’s Right to Terminate Employee’s Employment for Cause. The Company shall have the right to terminate Employee’s employment hereunder at any time for “Cause.” For purposes of this Agreement, “**Cause**” shall mean:

(i) Employee’s commission of fraud, breach of fiduciary duty, theft, embezzlement, misappropriation, misrepresentation, or other financial crimes against the Company, its subsidiaries, affiliates or customers;

(ii) Employee’s willful refusal without proper legal cause to faithfully and diligently perform Employee’s duties;

(iii) Employee’s breach of Sections 8, 9 or 10 of this Agreement or material breach of any other material written agreement between Employee and one or more members of the Company Group;

(iv) Employee’s conviction of, or plea of guilty or *nolo contendere* to, any crime involving harassment, assault, or moral turpitude or a felony (or state law equivalent);

(v) Employee’s willful misconduct or gross negligence in the performance of duties to the Company that has or could reasonably be expected to have a material adverse effect on the Company; or

(vi) Employee’s material breach and violation of the Company’s written policies pertaining to workplace conduct (including sexual harassment), discrimination or insider trading.

(vii) Employee’s failure to establish a residence in the Dallas-Ft. Worth metropolitan area prior to August 31, 2020.

Provided, however, that solely with respect to the actions or omissions set forth in Section 5(a)(ii), (iii), (v) and (vi), such actions or omissions must remain uncured thirty (30) days after the Board has provided Employee written notice of the obligation to cure such actions or omissions. For the avoidance of doubt, the actions or omissions set forth in Section 5(a)(i), (iv) and (vii) are not permitted to be cured by Employee under any circumstances.

Any act or failure to act (i) based on specific authority given pursuant to a resolution adopted by the Board, (ii) based on specific advice of the Company’s outside counsel, or (iii) based on the specific direction of the Board shall be presumed to be done, or omitted to be done, by Employee in good faith and in the best interests of the Company and therefore shall not form the basis for a Cause termination.

(b) Company's Right to Terminate without Cause. The Company shall have the right to terminate Employee's employment for convenience at any time and for any reason, or no reason at all, upon at least ninety (90) days' advance written notice to Employee.

(c) Employee's Right to Terminate for Good Reason. Employee shall have the right to terminate Employee's employment with the Company at any time for "Good Reason." For purposes of this Agreement, "**Good Reason**" shall mean:

(i) a material reduction in Base Salary or Target Bonus, other than a general reduction in Base Salary and/or Target Bonus, that affects all similarly situated executives in substantially the same proportions;

(ii) a material diminution in Employee's position, responsibilities or duties or the assignment of Employee to a position, responsibilities or duties of a materially lesser status or degree of responsibility than his position, responsibilities or duties immediately following the Effective Date;

(iii) any material breach by the Company of any provision of this Agreement (including, without limitation, any failure by the Company to cause an acquiring company in a change in control transaction to assume the terms of this Agreement);

(iv) the required relocation or transfer of Employee's regular work location to a location more than 40 miles from the Dallas-Ft. Worth metropolitan area.

Notwithstanding the foregoing provisions of this Section 5(c) or any other provision of this Agreement to the contrary, any assertion by Employee of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (A) the condition giving rise to Employee's termination of employment must have arisen without Employee's consent; (B) Employee must provide written notice to the Board of the existence of such condition(s) within thirty (30) days of the initial existence of such condition(s); (C) the condition(s) specified in such notice must remain uncorrected for thirty (30) days following the Board's receipt of such written notice; and (D) the date of Employee's termination of employment must occur following the expiration of the thirty (30) day cure period, but in any event within sixty-five (65) days following the Board's receipt of such notice.

(d) Death or Disability. Upon the death or Disability of Employee, Employee's employment with Company shall terminate. For purposes of this Agreement, a "**Disability**" shall exist if Employee is entitled to receive long-term disability benefits under the Company's disability plan or, if there is no such plan, Employee's inability to perform the essential functions of Employee's position (after accounting for reasonable accommodation, if applicable), due to an illness or physical or mental impairment or other incapacity that continues, or can reasonably be expected to continue, for a period in excess of one hundred-twenty (120) days, whether or not consecutive. The determination of whether Employee has incurred a Disability shall be made in good faith by the Board.

(e) Employee's Right to Terminate for Convenience. In addition to Employee's right to terminate Employee's employment for Good Reason, Employee shall have the right to

terminate Employee's employment with the Company for convenience at any time and for any other reason, or no reason at all, upon ninety (90) days' advance written notice to the Company; *provided, however*, that if Employee has provided notice to the Company of Employee's termination of employment, the Company may determine, in its sole discretion, that such termination shall be effective on any date prior to the effective date of termination provided in such notice (and, if such earlier date is so required, then it shall not change the basis for Employee's termination of employment nor be construed or interpreted as a termination of employment pursuant to Section 5(b)).

6. **Obligations of the Company upon Termination of Employment.**

(a) For Cause; Other than for Good Reason. If Employee's employment is terminated during the Employment Period (i) by the Company for Cause pursuant to Section 5(a); or (ii) by Employee other than for Good Reason pursuant to Section 5(e), then Employee shall be entitled to all Base Salary and any accrued but unused vacation earned by Employee through the Termination Date and, subject to the terms and conditions of any benefit plans in which he may participate at the time of such termination, any post-employment benefits available pursuant to the terms of those plans, and the payment for any accrued but unused vacation days (collectively, the "**Accrued Amounts**"); however, Employee shall not be entitled to any additional amounts or benefits as the result of such termination of employment.

(b) Without Cause; Good Reason. Subject to Section 6(e) below, Employee shall be entitled to the Accrued Amounts and the certain severance consideration described below, payable at the times and in the form set forth in Section 6(d) below, if Employee's employment is terminated during the Employment Period (x) by the Company without Cause pursuant to Section 5(b), or (y) by Employee for Good Reason pursuant to Section 5(c), in which case the Company shall provide Employee with a severance payment in an amount equal to the sum of (A) eighteen (18) months of Employee's Base Salary as in effect immediately prior to the Termination Date and (B) a pro rata portion of Employee's target Annual Bonus for the year in which such event occurred prorated for the period of days beginning on January 1 and ending on the Termination Date (the "**Severance Payment**"). In addition, subject to Section 6(f) below and subject to (A) Employee's timely and proper election of group health plan continuation coverage under the Company's group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), and continued eligibility for such coverage under COBRA, and (B) Employee's continued copayment of premiums at the same level and cost to Employee as if Employee were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), the Company shall provide Employee with a monthly cash payment equal to 100% of the excess of the applicable COBRA participation premiums for Employee and Employee's spouse and eligible dependents, if any, over the amount described in clause (B) until the earlier of eighteen (18) months following the Termination Date, (ii) the date on which Employee becomes employed by a third party and becomes eligible to participate in such third party's group health plan, or (iii) the maximum period allowed by COBRA for Employee to continue such coverage under Company's plans.

(c) Death or Disability. If Employee's employment is terminated during the Employment Period due to Employee's death or Disability pursuant to Section 5(d), then subject to Section 6(f) below, Employee shall be entitled to the (i) Accrued Amounts; and (ii) Employee's

target Annual Bonus for the year in which such event occurred prorated for the period of days beginning on January 1 and ending on the date of death or Disability, as applicable, and payable within 60 days following the date of Employee's death or termination due to Disability, as applicable. In addition, subject to Section 6(f) below and subject to (A) Employee's (or his beneficiary's) timely and proper election of group health plan continuation coverage under COBRA, and continued eligibility for such coverage under COBRA, and (B) the continued copayment of premiums at the same level and cost to Employee (or his beneficiaries) as if Employee were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), the Company shall provide Employee (or his beneficiary) with a monthly cash payment equal to 100% of the excess of the applicable COBRA participation premiums over the amount described in clause (B) until the earlier of eighteen (18) months following the Termination Date, (ii) the date on which Employee becomes employed by a third party and becomes eligible to participate in such third party's group health plan, or (iii) the maximum period allowed by COBRA for Employee to continue such coverage under Company's plans. Employee shall not be entitled to any additional amounts or benefits as the result of such termination of employment.

(d) Payment Timing. Payment of the Severance Payment shall be divided into substantially equal installments and paid in accordance with the Company's normal payroll procedures over a 18 month period, following the Termination Date; *provided, however*, that (i) the first installment of the Severance Payment shall be paid on the Company's first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Termination Date (but in any event no later than March 15th of the year following the year in which the Termination Date occurs), and on such pay date the Company shall pay to Employee, without interest, a number of such installments equal to the number of such installments that would have been paid during the period beginning on the Termination Date and ending on the Company's first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Termination Date had the installments been paid on a monthly basis commencing on the Company's first regularly scheduled pay date coincident with or next following the Termination Date, and each of the remaining installments shall be paid on a monthly basis thereafter, (ii) to the extent, if any, that the aggregate amount of the installments of the Severance Payment that would otherwise be paid pursuant to the preceding provisions of this Section 6(d) after March 15 of the calendar year following the calendar year in which the Termination Date occurs (the "**Applicable March 15**") exceeds the maximum exemption amount under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A), then such excess shall be paid to Employee in a lump sum on the Applicable March 15 (or the first business day preceding the Applicable March 15 if the Applicable March 15 is not a business day) and the installments of the Severance Payment payable after the Applicable March 15 shall be reduced by such excess (beginning with the installment first payable after the Applicable March 15 and continuing with the next succeeding installment until the aggregate reduction equals such excess), and (iii) all remaining installments of the Severance Payment, if any, that would otherwise be paid pursuant to the preceding provisions of this Section 6(d) after December 31 of the calendar year following the calendar year in which the Termination Date occurs shall be paid with the installment of the Severance Payment, if any, due in December of the calendar year following the calendar year in which the Termination Date occurs.

(e) Acceleration of Unvested Equity Awards. Subject to Section 6(f) below, if Employee's employment is terminated during the Employment Period (x) by the Company without

Cause pursuant to Section 5(b), (y) by Employee for Good Reason pursuant to Section 5(b), or (z) due to Employee's death or Disability pursuant to Section 5(c):

(i) the Target Equity Award and the Turn-Around Award and the Make-Whole Award, or any cash-settled restricted stock units or stock appreciation rights granted in lieu of the Target Equity Award, the Turn-Around Award, or the Make-Whole Award, shall be treated in accordance with the terms and conditions set forth in the applicable award agreements attached hereto as Exhibit A, Exhibit B and Exhibit C; and

(ii) subject to clause (i) immediately above, upon a termination of service by the Company without Cause or a resignation by Employee for Good Reason, (A) any outstanding, unvested stock options or restricted stock units that are eligible to vest based solely on continued service shall become immediately vested, and (B) any outstanding, unvested stock options or restricted stock units that are eligible to vest based on a combination of continued service and achievement of performance-based conditions shall immediately become vested based on actual achievement of the applicable performance-based conditions as determined by the Board; and, except as set forth in this clause (ii), all stock options and restricted stock units covered by this clause (ii) shall remain unchanged and subject to all of their original terms and conditions.

(iii) subject to clause (i) immediately above, upon a termination of service due to death or Disability, (A) any outstanding, unvested stock options or restricted stock units that are eligible to vest based solely on continued service and that are scheduled to vest within the calendar year in which the Termination Date occurs shall become immediately vested, and (B) any outstanding, unvested stock options or restricted stock units that are eligible to vest based on a combination of continued service and achievement of performance-based conditions shall immediately become vested based on actual achievement of the applicable performance-based conditions as determined by the Board; and, except as set forth in this clause (iii), all stock options and restricted stock units covered by this clause (iii) shall remain unchanged and subject to all of their original terms and conditions.

(f) Conditions to Receipt of Severance Consideration. Notwithstanding the foregoing, Employee's eligibility and entitlement to the Severance Payment, and any other payment or benefit referenced in Section 6 above (collectively, the "**Severance Consideration**") are dependent upon Employee's (i) continued compliance with Employee's obligations under each of Sections 8, 9 and 10 below and (ii) execution and delivery to the Company, on or before the Release Expiration Date (as defined below), and non-revocation within any time provided by the Company to do so, of a release of all claims in a form acceptable to the Company (the "**Release**"), which Release shall release each member of the Company Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, fiduciaries, employees, representatives, attorneys, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Employee's employment with the Company and any other member of the Company Group or the termination of such employment, but excluding all claims to severance payments Employee may have under this Section 6. If the Release is not executed and returned to the Company on or before the Release Expiration Date, and the required revocation period has not fully expired

without revocation of the Release by Employee, then Employee shall not be entitled to any portion of the Severance Consideration. As used herein, the “**Release Expiration Date**” is that date that is twenty-one (21) days following the date upon which the Company delivers the Release to Employee (which shall occur no later than seven (7) days after the Termination Date) or, in the event that such termination of employment is “in connection with an exit incentive or other employment termination program” (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is forty-five (45) days following such delivery date.

(g) **No Mitigation.** Employee is under no obligation to seek other employment or to otherwise mitigate the amounts payable to the Employee under any of the provisions of this Agreement.

7. **Disclosures.** Promptly (and in any event, within three business days) upon becoming aware of (a) any actual or potential Conflict of Interest or (b) any lawsuit, claim or arbitration filed against or involving Employee or any trust or vehicle owned or controlled by Employee, in each case, Employee shall disclose such actual or potential Conflict of Interest or such lawsuit, claim or arbitration to the Board. A “**Conflict of Interest**” shall exist when Employee engages in, or plans to engage in, any activities, associations, or interests that conflict with, or create an appearance of a conflict with, Employee’s duties, responsibilities, authorities, or obligations for and to the Company Group.

8. **Confidentiality.**

(a) **Definition.** For purposes of this Agreement, “**Confidential Information**” means all information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, acquired by or disclosed to Employee, individually or in conjunction with others, during the term of his employment (whether during business hours or otherwise and whether on the Company’s premises or otherwise) that relate to the Company’s or any member of the Company Group’s business, products or services and all writings or materials of any type embodying any such matters, and are and shall be the sole and exclusive property of the Company or its Affiliates. Confidential Information does not, however, include any information that is available to the public other than as a result of any unauthorized act of Employee.

(b) **No Unauthorized Use or Disclosure.** Employee agrees that Employee shall preserve and protect the confidentiality of all Confidential Information and work product of the Company and each member of the Company Group, and shall not, at any time during or after the termination of Employee’s employment with the Company, make any unauthorized disclosure of, and shall not remove from the Company premises, and shall use reasonable efforts to prevent the removal from the Company premises of, Confidential Information or work product of the Company or its Affiliates, or make any use thereof, in each case, except in the carrying out of Employee’s responsibilities hereunder. Notwithstanding the foregoing, Employee shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent (i) such information becomes generally known to the public or within the relevant trade or industry other than due to Employee’s violation of this **Section 8(b)**, or (ii) disclosure thereof is specifically required by law; *provided, however*, that in the event disclosure is required by applicable law and

Employee is making such disclosure, Employee shall provide the Company with prompt notice of such requirement, and shall use commercially reasonable efforts to give such notice prior to making any disclosure so that the Company may seek an appropriate protective order, or (iii) Employee is making a good faith report of possible violations of applicable law to any governmental agency or entity or is making disclosures that are otherwise compelled by law or provided under the whistleblower provisions of applicable law.

(c) Remedies. Employee acknowledges that money damages would not be a sufficient remedy for any breach of this Section 8 by Employee, and the Company or its Affiliates shall be entitled to enforce the provisions of this Section 8 by terminating payments then owing to Employee under this Agreement and/or by specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this Section 8, but shall be in addition to all remedies available at law or in equity to the Company, including the recovery of damages from Employee and remedies available to the Company pursuant to other agreements with Employee.

(d) No Prohibition. Nothing in this Section 8 shall be construed as prohibiting Employee, following the expiration of the 18 month period immediately following Employee's termination of employment with the Company, from being employed by any entity engaged in the Business (as defined below) or engaging in any activity prohibited by Section 9; *provided*, that during such employment or engagement Employee complies with his obligations under this Section 8.

(e) Permitted Disclosures. Nothing herein shall prevent Employee from: (i) making a good faith report of possible violations of applicable law to any governmental agency or entity; or (ii) making disclosures that are protected under the whistleblower provisions of applicable law. Further, an individual (including Employee) shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer of reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

9. Non-Competition; Non-Solicitation; Non-Disparagement.

(a) The Company shall provide Employee access to Confidential Information for use only during the Employment Period, and Employee acknowledges and agrees that the Company Group shall be entrusting Employee, in Employee's unique and special capacity, with developing the goodwill of the Company Group, and in consideration thereof and in consideration of the Company providing Employee with access to Confidential Information and as an express incentive for the Company to enter into this Agreement and employ Employee, Employee has voluntarily agreed to the covenants set forth in this Section 9. Employee further agrees and acknowledges that the limitations and restrictions set forth herein, including geographical and

temporal restrictions on certain competitive activities, are reasonable in all respects and not oppressive, shall not cause Employee undue hardship, and are material and substantial parts of this Agreement intended and necessary to prevent unfair competition and to protect the Company Group's Confidential Information, goodwill and substantial and legitimate business interests.

(b) Employee agrees that, during the Prohibited Period, Employee shall not, without the prior written approval of the Board, directly or indirectly, for Employee or on behalf of or in conjunction with any other person or entity of any nature:

(i) engage in or participate within the Market Area in competition with any member of the Company Group in any aspect of the Business, which prohibition shall prevent Employee from directly or indirectly owning, managing, operating, joining, becoming an officer, director, employee or consultant of, or loaning money to, or selling or leasing equipment or real estate to or otherwise being affiliated with any person or entity engaged in, or planning to engage in, the Business in the Market Area in competition, or anticipated competition, with any member of the Company Group;

(ii) appropriate any Business Opportunity of, or relating to, the Company Group located in the Market Area;

(iii) solicit, canvass, approach, encourage, entice or induce any customer or supplier of any member of the Company Group to cease or lessen such customer's or supplier's business with the Company Group, including any customer or supplier who was a customer or supplier of any member of the Company Group during the eighteen (18) month period preceding the Termination Date; or

(iv) solicit, canvass, approach, encourage, entice or induce any employee or contractor of the Company Group to terminate his, her or its employment or engagement with any member of the Company Group, including any employee or contractor who was an employee or contractor of any member of the Company Group during the eighteen (18) month period preceding the Termination Date.

(c) Because of the difficulty of measuring economic losses to the Company Group as a result of a breach or threatened breach of the covenants set forth in Section 8 and in this Section 9, and because of the immediate and irreparable damage that would be caused to the members of the Company Group for which they would have no other adequate remedy, the Company and each other member of the Company Group shall be entitled to enforce the foregoing covenants, in the event of a breach or threatened breach, by injunctions and restraining orders from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall not be the Company's or any other member of the Company Group's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company and each other member of the Company Group at law and equity. In addition, Employee acknowledges that money damages would not be a sufficient remedy for any breach of this Section 9 by Employee, and the Company or its Affiliates shall be entitled to enforce the provisions of this Section 9 by terminating payments then owing to Employee under this Agreement.

(d) The covenants in this Section 9, and each provision and portion hereof, are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which such arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

(e) For purposes of this Section 9, the following terms shall have the following meanings:

(i) “**Business**” shall mean the business and operations that are the same or similar to those performed by the Company in the flatbed specialized, and open deck trucking, brokerage, 3PL, 4PL, warehousing, transportation and logistics business, or any other member of the Company Group for which Employee provides services or about which Employee obtains Confidential Information during the Employment Period, and any other arenas that Company may designate during the Employment Period.

(ii) “**Business Opportunity**” shall mean any commercial, investment or other business opportunity relating to the Business.

(iii) “**Market Area**” shall mean the continental United States, Canada, Mexico, and any other geographical area in which the company intends to conduct Business (to the extent Employee is aware of and involved in the development or the expansion of such Business) as of the Termination Date.

(iv) “**Prohibited Period**” shall mean the period during which Employee is employed by any member of the Company Group and continuing for a period of 18 months following the date that Employee is no longer employed by any member of the Company Group.

(f) Employee shall not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage, or in any way criticize the personal or business reputations, practices, or conduct of any member of the Company Group; and the Company shall cause its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage, or in any way criticize the personal or business reputation, practice, or conduct of Employee. Notwithstanding the foregoing, Employee shall be permitted to make a truthful statement: (i) to the extent required by law or by any court, governmental and/or regulatory body or committee; or (ii) to the extent necessary in connection with any dispute regarding this Agreement or any other written agreement between or among Employee and the Company (or any other member of the Company Group).

10. **Ownership of Intellectual Property.** Employee agrees that the Company shall own, and Employee shall (and hereby does) assign, all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world) relating to any and all inventions

(whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information authored, created, contributed to, made or conceived or reduced to practice, in whole or in part, by Employee during the period in which Employee is or has been employed by or affiliated with the Company or any other member of the Company Group that either (a) relate, at the time of conception, reduction to practice, creation, derivation or development, to any member of the Company Group's businesses or actual or anticipated research or development, or (b) were developed on any amount of the Company's or any other member of the Company Group's time or with the use of any member of the Company Group's equipment, supplies, facilities or trade secret information (all of the foregoing collectively referred to herein as "**Company Intellectual Property**"), and Employee shall promptly disclose all Company Intellectual Property to the Company. All of Employee's works of authorship and associated copyrights created during the period in which Employee is employed by or affiliated with the Company or any member of the Company Group and in the scope of Employee's employment shall be deemed to be "works made for hire" within the meaning of the Copyright Act. Employee shall perform, during and after the period in which Employee is or has been employed by or affiliated with the Company or any other member of the Company Group, all reasonable acts deemed necessary by the Company to assist the Company Group, at the Company's expense, in obtaining and enforcing its rights throughout the world in the Company Intellectual Property. Such acts may include execution of documents and assistance or cooperation (i) in the filing, prosecution, registration, and memorialization of assignment of any applicable patents, copyrights, mask work, or other applications, (ii) in the enforcement of any applicable patents, copyrights, mask work, moral rights, trade secrets, or other proprietary rights, and (iii) in other legal proceedings related to the Company Intellectual Property.

11. **Arbitration.**

(a) Subject to Section 11(b), any dispute, controversy or claim between Employee and the Company arising out of or relating to this Agreement or Employee's employment with the Company shall be finally settled by arbitration in Dallas, Texas before, and in accordance with the then-existing American Arbitration Association ("**AAA**") Employment Arbitration Rules. The arbitration award shall be final and binding on both parties. Any arbitration conducted under this Section 11 shall be heard by a single arbitrator (the "**Arbitrator**") selected in accordance with the then-applicable rules of the AAA. The Arbitrator shall expeditiously (and, if practicable, within ninety (90) days after the selection of the Arbitrator) hear and decide all matters concerning the dispute. Except as expressly provided to the contrary in this Agreement, the Arbitrator shall have the power to (i) gather such materials, information, testimony and evidence as the Arbitrator deems relevant to the dispute before him or her (and each party shall provide such materials, information, testimony and evidence requested by the Arbitrator), and (ii) grant injunctive relief and enforce specific performance. The decision of the Arbitrator shall be reasoned, rendered in writing, be final and binding upon the disputing parties and the parties agree that judgment upon the award may be entered by any court of competent jurisdiction; *provided, however*, that the parties agree that the Arbitrator and any court enforcing the award of the Arbitrator shall not have the right or authority to award punitive or exemplary damages to any disputing party. The party whom the Arbitrator determines is the prevailing party in such arbitration shall receive, in addition to any other award pursuant to such arbitration or associated judgment, reimbursement from the other party of all reasonable legal fees and costs associated with such arbitration and associated judgment.

(b) Notwithstanding Section 11(a), either party may make a timely application for, and obtain, judicial emergency or temporary injunctive relief to enforce any of the provisions of Sections 8 through 10; *provided, however*, that the remainder of any such dispute (beyond the application for emergency or temporary injunctive relief) shall be subject to arbitration under this Section 11.

(c) By entering into this Agreement and entering into the arbitration provisions of this Section 11, THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY ARE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVING THEIR RIGHTS TO A JURY TRIAL.

(d) Nothing in this Section 11 shall prohibit a party to this Agreement from (i) instituting litigation to enforce any arbitration award, or (ii) joining the other party to this Agreement in a litigation initiated by a person or entity that is not a party to this Agreement.

12. **Defense of Claims**. During the Employment Period and thereafter, upon request from the Company, Employee shall cooperate with the Company Group in the defense of any claims or actions that may be made by or against any member of the Company Group that relate to Employee's actual or prior areas of responsibility. The Company shall pay or reimburse Employee for all of Employee's reasonable travel and other direct expenses reasonably incurred (including, if applicable, lost wages), to comply with Employee's obligations under this Section 12, so long as Employee provides reasonable documentation of such expenses and obtains the Company's prior approval before incurring such expenses.

13. **Withholdings; Deductions**. The Company may withhold and deduct from any benefits and payments made or to be made pursuant to this Agreement (a) all federal, state, local and other taxes as may be required pursuant to any law or governmental regulation or ruling and (b) any deductions consented to in writing by Employee.

14. **Indemnification**. The Company agrees to indemnify Employee with respect to any acts or omissions he may in good faith commit during the period during which he is an officer, director and/or employee of the Company or any member of the Company Group, and to provide Employee with coverage under any directors' and officers' liability insurance policies, in each case on terms not less favorable than those provided to its other directors and officers generally, as in effect from time to time.

15. **Title and Headings; Construction**. Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Unless the context requires otherwise, all references herein to an agreement, instrument or other document shall be deemed to refer to such agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to "dollars" or "\$" in this Agreement refer to United States dollars. The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement, and not to any particular provision hereof. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items

or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as “without limitation”, “but not limited to”, or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

16. **Applicable Law; Submission to Jurisdiction.** This Agreement shall in all respects be construed according to the laws of the State of Texas without regard to its conflict of laws principles that would result in the application of the laws of another jurisdiction. With respect to any claim or dispute related to or arising under this Agreement, the parties hereby consent to the arbitration provisions of Section 11 and recognize and agree that should any resort to a court be necessary and permitted under this Agreement, then they consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Dallas, Dallas County, Texas.

17. **Entire Agreement and Amendment.** This Agreement contains the entire agreement of the parties with respect to the matters covered herein and supersedes all prior and contemporaneous agreements and understandings, oral or written, between the parties hereto concerning the subject matter hereof, including the Prior Employment Agreement. This Agreement may be amended only by a written instrument executed by both parties hereto.

18. **Waiver of Breach.** Any waiver of this Agreement must be executed by the party to be bound by such waiver. No waiver by either party hereto of a breach of any provision of this Agreement by the other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, shall operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either party hereto to take any action by reason of any breach shall not deprive such party of the right to take action at any time.

19. **Assignment.** This Agreement is personal to Employee, and neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise transferred by Employee. The Company may assign this Agreement without Employee’s consent, to any member of the Company Group, and shall assign this Agreement to any successor (whether by merger, purchase, change in control transaction, or otherwise) to all or substantially all of the equity, assets or businesses of the Company.

20. **Notices.** Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly received (a) when delivered in person, (b) when sent by facsimile transmission (with confirmation of transmission) on a business day to the number set forth below, if applicable; *provided, however*, that if a notice is sent by facsimile transmission after normal business hours of the recipient or on a non-business day, then it shall be deemed to have been received on the next business day after it is sent, (c) on the first business day after such notice is sent by air express overnight courier service, or (d) on the second business day following deposit

with an internationally-recognized overnight or second-day courier service with proof of receipt maintained, in each case, to the following address, as applicable:

If to the Company, addressed to:

Daseke, Inc.
ATTN: CEO
15455 Dallas Parkway, Suite 550
Addison, TX 75001

If to Employee, addressed to:

*The most recent address on the
Company's records.*

21. **Counterparts.** This Agreement may be executed in any number of counterparts, including by electronic mail or facsimile, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signature pages, each signed by one party, but together signed by both parties hereto.

22. **Deemed Resignations.** Except as otherwise determined by the Board or as otherwise agreed to in writing by Employee and any member of the Company Group prior to the termination of Employee's employment with the Company or any member of the Company Group, any termination of Employee's employment shall constitute, as applicable, an automatic resignation of Employee: (a) as an officer of the Company and each member of the Company Group; (b) from the Board, if applicable; and (c) from the board of directors or board of managers (or similar governing body) of any member of the Company Group and from the board of directors or board of managers (or similar governing body) of any corporation, limited liability entity, unlimited liability entity or other entity in which any member of the Company Group holds an equity interest and with respect to which board of directors or board of managers (or similar governing body) Employee serves as such Company Group member's designee or other representative.

23. **Certain Excise Taxes.** Notwithstanding anything to the contrary in this Agreement, if Employee is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Employee has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (i) reduced (but not below zero) so that the present value of such total amounts and benefits received by Employee from the Company or any of its affiliates shall be one dollar (\$1.00) less than three times Employee's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Employee shall be subject to the excise tax imposed by Section 4999 of the Code or (ii) paid in full, whichever produces the better net after-tax position to Employee (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made

by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company or any of its affiliates used in determining if a “parachute payment” exists, exceeds one dollar (\$1.00) less than three times Employee’s base amount, then Employee shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 23 shall require the Company to be responsible for, or have any liability or obligation with respect to, Employee’s excise tax liabilities under Section 4999 of the Code.

24. **Section 409A.**

(a) Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Code, and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, “**Section 409A**”) or an exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of Employee’s employment shall only be made if such termination of employment constitutes a “separation from service” under Section 409A.

(b) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Employee, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

(c) Notwithstanding any provision in this Agreement to the contrary, (i) if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Employee’s receipt of such payment or benefit is not delayed until the earlier of (A) the date of Employee’s death or (B) the date that is six (6) months after the Termination Date (such date, the “**Section 409A Payment Date**”), then such payment or benefit shall not be provided to Employee (or Employee’s estate, if applicable) until the Section 409A Payment Date, and (ii) to the extent any payment hereunder constitutes nonqualified deferred compensation (within the meaning of Section 409A), then each such payment which is conditioned upon Employee’s execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year shall be paid or provided in the

later of the two taxable years. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall any member of the Company Group be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

25. **Clawback.** To the extent required by applicable law, any applicable securities exchange listing standards or any clawback policy adopted by the Company, the Annual Bonus and any incentive compensation granted pursuant to Section 3(c) under this Agreement shall be subject to the provisions of any applicable clawback policies or procedures, which clawback policies or procedures may provide for forfeiture and/or recoupment of such amounts paid or payable under this Agreement.

26. **Effect of Termination.** The provisions of Sections 5, 8-13 and 22 and those provisions necessary to interpret and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Employee and the Company.

27. **Third-Party Beneficiaries.** Each member of the Company Group that is not a signatory to this Agreement shall be a third-party beneficiary of Employee's obligations under Sections 7-10 and shall be entitled to enforce such obligations as if a party hereto.

28. **Severability.** If an arbitrator or court of competent jurisdiction determines that any provision of this Agreement (or portion thereof) is invalid or unenforceable, then the invalidity or unenforceability of that provision (or portion thereof) shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, Employee and the Company each have caused this Agreement to be executed and effective as of the Effective Date.

EMPLOYEE

By: /s/ Jason Bate
Name: Jason Bates

DASEKE, INC.

By: /s/ Christopher Easter
Name: Chris Easter
Title: Chief Executive Officer
Signature Page to Employment Agreement

EMPLOYMENT AGREEMENT

This Employment Agreement ("**Agreement**") is made and entered into by and between Daseke, Inc., a Delaware corporation (the "**Company**"), and Rick Williams ("**Employee**") effective as of May 6, 2020 (the "**Effective Date**").

1. **Employment.** During the Employment Period (as defined in Section 4), the Company shall employ Employee, and Employee shall serve, as Executive Vice President and Chief Operating Officer of the Company and in such other position or positions as may be assigned from time to time by the Board (as defined in Section 2(b)) or the Company's Chief Executive Officer (the "**CEO**").

2. **Duties and Responsibilities of Employee.** During the Employment Period, Employee shall devote Employee's full business time, attention and best efforts to the businesses of the Company and its direct and indirect subsidiaries (collectively, the "**Company Group**") as may be requested by the Board or its designee or the CEO or the CEO's designees from time to time. Employee's duties shall include those normally incidental to the position identified in Section 1, as well as such additional duties as may be assigned to Employee by the Board or its designee or by the CEO or the CEO's designees from time to time, which duties may include providing services to other members of the Company Group in addition to the Company.

(a) Employee may, without violating this Agreement: (i) as a passive investment, own interest in a private company and/or own publicly traded securities in such form or manner as shall not require any services by Employee in the operation of such entities in which such interests or securities are owned; (ii) engage in charitable and civic activities, including participation in professional groups and associations; (iii) serve on up to two other company board with the prior approval of the board of directors of the Company or its designee (the "**Board**") and the CEO; or (iv) with the prior written consent of the Board, engage in other personal and passive investment activities, in each case, so long as such interests or activities do not interfere with Employee's ability to fulfill Employee's duties and responsibilities under this Agreement and are not inconsistent with Employee's obligations to the Company Group or competitive with the business of the Company Group.

(b) Employee hereby represents and warrants that Employee is not the subject of, or a party to, any employment agreement, non-competition covenant, nondisclosure agreement, or any other agreement, obligation, restriction or understanding that would prohibit Employee from executing this Agreement or fully performing each of Employee's duties and responsibilities hereunder, or would in any manner, directly or indirectly, limit or affect any of the duties and responsibilities that may now or in the future be assigned to Employee hereunder.

(c) Employee owes each member of the Company Group fiduciary duties (including (i) duties of loyalty and non-disclosure and (ii) such fiduciary duties that an officer of the Company has under applicable law), and the obligations described in this Agreement are in addition to, and not in lieu of, the obligations Employee owes each member of the Company Group under statutory or common law.

3. **Compensation.**

(a) **Base Salary.** During the Employment Period, the Company shall pay to Employee an annualized base salary of \$525,000, (the “**Base Salary**”) in consideration for Employee’s services under this Agreement, payable in substantially equal installments in conformity with the Company’s customary payroll practices for other senior executives as may exist from time to time, but no less frequently than monthly. The Base Salary shall be reviewed by the Compensation Committee of the Board (the “**Compensation Committee**”) in accordance with the Company’s policies and practices, but no less frequently than once annually, and, subject to achieving all predetermined metrics, shall be increased by at least 7% for the first and second anniversary of the Effective Date. Unless agreed to in writing by Employee, the Base Salary shall not be decreased. To the extent applicable, the term “Base Salary” shall include any such increases (or decreases agreed to in writing by Employee) to the Base Salary enumerated above.

(b) **Annual Bonus.** Employee shall be eligible for discretionary bonus compensation for each complete calendar year that Employee is employed by the Company hereunder (the “**Annual Bonus**”) (including, for 2020, a pro rata Annual Bonus based on Employee’s start date with the Company). Each Annual Bonus shall have a target value equal to 75% of Base Salary. The performance targets that must be achieved in order to be eligible for certain bonus levels shall be established by the Compensation Committee annually, in its sole discretion. Each Annual Bonus, if any, shall be paid as soon as administratively feasible after the Compensation Committee certifies whether the applicable performance targets for the applicable calendar year to which such Annual Bonus relates (the “**Bonus Year**”) have been achieved, but in no event later than April 15 following the end of such Bonus Year. Except as set forth in this Agreement, no Annual Bonus, if any, nor any portion thereof, shall be payable for any Bonus Year unless Employee remains continuously employed by the Company from the Effective Date through the end of the applicable performance year.

(c) **Long-Term Incentive Compensation.**

(i) During the Employment Period, Employee shall be eligible to participate in the Company’s 2017 Omnibus Incentive Plan, as amended from time to time (the “**Omnibus Plan**”), with a target annual equity award for each year covering a number of shares of the Company’s common stock (“**Shares**”) having a grant date value equal to 80% of Employee’s Base Salary (the “**Target Equity Award**”), *provided* that (A) the Target Equity Award for 2020 shall be a time-vested stock option to purchase 260,900 Shares upon the terms set forth in the award agreement attached hereto as attached hereto as Exhibit A; (B) the Target Equity Awards for years after 2020 may be granted in the form of time-based or performance-based awards, or a combination thereof; (C) the grant date value of any Target Equity Awards granted in years 2021 and 2022 shall equal 80% of Employee’s Base Salary; and (D) the grant date value of any Target Equity Awards granted in years after 2022 shall be at least 120% of Employee’s Base Salary and shall be reviewed by the Board for increase.

(ii) Employee shall be eligible to receive a one-time, 2020 performance-based equity award consisting entirely of 453,200 performance stock units (the “**Turn-**”

Around Award”), which Employee agrees equals 120% of Employee’s Base Salary, upon the terms set forth in the award agreement attached hereto as **Exhibit B**.

(iii) Employee shall be eligible to receive a one-time, 2020 equity award consisting entirely of time-vested stock options having a grant date value equal to \$500,000, which Employee agrees equals 310,600 Shares (the “**Promotion Compensation Award**”), upon the terms set forth in the award agreement attached hereto as **Exhibit C**.

(iv) If the Omnibus Plan does not have a sufficient number of Shares available to grant any Target Equity Award, Turn-Around Award, or the Promotion Compensation Award, as applicable, shall be granted as a cash-settled restricted stock unit award or cash-settled stock appreciation right, as applicable, with terms and conditions substantially consistent with those set forth in the award agreements attached hereto as **Exhibit A**, **Exhibit B** and **Exhibit C** respectively.

(v) During the Employment Period, Employee shall be eligible to participate in all of the Company’s short-term and long-term incentive compensation plans, programs or arrangements made available to other senior executives, including the receipt of awards under any equity incentive plan, programs or arrangements of the Company made available to other senior executives, in each case, in amounts determined by the Compensation Committee in its sole discretion and subject to the terms and conditions of such plans, programs or arrangements as in effect from time to time. Nothing herein shall be construed to give Employee any rights to any amount or type of grant or award except as provided in a written award agreement with Employee and approved by the Compensation Committee.

(d) **Retention Award**. On the third anniversary of the Effective Date, provided that this Agreement has not been terminated, on first regularly scheduled pay date coincident with or next following the third anniversary of the Effective Date, the Company shall pay Employee a single lump sum cash payment equal to \$300,000 (the “**Retention Award**”).

(e) **Business Expenses**. Subject to **Section 24**, the Company shall reimburse Employee for Employee’s reasonable out-of-pocket business-related expenses actually incurred in the performance of Employee’s duties under this Agreement so long as Employee timely submits all documentation for such reimbursement, as required by Company policy in effect from time to time. Any such reimbursement of expenses shall be made by the Company upon or as soon as practicable following receipt of such documentation (but in any event not later than the close of Employee’s taxable year following the taxable year in which the expense is incurred by Employee). In no event shall any reimbursement be made to Employee for such expenses incurred after the date of Employee’s termination of employment with the Company.

(f) **Benefits**. During the Employment Period, Employee shall be eligible to participate in the same benefit plans and programs in which other similarly situated senior executives are eligible to participate, subject to the terms and conditions of the applicable plans and programs in effect from time to time. In addition, during the Employment Period, Employee shall be entitled to six weeks of paid vacation in accordance with the policies set forth in the

employee handbook of the Company or in any approved Company policy (including any maximum accrual rules contained therein). The Company shall not, however, by reason of this Section 3(f), be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any such plan or policy, so long as such changes are similarly applicable to other similarly situated senior executives generally. In addition, during the Employment Period, Employee shall be entitled to an annual executive physical/health screening at a facility of Employee's choice (e.g., Cooper Clinic) with such physical/screening paid for by the Employer to the extent not covered by insurance, with the amount of Employer's out-of-pocket cost not to exceed \$5,000 per year.

(g) Use of Company Plane. Beginning January 1, 2020, on a calendar year basis, Employee shall have the right to use the Company Group's Bravo aircraft or King Air aircraft (collectively "Aircraft") for up to a total of 30 hours per year, without payment of any fee to Company or Company Group, for Employees personal use, provided, that such use does not conflict with the Company or Company Group's need to the aircraft for business purposes. Unused personal use hours in any calendar year will not carryover to be used in a subsequent year. Employee has the right to use Aircraft beyond these hours for personal use so long as the Company is reimbursed in accordance with IRS pricing parameters for such personal use. To the extent that business purposes are combined with any travel involving the use of the Aircraft, the trips will be deemed business purpose and the aircraft time incurred therein will not be assessed as personal use time. All amounts to be reimbursed or otherwise assessed for personal use, as stipulated by applicable Federal Aviation Regulations and as called out in the Time Sharing Agreement for each respective aircraft, incorporated herein by reference, shall not be reimbursed but will be included Williams W-2 earnings for purposed of taxation as compensation.

4. Term of Employment. Employee's employment under this Agreement shall commence on the Effective Date. Notwithstanding any other provision of this Agreement, Employee's employment pursuant to this Agreement is at will and may be terminated at any time in accordance with Section 5. The period from the Effective Date until the termination of Employee's employment pursuant to this Agreement, regardless of the time or reason for such termination, shall be referred to herein as the "Employment Period."

5. Termination of Employment. For purposes of this Agreement, "Termination Date" shall mean the date of Employee's termination of employment with the Company for any reason.

(a) Company's Right to Terminate Employee's Employment for Cause. The Company shall have the right to terminate Employee's employment hereunder at any time for "Cause." For purposes of this Agreement, "Cause" shall mean:

(i) Employee's commission of fraud, breach of fiduciary duty, theft, embezzlement, misappropriation, misrepresentation, or other financial crimes against the Company, its subsidiaries, affiliates or customers;

(ii) Employee's willful refusal without proper legal cause to faithfully and diligently perform Employee's duties;

(iii) Employee's breach of Sections 8, 9 or 10 of this Agreement or material breach of any other material written agreement between Employee and one or more members of the Company Group;

(iv) Employee's conviction of, or plea of guilty or *nolo contendere* to, any crime involving harassment, assault, or moral turpitude or a felony (or state law equivalent);

(v) Employee's willful misconduct or gross negligence in the performance of duties to the Company that has or could reasonably be expected to have a material adverse effect on the Company; or

(vi) Employee's material breach and violation of the Company's written policies pertaining to workplace conduct (including sexual harassment), discrimination or insider trading.

Provided, however, that solely with respect to the actions or omissions set forth in Section 5(a)(ii), (iii), (v) and (vi), such actions or omissions must remain uncured thirty (30) days after the Board has provided Employee written notice of the obligation to cure such actions or omissions. For the avoidance of doubt, the actions or omissions set forth in Section 5(a)(i) and (iv) are not permitted to be cured by Employee under any circumstances. Any act or failure to act (i) based on specific authority given pursuant to a resolution adopted by the Board, (ii) based on specific advice of the Company's outside counsel, or (iii) based on the specific direction of the Board shall be presumed to be done, or omitted to be done, by Employee in good faith and in the best interests of the Company and therefore shall not form the basis for a Cause termination.

(b) Company's Right to Terminate without Cause. The Company shall have the right to terminate Employee's employment for convenience at any time and for any reason, or no reason at all, upon at least ninety (90) days' advance written notice to Employee.

(c) Employee's Right to Terminate for Good Reason. Employee shall have the right to terminate Employee's employment with the Company at any time for "Good Reason." For purposes of this Agreement, "**Good Reason**" shall mean:

(i) a material reduction in Base Salary or Target Bonus, other than a general reduction in Base Salary and/or Target Bonus, that affects all similarly situated executives in substantially the same proportions;

(ii) a material diminution in Employee's position, responsibilities or duties or the assignment of Employee to a position, responsibilities or duties of a materially lesser status or degree of responsibility than his position, responsibilities or duties immediately following the Effective Date; or

(iii) any material breach by the Company of any provision of this Agreement (including, without limitation, any failure by the Company to cause an acquiring company in a change in control transaction to assume the terms of this Agreement).

Notwithstanding the foregoing provisions of this Section 5(c) or any other provision of this Agreement to the contrary, any assertion by Employee of a termination for Good Reason shall not be effective unless all of the following conditions are satisfied: (A) the condition giving rise to Employee's termination of employment must have arisen without Employee's consent; (B) Employee must provide written notice to the Board of the existence of such condition(s) within thirty (30) days of the initial existence of such condition(s); (C) the condition(s) specified in such notice must remain uncorrected for thirty (30) days following the Board's receipt of such written notice; and (D) the date of Employee's termination of employment must occur following the expiration of the thirty (30) day cure period, but in any event within sixty-five (65) days following the Board's receipt of such notice.

(d) Death or Disability. Upon the death or Disability of Employee, Employee's employment with Company shall terminate. For purposes of this Agreement, a "**Disability**" shall exist if Employee is entitled to receive long-term disability benefits under the Company's disability plan or, if there is no such plan, Employee's inability to perform the essential functions of Employee's position (after accounting for reasonable accommodation, if applicable), due to an illness or physical or mental impairment or other incapacity that continues, or can reasonably be expected to continue, for a period in excess of one hundred-twenty (120) days, whether or not consecutive. The determination of whether Employee has incurred a Disability shall be made in good faith by the Board.

(e) Employee's Right to Terminate for Convenience. In addition to Employee's right to terminate Employee's employment for Good Reason, Employee shall have the right to terminate Employee's employment with the Company for convenience at any time and for any other reason, or no reason at all, upon ninety (90) days' advance written notice to the Company; *provided, however*, that if Employee has provided notice to the Company of Employee's termination of employment, the Company may determine, in its sole discretion, that such termination shall be effective on any date prior to the effective date of termination provided in such notice (and, if such earlier date is so required, then it shall not change the basis for Employee's termination of employment nor be construed or interpreted as a termination of employment pursuant to Section 5(b)).

6. Obligations of the Company upon Termination of Employment.

(a) For Cause; Other than for Good Reason. If Employee's employment is terminated during the Employment Period (i) by the Company for Cause pursuant to Section 5(a); or (ii) by Employee other than for Good Reason pursuant to Section 5(e), then Employee shall be entitled to all Base Salary and any accrued but unused vacation earned by Employee through the Termination Date and, subject to the terms and conditions of any benefit plans in which he may participate at the time of such termination, any post-employment benefits available pursuant to the terms of those plans, and the payment for any accrued but unused vacation days (collectively, the "**Accrued Amounts**"); however, Employee shall not be entitled to any additional amounts or benefits as the result of such termination of employment.

(b) Without Cause; Good Reason. Subject to Section 6(e) below, Employee shall be entitled to the Accrued Amounts and the certain severance consideration described below, payable at the times and in the form set forth in Section 6(d) below, if Employee's employment is

terminated during the Employment Period (x) by the Company without Cause pursuant to Section 5(b), or (y) by Employee for Good Reason pursuant to Section 5(c), in which case the Company shall provide Employee with a severance payment in an amount equal to the sum of (A) eighteen (18) months of Employee's Base Salary as in effect immediately prior to the Termination Date and (B) a pro rata portion of Employee's target Annual Bonus for the year in which such event occurred prorated for the period of days beginning on January 1 and ending on the Termination Date (the "**Severance Payment**"). If Employee, after the third anniversary of the Effective Date, terminates this Agreement pursuant to Section 5(e), Company may elect to pay Employee a severance payment of Employee's monthly Base Salary, in effect immediately prior to the Termination Date, for up to a period of 18 consecutive months (at Company's sole discretion) after such termination in order to extend the obligations set forth in Section 9 of this Agreement for a period of time up to 18 months after such termination (the "**Discretionary Severance Payment**"). In addition, subject to Section 6(f) below and subject to (A) Employee's timely and proper election of group health plan continuation coverage under the Company's group health plans pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("**COBRA**"), and continued eligibility for such coverage under COBRA, and (B) Employee's continued copayment of premiums at the same level and cost to Employee as if Employee were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), the Company shall provide Employee with a monthly cash payment equal to 100% of the excess of the applicable COBRA participation premiums for Employee and Employee's spouse and eligible dependents, if any, over the amount described in clause (B) until the earlier of eighteen (18) months following the Termination Date, (ii) the date on which Employee becomes employed by a third party and becomes eligible to participate in such third party's group health plan, or (iii) the maximum period allowed by COBRA for Employee to continue such coverage under Company's plans.

(c) Death or Disability. If Employee's employment is terminated during the Employment Period due to Employee's death or Disability pursuant to Section 5(d), then subject to Section 6(f) below, Employee shall be entitled to the (i) Accrued Amounts; and (ii) Employee's target Annual Bonus for the year in which such event occurred prorated for the period of days beginning on January 1 and ending on the date of death or Disability, as applicable, and payable within 60 days following the date of Employee's death or termination due to Disability, as applicable. In addition, subject to Section 6(f) below and subject to (A) Employee's (or his beneficiary's) timely and proper election of group health plan continuation coverage under COBRA, and continued eligibility for such coverage under COBRA, and (B) the continued copayment of premiums at the same level and cost to Employee (or his beneficiaries) as if Employee were an employee of the Company (excluding, for purposes of calculating cost, an employee's ability to pay premiums with pre-tax dollars), the Company shall provide Employee (or his beneficiary) with a monthly cash payment equal to 100% of the excess of the applicable COBRA participation premiums over the amount described in clause (B) until the earlier of eighteen (18) months following the Termination Date, (ii) the date on which Employee becomes employed by a third party and becomes eligible to participate in such third party's group health plan, or (iii) the maximum period allowed by COBRA for Employee to continue such coverage under Company's plans. Employee shall not be entitled to any additional amounts or benefits as the result of such termination of employment.

(d) Payment Timing. Payment of the Severance Payment, shall be divided into substantially equal installments and paid in accordance with the Company's normal payroll procedures over a 18 month period, following the Termination Date; *provided, however*, that (i) the first installment of the Severance Payment, shall be paid on the Company's first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Termination Date (but in any event no later than March 15th of the year following the year in which the Termination Date occurs), and on such pay date the Company shall pay to Employee, without interest, a number of such installments equal to the number of such installments that would have been paid during the period beginning on the Termination Date and ending on the Company's first regularly scheduled pay date that is on or after the date that is sixty (60) days after the Termination Date had the installments been paid on a monthly basis commencing on the Company's first regularly scheduled pay date coincident with or next following the Termination Date, and each of the remaining installments shall be paid on a monthly basis thereafter, (ii) to the extent, if any, that the aggregate amount of the installments of the Severance Payment that would otherwise be paid pursuant to the preceding provisions of this Section 6(d) after March 15 of the calendar year following the calendar year in which the Termination Date occurs (the "Applicable March 15") exceeds the maximum exemption amount under Treasury Regulation Section 1.409A-1(b)(9)(iii)(A), then such excess shall be paid to Employee in a lump sum on the Applicable March 15 (or the first business day preceding the Applicable March 15 if the Applicable March 15 is not a business day) and the installments of the Severance Payment payable after the Applicable March 15 shall be reduced by such excess (beginning with the installment first payable after the Applicable March 15 and continuing with the next succeeding installment until the aggregate reduction equals such excess), and (iii) all remaining installments of the Severance Payment, if any, that would otherwise be paid pursuant to the preceding provisions of this Section 6(d) after December 31 of the calendar year following the calendar year in which the Termination Date occurs shall be paid with the installment of the Severance Payment, if any, due in December of the calendar year following the calendar year in which the Termination Date occurs.

(e) Acceleration of Unvested Equity Awards. Subject to Section 6(f) below, if Employee's employment is terminated during the Employment Period (x) by the Company without Cause pursuant to Section 5(b), (y) by Employee for Good Reason pursuant to Section 5(b), or (z) due to Employee's death or Disability pursuant to Section 5(c):

(i) the Target Equity Award and the Turn-Around Award and the Promotion Compensation Award, or any cash-settled restricted stock units or stock appreciation rights granted in lieu of the Target Equity Award, the Turn-Around Award, or the Promotion Compensation Award, shall be treated in accordance with the terms and conditions set forth in the applicable award agreements attached hereto as Exhibit A, Exhibit B and Exhibit C; and

(ii) subject to clause (i) immediately above, upon a termination of service by the Company without Cause or a resignation by Employee for Good Reason, (A) any outstanding, unvested stock options or restricted stock units that are eligible to vest based solely on continued service shall become immediately vested, and (B) any outstanding, unvested stock options or restricted stock units that are eligible to vest based on a combination of continued service and achievement of performance-based conditions shall immediately become vested based on actual achievement of the applicable

performance-based conditions as determined by the Board; and, except as set forth in this clause (ii), all stock options and restricted stock units covered by this clause (ii) shall remain unchanged and subject to all of their original terms and conditions.

(iii) subject to clause (i) immediately above, upon a termination of service due to death or Disability, (A) any outstanding, unvested stock options or restricted stock units that are eligible to vest based solely on continued service and that are scheduled to vest within the calendar year in which the Termination Date occurs shall become immediately vested, and (B) any outstanding, unvested stock options or restricted stock units that are eligible to vest based on a combination of continued service and achievement of performance-based conditions shall immediately become vested based on actual achievement of the applicable performance-based conditions as determined by the Board; and, except as set forth in this clause (iii), all stock options and restricted stock units covered by this clause (iii) shall remain unchanged and subject to all of their original terms and conditions.

(f) Conditions to Receipt of Severance Consideration. Notwithstanding the foregoing, Employee's eligibility and entitlement to the Severance Payment, and any other payment or benefit referenced in Section 6 above (collectively, the "**Severance Consideration**") are dependent upon Employee's (i) continued compliance with Employee's obligations under each of Sections 8, 9 and 10 below and (ii) execution and delivery to the Company, on or before the Release Expiration Date (as defined below), and non-revocation within any time provided by the Company to do so, of a release of all claims in a form acceptable to the Company (the "**Release**"), which Release shall release each member of the Company Group and their respective affiliates, and the foregoing entities' respective shareholders, members, partners, officers, managers, directors, fiduciaries, employees, representatives, attorneys, agents and benefit plans (and fiduciaries of such plans) from any and all claims, including any and all causes of action arising out of Employee's employment with the Company and any other member of the Company Group or the termination of such employment, but excluding all claims to severance payments Employee may have under this Section 6. If the Release is not executed and returned to the Company on or before the Release Expiration Date, and the required revocation period has not fully expired without revocation of the Release by Employee, then Employee shall not be entitled to any portion of the Severance Consideration. As used herein, the "**Release Expiration Date**" is that date that is twenty-one (21) days following the date upon which the Company delivers the Release to Employee (which shall occur no later than seven (7) days after the Termination Date) or, in the event that such termination of employment is "in connection with an exit incentive or other employment termination program" (as such phrase is defined in the Age Discrimination in Employment Act of 1967, as amended), the date that is forty-five (45) days following such delivery date.

(g) No Mitigation. Employee is under no obligation to seek other employment or to otherwise mitigate the amounts payable to the Employee under any of the provisions of this Agreement.

7. Disclosures. Promptly (and in any event, within three business days) upon becoming aware of (a) any actual or potential Conflict of Interest or (b) any lawsuit, claim or arbitration filed against or involving Employee or any trust or vehicle owned or controlled by

Employee, in each case, Employee shall disclose such actual or potential Conflict of Interest or such lawsuit, claim or arbitration to the Board. A “**Conflict of Interest**” shall exist when Employee engages in, or plans to engage in, any activities, associations, or interests that conflict with, or create an appearance of a conflict with, Employee’s duties, responsibilities, authorities, or obligations for and to the Company Group.

8. **Confidentiality.**

(a) **Definition.** For purposes of this Agreement, “**Confidential Information**” means all information, trade secrets, designs, ideas, concepts, improvements, product developments, discoveries and inventions, whether patentable or not, that are conceived, made, developed, acquired by or disclosed to Employee, individually or in conjunction with others, during the term of his employment (whether during business hours or otherwise and whether on the Company’s premises or otherwise) that relate to the Company’s or any member of the Company Group’s business, products or services and all writings or materials of any type embodying any such matters, and are and shall be the sole and exclusive property of the Company or its Affiliates. Confidential Information does not, however, include any information that is available to the public other than as a result of any unauthorized act of Employee.

(b) **No Unauthorized Use or Disclosure.** Employee agrees that Employee shall preserve and protect the confidentiality of all Confidential Information and work product of the Company and each member of the Company Group, and shall not, at any time during or after the termination of Employee’s employment with the Company, make any unauthorized disclosure of, and shall not remove from the Company premises, and shall use reasonable efforts to prevent the removal from the Company premises of, Confidential Information or work product of the Company or its Affiliates, or make any use thereof, in each case, except in the carrying out of Employee’s responsibilities hereunder. Notwithstanding the foregoing, Employee shall have no obligation hereunder to keep confidential any Confidential Information if and to the extent (i) such information becomes generally known to the public or within the relevant trade or industry other than due to Employee’s violation of this **Section 8(b)**, or (ii) disclosure thereof is specifically required by law; *provided, however*, that in the event disclosure is required by applicable law and Employee is making such disclosure, Employee shall provide the Company with prompt notice of such requirement, and shall use commercially reasonable efforts to give such notice prior to making any disclosure so that the Company may seek an appropriate protective order, or (iii) Employee is making a good faith report of possible violations of applicable law to any governmental agency or entity or is making disclosures that are otherwise compelled by law or provided under the whistleblower provisions of applicable law.

(c) **Remedies.** Employee acknowledges that money damages would not be a sufficient remedy for any breach of this **Section 8** by Employee, and the Company or its Affiliates shall be entitled to enforce the provisions of this **Section 8** by terminating payments then owing to Employee under this Agreement and/or by specific performance and injunctive relief as remedies for such breach or any threatened breach. Such remedies shall not be deemed the exclusive remedies for a breach of this **Section 8**, but shall be in addition to all remedies available at law or in equity to the Company, including the recovery of damages from Employee and remedies available to the Company pursuant to other agreements with Employee.

(d) No Prohibition. Nothing in this Section 8 shall be construed as prohibiting Employee, following the expiration of the 18 month period immediately following Employee's termination of employment with the Company, from being employed by any entity engaged in the Business (as defined below) or engaging in any activity prohibited by Section 9; *provided*, that during such employment or engagement Employee complies with his obligations under this Section 8.

(e) Permitted Disclosures. Nothing herein shall prevent Employee from: (i) making a good faith report of possible violations of applicable law to any governmental agency or entity; or (ii) making disclosures that are protected under the whistleblower provisions of applicable law. Further, an individual (including Employee) shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. An individual who files a lawsuit for retaliation by an employer of reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (x) files any document containing the trade secret under seal; and (y) does not disclose the trade secret, except pursuant to court order.

9. Non-Competition; Non-Solicitation; Non-Disparagement

(a) The Company shall provide Employee access to Confidential Information for use only during the Employment Period, and Employee acknowledges and agrees that the Company Group shall be entrusting Employee, in Employee's unique and special capacity, with developing the goodwill of the Company Group, and in consideration thereof and in consideration of the Company providing Employee with access to Confidential Information and as an express incentive for the Company to enter into this Agreement and employ Employee, Employee has voluntarily agreed to the covenants set forth in this Section 9. Employee further agrees and acknowledges that the limitations and restrictions set forth herein, including geographical and temporal restrictions on certain competitive activities, are reasonable in all respects and not oppressive, shall not cause Employee undue hardship, and are material and substantial parts of this Agreement intended and necessary to prevent unfair competition and to protect the Company Group's Confidential Information, goodwill and substantial and legitimate business interests.

(b) Employee agrees that, during the Prohibited Period, Employee shall not, without the prior written approval of the Board, directly or indirectly, for Employee or on behalf of or in conjunction with any other person or entity of any nature:

(i) engage in or participate within the Market Area in competition with any member of the Company Group in any aspect of the Business, which prohibition shall prevent Employee from directly or indirectly owning, managing, operating, joining, becoming an officer, director, employee or consultant of, or loaning money to, or selling or leasing equipment or real estate to or otherwise being affiliated with any person or entity engaged in, or planning to engage in, the Business in the Market Area in competition, or anticipated competition, with any member of the Company Group;

(ii) appropriate any Business Opportunity of, or relating to, the Company Group located in the Market Area;

(iii) solicit, canvass, approach, encourage, entice or induce any customer or supplier of any member of the Company Group to cease or lessen such customer's or supplier's business with the Company Group, including any customer or supplier who was a customer or supplier of any member of the Company Group during the eighteen (18) month period preceding the Termination Date; or

(iv) solicit, canvass, approach, encourage, entice or induce any employee or contractor of the Company Group to terminate his, her or its employment or engagement with any member of the Company Group, including any employee or contractor who was an employee or contractor of any member of the Company Group during the eighteen (18) month period preceding the Termination Date.

(c) Because of the difficulty of measuring economic losses to the Company Group as a result of a breach or threatened breach of the covenants set forth in Section 8 and in this Section 9, and because of the immediate and irreparable damage that would be caused to the members of the Company Group for which they would have no other adequate remedy, the Company and each other member of the Company Group shall be entitled to enforce the foregoing covenants, in the event of a breach or threatened breach, by injunctions and restraining orders from any court of competent jurisdiction, without the necessity of showing any actual damages or that money damages would not afford an adequate remedy, and without the necessity of posting any bond or other security. The aforementioned equitable relief shall not be the Company's or any other member of the Company Group's exclusive remedy for a breach but instead shall be in addition to all other rights and remedies available to the Company and each other member of the Company Group at law and equity. In addition, Employee acknowledges that money damages would not be a sufficient remedy for any breach of this Section 9 by Employee, and the Company or its Affiliates shall be entitled to enforce the provisions of this Section 9 by terminating payments then owing to Employee under this Agreement.

(d) The covenants in this Section 9, and each provision and portion hereof, are severable and separate, and the unenforceability of any specific covenant (or portion thereof) shall not affect the provisions of any other covenant (or portion thereof). Moreover, in the event any arbitrator or court of competent jurisdiction shall determine that the scope, time or territorial restrictions set forth are unreasonable, then it is the intention of the parties that such restrictions be enforced to the fullest extent which such arbitrator or court deems reasonable, and this Agreement shall thereby be reformed.

(e) For purposes of this Section 9, the following terms shall have the following meanings:

(i) "**Business**" shall mean the business and operations that are the same or similar to those performed by the Company in the flatbed specialized, and open deck trucking, brokerage, 3PL, 4PL, warehousing, transportation and logistics business, or any other member of the Company Group for which Employee provides services or about

which Employee obtains Confidential Information during the Employment Period, and any other arenas that Company may designate during the Employment Period.

(ii) “**Business Opportunity**” shall mean any commercial, investment or other business opportunity relating to the Business.

(iii) “**Market Area**” shall mean the continental United States, Canada, Mexico, and any other geographical area in which the company intends to conduct Business (to the extent Employee is aware of and involved in the development or the expansion of such Business) as of the Termination Date.

(iv) “**Prohibited Period**” shall mean the period during which Employee is employed by any member of the Company Group and continuing for a period of 18 months following the date that Employee is no longer employed by any member of the Company Group, provided that if, after the third anniversary of the Effective Date, Employee terminates this Agreement pursuant to Section 5(e), the Prohibited Period shall mean the months in which Company pays the Discretionary Severance Payment.

(f) Employee shall not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage, or in any way criticize the personal or business reputations, practices, or conduct of any member of the Company Group; and the Company shall cause its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage, or in any way criticize the personal or business reputation, practice, or conduct of Employee. Notwithstanding the foregoing, Employee shall be permitted to make a truthful statement: (i) to the extent required by law or by any court, governmental and/or regulatory body or committee; or (ii) to the extent necessary in connection with any dispute regarding this Agreement or any other written agreement between or among Employee and the Company (or any other member of the Company Group).

10. **Ownership of Intellectual Property.** Employee agrees that the Company shall own, and Employee shall (and hereby does) assign, all right, title and interest (including patent rights, copyrights, trade secret rights, mask work rights, trademark rights, and all other intellectual and industrial property rights of any sort throughout the world) relating to any and all inventions (whether or not patentable), works of authorship, mask works, designs, know-how, ideas and information authored, created, contributed to, made or conceived or reduced to practice, in whole or in part, by Employee during the period in which Employee is or has been employed by or affiliated with the Company or any other member of the Company Group that either (a) relate, at the time of conception, reduction to practice, creation, derivation or development, to any member of the Company Group’s businesses or actual or anticipated research or development, or (b) were developed on any amount of the Company’s or any other member of the Company Group’s time or with the use of any member of the Company Group’s equipment, supplies, facilities or trade secret information (all of the foregoing collectively referred to herein as “**Company Intellectual Property**”), and Employee shall promptly disclose all Company Intellectual Property to the Company. Company Intellectual Property shall not include any intellectual property created by Employee prior to being employed by or affiliated with the Company or any other member of the Company Group. All of Employee’s works of authorship and associated copyrights created during

the period in which Employee is employed by or affiliated with the Company or any member of the Company Group and in the scope of Employee's employment shall be deemed to be "works made for hire" within the meaning of the Copyright Act. Employee shall perform, during and after the period in which Employee is or has been employed by or affiliated with the Company or any other member of the Company Group, all reasonable acts deemed necessary by the Company to assist the Company Group, at the Company's expense, in obtaining and enforcing its rights throughout the world in the Company Intellectual Property. Such acts may include execution of documents and assistance or cooperation (i) in the filing, prosecution, registration, and memorialization of assignment of any applicable patents, copyrights, mask work, or other applications, (ii) in the enforcement of any applicable patents, copyrights, mask work, moral rights, trade secrets, or other proprietary rights, and (iii) in other legal proceedings related to the Company Intellectual Property.

11. **Arbitration**.

(a) Subject to Section 11(b), any dispute, controversy or claim between Employee and the Company arising out of or relating to this Agreement or Employee's employment with the Company shall be finally settled by arbitration in Dallas, Texas before, and in accordance with the then-existing American Arbitration Association ("**AAA**") Employment Arbitration Rules. The arbitration award shall be final and binding on both parties. Any arbitration conducted under this Section 11 shall be heard by a single arbitrator (the "**Arbitrator**") selected in accordance with the then-applicable rules of the AAA. The Arbitrator shall expeditiously (and, if practicable, within ninety (90) days after the selection of the Arbitrator) hear and decide all matters concerning the dispute. Except as expressly provided to the contrary in this Agreement, the Arbitrator shall have the power to (i) gather such materials, information, testimony and evidence as the Arbitrator deems relevant to the dispute before him or her (and each party shall provide such materials, information, testimony and evidence requested by the Arbitrator), and (ii) grant injunctive relief and enforce specific performance. The decision of the Arbitrator shall be reasoned, rendered in writing, be final and binding upon the disputing parties and the parties agree that judgment upon the award may be entered by any court of competent jurisdiction; *provided, however*, that the parties agree that the Arbitrator and any court enforcing the award of the Arbitrator shall not have the right or authority to award punitive or exemplary damages to any disputing party. The party whom the Arbitrator determines is the prevailing party in such arbitration shall receive, in addition to any other award pursuant to such arbitration or associated judgment, reimbursement from the other party of all reasonable legal fees and costs associated with such arbitration and associated judgment.

(b) Notwithstanding Section 11(a), either party may make a timely application for, and obtain, judicial emergency or temporary injunctive relief to enforce any of the provisions of Sections 8 through 10; *provided, however*, that the remainder of any such dispute (beyond the application for emergency or temporary injunctive relief) shall be subject to arbitration under this Section 11.

(c) By entering into this Agreement and entering into the arbitration provisions of this Section 11, THE PARTIES EXPRESSLY ACKNOWLEDGE AND AGREE THAT THEY ARE KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVING THEIR RIGHTS TO A JURY TRIAL.

(d) Nothing in this Section 11 shall prohibit a party to this Agreement from (i) instituting litigation to enforce any arbitration award, or (ii) joining the other party to this Agreement in a litigation initiated by a person or entity that is not a party to this Agreement.

12. **Defense of Claims.** During the Employment Period and thereafter, upon request from the Company, Employee shall cooperate with the Company Group in the defense of any claims or actions that may be made by or against any member of the Company Group that relate to Employee's actual or prior areas of responsibility. The Company shall pay or reimburse Employee for all of Employee's reasonable travel and other direct expenses reasonably incurred (including, if applicable, lost wages), to comply with Employee's obligations under this Section 12, so long as Employee provides reasonable documentation of such expenses and obtains the Company's prior approval before incurring such expenses.

13. **Withholdings; Deductions.** The Company may withhold and deduct from any benefits and payments made or to be made pursuant to this Agreement (a) all federal, state, local and other taxes as may be required pursuant to any law or governmental regulation or ruling and (b) any deductions consented to in writing by Employee.

14. **Indemnification.** The Company agrees to indemnify Employee with respect to any acts or omissions he may in good faith commit during the period during which he is an officer, director and/or employee of the Company or any member of the Company Group, and to provide Employee with coverage under any directors' and officers' liability insurance policies, in each case on terms not less favorable than those provided to its other directors and officers generally, as in effect from time to time.

15. **Title and Headings; Construction.** Titles and headings to Sections hereof are for the purpose of reference only and shall in no way limit, define or otherwise affect the provisions hereof. Unless the context requires otherwise, all references herein to an agreement, instrument or other document shall be deemed to refer to such agreement, instrument or other document as amended, supplemented, modified and restated from time to time to the extent permitted by the provisions thereof. All references to "dollars" or "\$" in this Agreement refer to United States dollars. The words "herein", "hereof", "hereunder" and other compounds of the word "here" shall refer to the entire Agreement, and not to any particular provision hereof. Wherever the context so requires, the masculine gender includes the feminine or neuter, and the singular number includes the plural and conversely. The use herein of the word "including" following any general statement, term or matter shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation", "but not limited to", or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. Neither this Agreement nor any uncertainty or ambiguity herein shall be construed or resolved against any party hereto, whether under any rule of construction or otherwise. On the contrary, this Agreement has been reviewed by each of the parties hereto and shall be construed and interpreted according to the ordinary meaning of the words used so as to fairly accomplish the purposes and intentions of the parties hereto.

16. **Applicable Law; Submission to Jurisdiction.** This Agreement shall in all respects be construed according to the laws of the State of Texas without regard to its conflict of laws principles that would result in the application of the laws of another jurisdiction. With respect to any claim or dispute related to or arising under this Agreement, the parties hereby consent to the arbitration provisions of Section 11 and recognize and agree that should any resort to a court be necessary and permitted under this Agreement, then they consent to the exclusive jurisdiction, forum and venue of the state and federal courts located in Dallas, Dallas County, Texas.

17. **Entire Agreement and Amendment.** This Agreement contains the entire agreement of the parties with respect to the matters covered herein and supersedes all prior and contemporaneous agreements and understandings, oral or written, between the parties hereto concerning the subject matter hereof, including the Prior Employment Agreement. This Agreement may be amended only by a written instrument executed by both parties hereto.

18. **Waiver of Breach.** Any waiver of this Agreement must be executed by the party to be bound by such waiver. No waiver by either party hereto of a breach of any provision of this Agreement by the other party, or of compliance with any condition or provision of this Agreement to be performed by such other party, shall operate or be construed as a waiver of any subsequent breach by such other party or any similar or dissimilar provision or condition at the same or any subsequent time. The failure of either party hereto to take any action by reason of any breach shall not deprive such party of the right to take action at any time.

19. **Assignment.** This Agreement is personal to Employee, and neither this Agreement nor any rights or obligations hereunder shall be assignable or otherwise transferred by Employee. The Company may assign this Agreement without Employee's consent, to any member of the Company Group, and shall assign this Agreement to any successor (whether by merger, purchase, change in control transaction, or otherwise) to all or substantially all of the equity, assets or businesses of the Company.

20. **Notices.** Notices provided for in this Agreement shall be in writing and shall be deemed to have been duly received (a) when delivered in person, (b) when sent by facsimile transmission (with confirmation of transmission) on a business day to the number set forth below, if applicable; *provided, however*, that if a notice is sent by facsimile transmission after normal business hours of the recipient or on a non-business day, then it shall be deemed to have been received on the next business day after it is sent, (c) on the first business day after such notice is sent by air express overnight courier service, or (d) on the second business day following deposit with an internationally-recognized overnight or second-day courier service with proof of receipt maintained, in each case, to the following address, as applicable:

If to the Company, addressed to:

Daseke, Inc.
ATTN: CEO
15455 Dallas Parkway, Suite 550
Addison, TX 75001

If to Employee, addressed to:

*The most recent address on the
Company's records.*

21. **Counterparts.** This Agreement may be executed in any number of counterparts, including by electronic mail or facsimile, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a copy hereof containing multiple signature pages, each signed by one party, but together signed by both parties hereto.

22. **Deemed Resignations.** Except as otherwise determined by the Board or as otherwise agreed to in writing by Employee and any member of the Company Group prior to the termination of Employee's employment with the Company or any member of the Company Group, any termination of Employee's employment shall constitute, as applicable, an automatic resignation of Employee: (a) as an officer of the Company and each member of the Company Group; (b) from the Board, if applicable; and (c) from the board of directors or board of managers (or similar governing body) of any member of the Company Group and from the board of directors or board of managers (or similar governing body) of any corporation, limited liability entity, unlimited liability entity or other entity in which any member of the Company Group holds an equity interest and with respect to which board of directors or board of managers (or similar governing body) Employee serves as such Company Group member's designee or other representative.

23. **Certain Excise Taxes.** Notwithstanding anything to the contrary in this Agreement, if Employee is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Employee has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (i) reduced (but not below zero) so that the present value of such total amounts and benefits received by Employee from the Company or any of its affiliates shall be one dollar (\$1.00) less than three times Employee's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Employee shall be subject to the excise tax imposed by Section 4999 of the Code or (ii) paid in full, whichever produces the better net after-tax position to Employee (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company or any of its affiliates used in determining if a "parachute payment" exists, exceeds one dollar (\$1.00) less than three times Employee's base amount, then Employee shall immediately repay such excess

to the Company upon notification that an overpayment has been made. Nothing in this Section 23 shall require the Company to be responsible for, or have any liability or obligation with respect to, Employee's excise tax liabilities under Section 4999 of the Code.

24. **Section 409A.**

(a) Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Code, and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, "**Section 409A**") or an exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of Employee's employment shall only be made if such termination of employment constitutes a "separation from service" under Section 409A.

(b) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Employee, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

(c) Notwithstanding any provision in this Agreement to the contrary, (i) if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Employee's receipt of such payment or benefit is not delayed until the earlier of (A) the date of Employee's death or (B) the date that is six (6) months after the Termination Date (such date, the "**Section 409A Payment Date**"), then such payment or benefit shall not be provided to Employee (or Employee's estate, if applicable) until the Section 409A Payment Date, and (ii) to the extent any payment hereunder constitutes nonqualified deferred compensation (within the meaning of Section 409A), then each such payment which is conditioned upon Employee's execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year shall be paid or provided in the later of the two taxable years. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall any member of the Company Group be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

25. **Clawback.** To the extent required by applicable law, any applicable securities exchange listing standards or any clawback policy adopted by the Company, the Annual Bonus and any incentive compensation granted pursuant to Section 3(c) under this Agreement shall be subject to the provisions of any applicable clawback policies or procedures, which clawback

policies or procedures may provide for forfeiture and/or recoupment of such amounts paid or payable under this Agreement.

26. **Effect of Termination**. The provisions of Sections 5, 8-13 and 22 and those provisions necessary to interpret and enforce them, shall survive any termination of this Agreement and any termination of the employment relationship between Employee and the Company.

27. **Third-Party Beneficiaries**. Each member of the Company Group that is not a signatory to this Agreement shall be a third-party beneficiary of Employee's obligations under Sections 7-10 and shall be entitled to enforce such obligations as if a party hereto.

28. **Severability**. If an arbitrator or court of competent jurisdiction determines that any provision of this Agreement (or portion thereof) is invalid or unenforceable, then the invalidity or unenforceability of that provision (or portion thereof) shall not affect the validity or enforceability of any other provision of this Agreement, and all other provisions shall remain in full force and effect.

[Remainder of Page Intentionally Blank; Signature Page Follows]

IN WITNESS WHEREOF, Employee and the Company each have caused this Agreement to be executed and effective as of the Effective Date.

EMPLOYEE

By: /s/ Rick Williams

Name: Rick Williams

DASEKE, INC.

By: /s/ Christopher Easter

Name: Chris Easter

Title: Chief Executive Officer

Signature Page to Employment Agreement

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

DASEKE, INC. 2017 OMNIBUS INCENTIVE PLAN

This NON-QUALIFIED STOCK OPTION AWARD AGREEMENT (this “Agreement”), is made as of May 6, 2020 between Daseke, Inc. (the “Company”), and Rick Williams (the “Participant”), and is made pursuant to the terms of the Company’s 2017 Omnibus Incentive Plan, as amended and restated (the “Plan”). Capitalized terms used herein but not defined shall have the meanings set forth in the Plan. For the purposes of this Agreement, the “Grant Date” shall be May 6, 2020.

Section 1. Non-Qualified Stock Option. Subject to the terms and conditions set forth in this Agreement and the Plan, the Company hereby grants to the Participant, as of the Grant Date, a Non-Qualified Stock Option (the “Option”) to purchase from the Company 260,900 Shares (such Shares are referred to as the “Option Shares”) at an exercise price per Share of \$1.41, subject to such vesting, transfer and other restrictions and conditions as set forth in this Agreement (the “Award”).

Section 2. Vesting Requirements.

(a) Generally. Except as otherwise provided herein, the Award shall vest and become exercisable with respect to the percentage of Option Shares set forth across from each “Option Vesting Date” (as defined below), subject to the Participant’s continuous service or employment with the Company or an Affiliate (“Service”) from the Grant Date through such Option Vesting Date, as set forth in the following “Vesting Schedule”:

Vesting Schedule	
Option Vesting Date	Percentage of Option Shares Vested*
1st anniversary of Grant Date	33.33%
2nd anniversary of Grant Date	33.33%
3rd anniversary of Grant Date	33.34%

*Any resultant fractional Option Shares shall not become vested and instead shall be subject to the next Option Vesting Date.

(b) Change in Control. Notwithstanding Section 2(a) hereof, upon the occurrence of a Change in Control, except to the extent that a Replacement Award (as such award is defined and determined under Section 13 of the Plan) is provided to the Participant to replace or adjust this outstanding Award, 100% of any then unvested, outstanding Option Shares shall immediately become fully vested and exercisable, provided that the Participant remains in continuous Service from the Grant Date through the occurrence of the Change in Control.

(c) Termination of Service Without Cause or Resignation for Good Reason. Notwithstanding Section 2(a) hereof, in the event of the Participant’s termination of Service (x) by the Company without Cause or (y) by the Participant’s resignation for Good Reason, any then unvested Option Shares shall immediately become vested and exercisable as of the date of the Participant’s termination (the “Termination Date”). For purposes of this Agreement, “Cause” and “Good Reason” shall have the meanings set forth in that certain Employment Agreement, dated as of May 6, 2020, between the Company and the Participant (the “Employment Agreement”). Notwithstanding the foregoing, the Participant’s eligibility and entitlement to acceleration of vesting described under this Section 2(c) is dependent upon the satisfaction

of all conditions to receipt of severance consideration pursuant to Section 6(f) of the Employment Agreement.

(d) Termination of Service Due to Death or Disability. Notwithstanding Section 2(a) hereof, in the event of the Participant's termination of Service due to death or Disability, in each case prior to any Option Vesting Date, any then unvested Option Shares that would have vested within the calendar year of the Termination Date shall immediately become vested and exercisable as of the Termination Date. Notwithstanding the foregoing, the Participant's eligibility and entitlement to acceleration of vesting described under this Section 2(d) is dependent upon the satisfaction of all conditions to receipt of severance consideration pursuant to Section 6(f) of the Employment Agreement.

(e) Other Terminations of Service. Upon the occurrence of a termination of the Participant's Service for any reason other than as contemplated by Section 2(c) or Section 2(d) hereof, all outstanding and unvested Option Shares shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto. Notwithstanding anything to the contrary herein, upon a termination of the Participant's Service for Cause, all Option Shares, whether vested or unvested, shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto.

Section 3.Option Exercise. Subject to this Agreement and the Plan, on and after a Vesting Date, the Option may be exercised in whole or in part with respect to the number of Option Shares which have become vested pursuant to Section 2 hereof by filing a written notice with the Company on a form approved by the Committee in accordance with rules and procedures established by the Committee; provided, however, that in no event shall the Option (or any portion thereof) be exercisable after the Expiration Date of the Option. Any such notice shall specify the number of Option Shares which the Participant elects to purchase and shall be accompanied by payment of the aggregate exercise price for such Option Shares indicated by the Participant's election (except as otherwise provided by the Committee in connection with a broker-assisted cashless exercise program). Subject to applicable law and as approved by the Committee, the Exercise Price shall be payable (a) in cash, or its equivalent, (b) through delivery of irrevocable instructions to a broker to sell the Option Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the aggregate Exercise Price, (c) the Company's withholding of Option Shares otherwise issuable upon exercise of an Option pursuant to a "net exercise" arrangement, (d) by a combination of the foregoing, or (e) by such other methods as may be approved by the Committee.

Section 4.Certificates: Cash in Lieu of Fractional Shares. Option Shares or other securities of the Company or any Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Option Shares or other securities are then listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. In lieu of issuing a fraction of a Share pursuant to the Plan or this Agreement, the Company may pay to the Participant an amount equal to the Fair Market Value of such fractional share.

Section 5.Restrictions on Transfer. No Options (nor any interest therein) may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance. Notwithstanding the foregoing, at the discretion of the Committee, Options may be transferred by the Participant solely to the Participant's spouse, siblings,

parents, children and grandchildren or trusts for the benefit of such persons or partnerships, corporations, limited liability companies or other entities owned solely by such persons, including, but not limited to, trusts for such persons.

Section 6. Expiration Date. The Expiration Date of the Option shall occur on the earliest to occur of the following: (a) the 10-year anniversary of the Grant Date or (b) if the Participant's Termination Date occurs for Cause, the Termination Date.

Section 7. Adjustments. The Award granted hereunder shall be subject to the adjustment as provided in Section 4(b) of the Plan.

Section 8. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continued Service.

Section 9. Tax Withholding. Unless determined otherwise by the Committee, the Company shall withhold from the Option Shares to be issued to the Participant pursuant to Section 3 hereof the number of Option Shares (and any amount of cash) determined at up to the maximum allowable rate in the Participant's relevant tax jurisdiction on the Option Shares' Fair Market Value at the time such determination is made.

Section 10. No Voting Rights as a Stockholder; Rights to Dividends or Other Distributions. The Participant shall not have any voting privileges of a stockholder of the Company with respect to the Option unless and until Option Shares underlying the Option are delivered to the Participant in accordance with Section 3 hereof.

Section 11. Claw back. The Award shall be subject to recoupment in accordance with any existing claw back policy or claw back policy 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 law. In addition, the Board may impose such other claw back, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Option Shares or other cash or property upon the occurrence of Cause. The implementation of any claw back policy shall not be deemed a triggering event for purposes of any definition of "constructive termination."

Section 12. Amendment and Termination. Subject to the terms of the Plan, any amendment to this Agreement shall be in writing and signed by the parties hereto. Notwithstanding the immediately-preceding sentence, subject to the terms of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Agreement and/or the Award; provided that, subject to the terms of the Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially impair the rights of the Participant or any holder or beneficiary of the Award shall not be effective without the written consent of the Participant, holder or beneficiary.

Section 13. Securities Law Requirements. Notwithstanding any other provision of this Agreement, the Company shall have no liability to make any distribution of Option Shares under this Agreement unless such delivery or distribution would comply with all applicable laws. In particular, no Option Shares shall be delivered to a Participant unless, at the time of delivery, the shares qualify for exemption from, or are registered pursuant to, applicable federal and state securities laws.

Section 14. Construction. The Award granted hereunder is granted by the Company pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. The Participant

hereby acknowledges that a copy of the Plan has been delivered to the Participant and accepts the Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, this Agreement shall govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon the Participant.

Section 15. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 17. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 18. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Grant Date.

DASEKE, INC.

By: /s/ Christopher Easter

Name: Chris Easter

Title: Corporate Secretary

PARTICIPANT

/s/ Rick Williams

Participant's Signature Date

Name: Rick Williams

Address: _____

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

DASEKE, INC. 2017 OMNIBUS INCENTIVE PLAN

This NON-QUALIFIED STOCK OPTION AWARD AGREEMENT (this “Agreement”), is made as of May 6, 2020 between Daseke, Inc. (the “Company”), and Rick Williams (the “Participant”), and is made pursuant to the terms of the Company’s 2017 Omnibus Incentive Plan, as amended and restated (the “Plan”). Capitalized terms used herein but not defined shall have the meanings set forth in the Plan. For the purposes of this Agreement, the “Grant Date” shall be May 6, 2020.

Section 1. Non-Qualified Stock Option (Promotion Award). Subject to the terms and conditions set forth in this Agreement and the Plan, the Company hereby grants to the Participant, as of the Grant Date, a Non-Qualified Stock Option (the “Option”) to purchase from the Company 310,600 Shares (such Shares are referred to as the “Option Shares”) at an exercise price per Share of \$1.41, subject to such vesting, transfer and other restrictions and conditions as set forth in this Agreement (the “Award”).

Section 2. Vesting Requirements.

(a) Generally. Except as otherwise provided herein, the Award shall vest and become exercisable with respect to the percentage of Option Shares set forth across from each “Option Vesting Date” (as defined below), subject to the Participant’s continuous service or employment with the Company or an Affiliate (“Service”) from the Grant Date through such Option Vesting Date, as set forth in the following “Vesting Schedule”:

Vesting Schedule	
Option Vesting Date	Percentage of Option Shares Vested*
1st anniversary of Grant Date	33.33%
2nd anniversary of Grant Date	33.33%
3rd anniversary of Grant Date	33.34%

*Any resultant fractional Option Shares shall not become vested and instead shall be subject to the next Option Vesting Date.

(b) Change in Control. Notwithstanding Section 2(a) hereof, upon the occurrence of a Change in Control, except to the extent that a Replacement Award (as such award is defined and determined under Section 13 of the Plan) is provided to the Participant to replace or adjust this outstanding Award, 100% of any then unvested, outstanding Option Shares shall immediately become fully vested and exercisable, provided that the Participant remains in continuous Service from the Grant Date through the occurrence of the Change in Control.

(c) Termination of Service Without Cause or Resignation for Good Reason. Notwithstanding Section 2(a) hereof, in the event of the Participant’s termination of Service (x) by the Company without Cause or (y) by the Participant’s resignation for Good Reason, any then unvested Option Shares shall immediately become vested and exercisable as of the date of the Participant’s termination (the “Termination Date”). For purposes of this Agreement, “Cause” and “Good Reason” shall have the meanings set forth in that certain Employment Agreement, dated as of May 6, 2020, between the Company and the Participant (the “Employment Agreement”). Notwithstanding the foregoing, the Participant’s eligibility and entitlement to acceleration of vesting described under this Section 2(c) is dependent upon the satisfaction

of all conditions to receipt of severance consideration pursuant to Section 6(f) of the Employment Agreement.

(d) Termination of Service Due to Death or Disability. Notwithstanding Section 2(a) hereof, in the event of the Participant's termination of Service due to death or Disability, in each case prior to any Option Vesting Date, any then unvested Option Shares that would have vested within the calendar year of the Termination Date shall immediately become vested and exercisable as of the Termination Date. Notwithstanding the foregoing, the Participant's eligibility and entitlement to acceleration of vesting described under this Section 2(d) is dependent upon the satisfaction of all conditions to receipt of severance consideration pursuant to Section 6(f) of the Employment Agreement.

(e) Other Terminations of Service. Upon the occurrence of a termination of the Participant's Service for any reason other than as contemplated by Section 2(c) or Section 2(d) hereof, all outstanding and unvested Option Shares shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto. Notwithstanding anything to the contrary herein, upon a termination of the Participant's Service for Cause, all Option Shares, whether vested or unvested, shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto.

Section 3.Option Exercise. Subject to this Agreement and the Plan, on and after a Vesting Date, the Option may be exercised in whole or in part with respect to the number of Option Shares which have become vested pursuant to Section 2 hereof by filing a written notice with the Company on a form approved by the Committee in accordance with rules and procedures established by the Committee; provided, however, that in no event shall the Option (or any portion thereof) be exercisable after the Expiration Date of the Option. Any such notice shall specify the number of Option Shares which the Participant elects to purchase and shall be accompanied by payment of the aggregate exercise price for such Option Shares indicated by the Participant's election (except as otherwise provided by the Committee in connection with a broker-assisted cashless exercise program). Subject to applicable law and as approved by the Committee, the Exercise Price shall be payable (a) in cash, or its equivalent, (b) through delivery of irrevocable instructions to a broker to sell the Option Shares otherwise deliverable upon the exercise of the Option and to deliver promptly to the Company an amount equal to the aggregate Exercise Price, (c) the Company's withholding of Option Shares otherwise issuable upon exercise of an Option pursuant to a "net exercise" arrangement, (d) by a combination of the foregoing, or (e) by such other methods as may be approved by the Committee.

Section 4.Certificates: Cash in Lieu of Fractional Shares. Option Shares or other securities of the Company or any Affiliate delivered under the Plan pursuant to any Award or the exercise thereof shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations, and other requirements of the SEC, any stock exchange upon which such Option Shares or other securities are then listed, and any applicable Federal or state laws, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions. In lieu of issuing a fraction of a Share pursuant to the Plan or this Agreement, the Company may pay to the Participant an amount equal to the Fair Market Value of such fractional share.

Section 5.Restrictions on Transfer. No Options (nor any interest therein) may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance. Notwithstanding the foregoing, at the discretion of the Committee, Options may be transferred by the Participant solely to the Participant's spouse, siblings,

parents, children and grandchildren or trusts for the benefit of such persons or partnerships, corporations, limited liability companies or other entities owned solely by such persons, including, but not limited to, trusts for such persons.

Section 6. Expiration Date. The Expiration Date of the Option shall occur on the earliest to occur of the following: (a) the 10-year anniversary of the Grant Date or (b) if the Participant's Termination Date occurs for Cause, the Termination Date.

Section 7. Adjustments. The Award granted hereunder shall be subject to the adjustment as provided in Section 4(b) of the Plan.

Section 8. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continued Service.

Section 9. Tax Withholding. Unless determined otherwise by the Committee, the Company shall withhold from the Option Shares to be issued to the Participant pursuant to Section 3 hereof the number of Option Shares (and any amount of cash) determined at up to the maximum allowable rate in the Participant's relevant tax jurisdiction on the Option Shares' Fair Market Value at the time such determination is made.

Section 10. No Voting Rights as a Stockholder; Rights to Dividends or Other Distributions. The Participant shall not have any voting privileges of a stockholder of the Company with respect to the Option unless and until Option Shares underlying the Option are delivered to the Participant in accordance with Section 3 hereof.

Section 11. Claw back. The Award shall be subject to recoupment in accordance with any existing claw back policy or claw back policy 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 law. In addition, the Board may impose such other claw back, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Option Shares or other cash or property upon the occurrence of Cause. The implementation of any claw back policy shall not be deemed a triggering event for purposes of any definition of "constructive termination."

Section 12. Amendment and Termination. Subject to the terms of the Plan, any amendment to this Agreement shall be in writing and signed by the parties hereto. Notwithstanding the immediately-preceding sentence, subject to the terms of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Agreement and/or the Award; provided that, subject to the terms of the Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially impair the rights of the Participant or any holder or beneficiary of the Award shall not be effective without the written consent of the Participant, holder or beneficiary.

Section 13. Securities Law Requirements. Notwithstanding any other provision of this Agreement, the Company shall have no liability to make any distribution of Option Shares under this Agreement unless such delivery or distribution would comply with all applicable laws. In particular, no Option Shares shall be delivered to a Participant unless, at the time of delivery, the shares qualify for exemption from, or are registered pursuant to, applicable federal and state securities laws.

Section 14. Construction. The Award granted hereunder is granted by the Company pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. The Participant

hereby acknowledges that a copy of the Plan has been delivered to the Participant and accepts the Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, this Agreement shall govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon the Participant.

Section 15. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 16. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 17. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 18. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Grant Date.

DASEKE, INC.

By: /s/ Christopher Easter

Name: Chris Easter

Title: Corporate Secretary

PARTICIPANT

/s/ Rick Williams

Participant's Signature Date

Name: Rick Williams

Address: _____

PERFORMANCE STOCK UNIT AWARD AGREEMENT

DASEKE, INC. 2017 OMNIBUS INCENTIVE PLAN

This PERFORMANCE STOCK UNIT AWARD AGREEMENT (this “Agreement”), is made as of May 6, 2020, between Daseke, Inc. (the “Company”), and Rick Williams (the “Participant”), and is made pursuant to the terms of the Company’s 2017 Omnibus Incentive Plan, as amended and restated (the “Plan”). Capitalized terms used herein but not defined shall have the meanings set forth in the Plan. For the purposes of this Agreement, the “Grant Date” shall be May 6, 2020.

Section 1. Performance Stock Units (PSUs). Subject to the terms and conditions set forth in this Agreement, the Company hereby grants to the Participant, as of the Grant Date, 453,200 performance-based restricted stock units (the “PSUs”), subject to such vesting, transfer and other restrictions and conditions as set forth in this Agreement (the “Award”). Each PSU represents the right to receive one Share, subject to the terms and conditions set forth in this Agreement.

Section 2. Vesting Requirements.

(a) Generally. Except as otherwise provided herein, the Award shall be subject to both time- and performance-based vesting conditions and shall only be deemed fully vested and exercisable when it has both time vested and performance vested in accordance with the terms hereof.

(i) The Award shall time-vest with respect to the total number of PSUs subject to the Award on the third anniversary of the Grant Date (the “Vesting Date”, and such three-year period following the Grant Date, the “Performance Period”), subject to the Participant’s continuous service or employment with the Company or an Affiliate (“Service”) from the Grant Date through the Vesting Date.

(ii) In the event that the Fair Market Value of a Share equals or exceeds the “Hurdle Price” (as defined below) for any twenty (20) trading days out of thirty (30) consecutive trading days during the Performance Period, the Award shall performance-vest with respect to the percentage of PSUs set forth across from such Hurdle Price in the following “Performance Vesting Schedule”:

Performance Vesting Schedule	
Hurdle Price	Percentage of PSUs Vested*
\$4.00	33.33%
\$6.00	33.33%
\$9.00	33.34%

*Any resultant fractional PSU shall not become vested and instead shall be subject to the next performance vesting hurdle.

(b) Change in Control - No Replacement Award. Notwithstanding Section 2(a)(i) hereof, upon the occurrence of a Change in Control, except to the extent that a Replacement Award (as such award is defined and determined under Section 13 of the Plan) is provided to the Participant in connection with the Change in Control to replace or adjust this outstanding Award, 100% of any then unvested PSUs granted hereunder shall immediately become time-vested; provided that the Participant remains in continuous Service from the Grant Date through the occurrence of the Change in Control.

(c) Termination of Service Without Cause; Resignation for Good Reason; Termination of Service Due to Death or Disability. Notwithstanding Section 2(a)(i) hereof, in the event of the Participant's termination of Service (x) by the Company without Cause pursuant to that certain Employment Agreement, dated as of May 6, 2020, between the Company and the Participant (the "Employment Agreement"), (y) by the Participant's resignation for Good Reason, or (z) due to the Participant's death or Disability, the time-based vesting conditions related to these PSUs shall be deemed to be satisfied as of the date of the Participant's termination of employment and the achievement of all relevant performance goals shall be determined by the actual level achievement of those goals, as determined in good faith by the Compensation Committee at the time of Employee's termination, measured against the attainment toward the Hurdle Prices applicable to this PSU. Notwithstanding the foregoing, the Participant's eligibility and entitlement to acceleration of vesting described under this Section 2(c) is dependent upon the satisfaction of all conditions to receipt of severance consideration pursuant to Section 6(f) of the Employment Agreement. For purposes of this Agreement, "Cause" and "Good Reason" shall have the meanings set forth in the Employment Agreement.

(d) Other Terminations of Service. Upon the occurrence of a termination of the Participant's Service for any reason other than as contemplated by Section 2(b) and Section 2(c) hereof, all outstanding and unvested PSUs shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto. Notwithstanding anything to the contrary herein, upon a termination of the Participant's Service for Cause, all PSUs, whether vested or unvested, shall immediately be forfeited and cancelled, and the Participant shall not be entitled to any compensation or other amount with respect thereto.

Section 3. Settlement. As soon as reasonably practicable following the Vesting Date, termination of service, or the occurrence of the Change in Control that does not include the receipt of any Replacement Award by the Participant, as applicable (and in any event within 60 days following the Vesting Date, termination of service, or the occurrence of the Change in Control that does not include the receipt of any Replacement Award by the Participant, as applicable), any PSUs that become vested and non-forfeitable pursuant to Section 2 hereof shall be paid by the Company delivering to the Participant a number of Shares equal to the number of such PSUs.

Section 4. Restrictions on Transfer. No PSUs (nor any interest therein) may be sold, assigned, alienated, pledged, attached or otherwise transferred or encumbered by the Participant other than by will or by the laws of descent and distribution, and any such purported sale, assignment, alienation, pledge, attachment, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute a sale, assignment, alienation, pledge, attachment, transfer or encumbrance. Notwithstanding the foregoing, at the discretion of the Committee, PSUs may be transferred by the Participant solely to the Participant's spouse, siblings, parents, children and grandchildren or trusts for the benefit of such persons or partnerships, corporations, limited liability companies or other entities owned solely by such persons, including, but not limited to, trusts for such persons.

Section 5. Adjustments. The Award granted hereunder shall be subject to the adjustment as provided in Section 4(b) of the Plan.

Section 6. No Right of Continued Service. Nothing in the Plan or this Agreement shall confer upon the Participant any right to continued Service.

Section 7. Tax Withholding. Unless determined otherwise by the Committee, the Company shall withhold from the Shares to be issued to the Participant pursuant to Section 3 hereof the number of Shares (and any amount of cash) determined at up to the maximum allowable rate in the

Participant's relevant tax jurisdiction on the Shares' Fair Market Value at the time such determination is made.

Section 8. No Voting Rights as a Stockholder: Rights to Dividends or Other Distributions. The Participant shall not have any voting privileges of a stockholder of the Company with respect to the Award unless and until Shares underlying the PSUs are delivered to the Participant in accordance with Section 3 hereof.

Section 9. Claw back. The Award shall be subject to recoupment in accordance with any existing claw back policy or claw back policy 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 law. In addition, the Board may impose such other claw back, recovery or recoupment provisions as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Shares or other cash or property upon the occurrence of Cause. The implementation of any claw back policy shall not be deemed a triggering event for purposes of any definition of "constructive termination."

Section 10. Amendment and Termination. Subject to Section 12 of the Plan, any amendment to this Agreement shall be in writing and signed by the parties hereto. Notwithstanding the immediately-preceding sentence, subject to Section 12 of the Plan, the Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate, this Agreement and/or the Award; provided that, subject to Section 12 of the Plan, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially impair the rights of the Participant or any holder or beneficiary of the Award shall not be effective without the written consent of the Participant, holder or beneficiary.

Section 11. Securities Law Requirements. Notwithstanding any other provision of this Agreement, the Company shall have no liability to make any distribution of Shares under this Agreement unless such delivery or distribution would comply with all applicable laws. In particular, no Shares shall be delivered to a Participant unless, at the time of delivery, the shares qualify for exemption from, or are registered pursuant to, applicable federal and state securities laws.

Section 12. Construction. The Award granted hereunder is granted by the Company pursuant to the Plan and is in all respects subject to the terms and conditions of the Plan. The Participant hereby acknowledges that a copy of the Plan has been delivered to the Participant and accepts the Award hereunder subject to all terms and provisions of the Plan, which are incorporated herein by reference. In the event of a conflict or ambiguity between any term or provision contained herein and a term or provision of the Plan, this Agreement shall govern and prevail. The construction of and decisions under the Plan and this Agreement are vested in the Committee, whose determinations shall be final, conclusive and binding upon the Participant.

Section 13. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Delaware, without giving effect to the choice of law principles thereof.

Section 14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

Section 15. Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

Section 16. Entire Agreement. This Agreement and the Plan constitute the entire agreement between the parties with respect to the subject matter hereof and thereof.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Grant Date.

DASEKE, INC.

By: /s/ Christopher Easter

Name: Chris Easter

Title: CEO

PARTICIPANT

/s/ Rick Williams

Participant's Signature Date

Name: Rick Williams

Address: _____

TRANSITION AND SEPARATION AGREEMENT

This TRANSITION AND SEPARATION AGREEMENT (this “Agreement”) is entered into between Angie Moss (the “Employee”) and Daseke, Inc. (the “Company”), and is effective as of the Effective Date (as defined herein). The Company and Employee shall each be referred to in this Agreement as a “Party,” and collectively as the “Parties.”

WHEREAS, Employee has been employed by the Company as Vice President, Chief Accounting Officer, Corporate Controller and Assistant Secretary pursuant to that certain Employment Agreement effective as of February 27, 2017 (the “Employment Agreement”);

WHEREAS, Employee holds 60,000 options to purchase shares of the Company’s common stock at an exercise price of \$9.98, which were granted to her on February 27, 2017 (the “Options”) and which the Company acknowledges are fully exercisable as of the date hereof;

WHEREAS, Employee agreed to be bound by certain restrictive covenants in the Employment Agreement, which restrictive covenants remain enforceable as provided herein; and

WHEREAS, Employee and the Company wish to resolve all matters related to Employee’s employment with the Company and the cessation thereof, on the terms and conditions expressed in this Agreement.

NOW THEREFORE, in consideration of the mutual promises contained herein, the Parties, intending to be legally bound, agree as follows:

1. Separation. Employee and the Company agree that, effective as of May 29, 2020 or such earlier date as provided for in Section 2(c) hereof (the “Separation Date”), Employee’s employment by the Company shall terminate and Employee shall separate from Employee’s position with the Company and all subsidiaries of the Company and from any and all other positions, roles, offices, or titles held by Employee with, at the direction of, or for the benefit of the Company and all subsidiaries of the Company (including all such positions, roles, offices, or titles referred to in Section 22 of the Employment Agreement).

2. Transition Period.

(a) Employment during the Transition Period. Employee and the Company agree that, subject to Section 2(c) hereof, for the period between the Effective Date and the Separation Date (the “Transition Period”), Employee shall continue in the employment of the Company, with the duties and obligations of Vice President, Chief Accounting Officer and Assistant Secretary and as otherwise requested by the Company. After the Separation Date and subject to Section 5(d), hereof, Company agrees that any consulting services or employment services requested by the Company or any of its subsidiaries from Employee will be subject to a separate consulting or employment services agreement; provided, however, that if the Company or its subsidiaries request Employee’s consulting or employment services after the Separation Date, any negotiation of the terms of such services will not in any way delay the Severance Benefits (as such term is defined below) due Employee under the terms of this Agreement. Further, should Employee agree to a consulting or employment services agreement with the Company or any of its subsidiaries, such consulting or employment services agreement will not be considered a violation of any

restrictive covenants nor would such an agreement or the rendering of such services be considered a breach of Sections 8, 9 and/or 10 of the Employment Agreement.

(b) Other Rights. During the Transition Period, the Company agrees that Employee may undertake reasonable efforts to seek alternative employment provided that such efforts do not materially interfere with her employment obligations to the Company during the Transition Period.

(c) Termination During Transition Period.

(i) Termination for Cause. The Company shall have the right to terminate Employee's employment at any time during the Transition Period, on written notice, for Cause where "Cause" shall mean: (i) Employee's commission of material fraud, breach of fiduciary duty, theft, or embezzlement against the Company, its subsidiaries, affiliates or customers; (ii) Employee's willful refusal without proper legal cause to faithfully and diligently perform Employee's duties; (iii) Employee's breach of Sections 8, 9 or 10 of the Employment Agreement; (iv) Employee's conviction of, or plea of guilty or *nolo contendere*, to any crime involving moral turpitude or a felony (or state law equivalent); (v) Employee's willful misconduct or gross negligence in the performance of duties to the Company that has or could reasonably be expected to have a material adverse effect on the Company; or (vi) Employee's material breach and violation of the Company's written policies pertaining to workplace conduct (including sexual harassment), discrimination or insider trading; provided, however, that under subpart (ii), (iii), (v), and (vi) of this sentence, Employee shall receive 15 days' prior written notice from the Company explaining the basis of its intention to terminate Employee's employment for Cause and Employee shall have the right for 15 days from the receipt of such notice to cure the Company's express basis for such action.

(ii) Termination by the Company for Convenience. The Company shall have the right to terminate Employee's employment for convenience at any time during the Transition Period and for any reason, or no reason at all, upon 30 days' prior written notice to Employee; provided, however, that upon any written notice of termination for convenience by the Company, the Company shall have the right to require Employee to stop responding to emails and to no longer perform some or all of her job duties as determined by the Company.

(iii) Resignation by Employee. Employee shall have the right to terminate Employee's employment at any time during the Transition Period and for any reason, or no reason at all, upon 30 days' advance written notice to the Company.

(iv) Termination on Death or Disability. Upon the death or Disability of Employee during the Transition Period, Employee's employment with Company shall terminate. For purposes of this Agreement, a "Disability" shall exist if Employee is entitled to receive long-term disability benefits under the Company's disability plan or, if there is no such plan, Employee's inability to perform the essential functions of Employee's position (after accounting for reasonable accommodation, if applicable), due to an illness or physical or mental impairment or other incapacity that continues, or can reasonably be expected to continue, for a period in excess of one hundred-twenty (120) days, whether or not consecutive. The determination of whether Employee has incurred a Disability shall be made in good faith by the Board.

3. Compensation.

(a) During Transition Period. During the Transition Period, and any period after termination pursuant to 2(c)(ii) until the Separation Date, Employee shall continue to remain eligible to receive the compensation and benefits under, and subject to the terms and conditions of, Section 3 of the Employment Agreement.

(b) Severance Conditions and Benefits.

(i) “Severance Conditions” means (A) the absence of Employee’s termination for Cause, (B) Employee’s execution and delivery (without revocation) of this Agreement within twenty-one (21) days after Employee’s receipt hereof, (C) Employee’s execution and delivery (without revocation) of the general release of claims attached hereto as Exhibit A (the “Supplemental Release”) on or within the later of five (5) days after the Separation Date or twenty-one (21) days after Employee’s receipt of this Agreement, and (D) Employee’s compliance with all material terms of this Agreement, the Supplemental Release, and Sections 8, 9 and 10 of the Employment Agreement.

(ii) “Severance Benefits” means the compensation and benefits set forth in Sections 3(b)(iii) through (v) immediately below. All of the Severance Benefits shall be subject to all of the Severance Conditions.

(iii) Severance Payment. The Company shall pay Employee an amount equal to the sum of (A) one (1.0) times Employee’s annual base salary in effect as of the date Employee signs this Agreement plus (B) one (1.0) times Employee’s target annual bonus for 2019, less all applicable withholdings and deductions, in a lump sum on the first payroll date following the 10th day after the Supplemental Release is executed and delivered by Employee (without revocation) and in the same manner (direct deposit) as salary is paid prior to the Effective Date.

(iv) COBRA. Following the Separation Date, if Employee timely and properly elects continuation coverage under the Company’s group health plans pursuant to the Consolidated Omnibus Reconciliation Act of 1985, as amended (“COBRA”), the Company shall reimburse Employee for the difference between the monthly amount Employee pays to effect and continue such coverage for Employee and Employee’s spouse and eligible dependents, if any (the “Monthly Premium Payment”), and the monthly employee contribution amount that active similarly situated employees of the Company pay for the same or similar coverage under such group health plans (such difference, the “Monthly Reimbursement Amount”). Each such reimbursement payment shall be paid to Employee on the Company’s first regularly scheduled pay date in the month immediately following the month in which Employee timely remits the Monthly Premium Payment. Employee shall be eligible to receive such reimbursement payments until the earlier of: (x) the date Employee is no longer eligible to receive COBRA continuation coverage; (y) the date on which Employee becomes eligible to receive coverage under a group health plan sponsored by another employer (and any such eligibility shall be promptly reported to the Company by Employee); and (z) one year after the Separation Date; provided, however, that Employee acknowledges and agrees that (1) the election of COBRA continuation coverage and the payment of any premiums due with respect to such COBRA continuation coverage shall remain Employee’s sole responsibility, and the Company shall assume no obligation for payment of any such

premiums relating to such COBRA continuation coverage, (2) in no event shall the Company be required to pay a Monthly Reimbursement Amount if such payment could reasonably be expected to subject the Company to sanctions imposed pursuant to Section 2716 of the Patient Protection and Affordable Care Act of 2010 and the related regulations and guidance promulgated thereunder (collectively, the “PPACA”) and (3) if payment of a Monthly Reimbursement Amount cannot be provided to Employee without subjecting the Company to sanctions imposed pursuant to Section 2716 of the PPACA or otherwise causing the Company to incur a penalty, tax or other adverse impact on the Company, then the Company and Employee shall negotiate in good faith to determine an alternative manner in which the Company may provide a substantially equivalent benefit to Employee without such adverse impact on the Company.

(v) Equity. The Options shall remain subject to their original terms and conditions, including continued exercisability through February 27, 2027 as provided for under Section 6(d) of the Employment Agreement. Employee acknowledges and agrees that, except with respect to the Options, Employee has no further rights, payments, or benefits owed to her under any equity compensation plans or agreements with the Company.

(c) No Other Benefits or Payments Due.

(i) By executing this Agreement, Employee acknowledges and agrees that (i) Employee is receiving valuable consideration in exchange for her execution of this Agreement to which she would not be otherwise entitled, and (ii) neither the Company nor any of the other Releasees (as defined in Section 4 of this Agreement) has any prior legal obligation to provide the Severance Benefits. Employee also acknowledges and agrees that the acceptance of the Severance Benefits and attendant obligations as described in this Agreement is in consideration of Employee’s promises and undertakings as set forth in this Agreement, and that if Employee violates any of the Payment Conditions, any of the requirements and prohibitions set forth in this Agreement, or Sections 8, 9 or 10 of the Employment Agreement, Employee forfeits and has no right to the Severance Benefits.

(ii) Employee agrees that after the Separation Date Employee is entitled to no other compensation or benefits from the Company, and that Employee shall not be entitled to receive any other payment, benefit, or other form of compensation as a result of Employee’s employment or the cessation thereof, including, but not limited to, sick time, personal time, vacation, bonus, expenses, equity interests, or severance or payments in lieu of notice pursuant to the Employment Agreement unless otherwise set forth in this Agreement.

(d) No Representations as to Taxation. The Company makes no representations regarding the taxability or legal effect of the payments or benefits described herein, and Employee is not relying on any statement or representation of the Company in this regard. Employee will be solely responsible for the payment of any taxes assessed on the payments or benefits provided hereunder.

4. General Release.

(a) In consideration of the payments and benefits (less all applicable withholdings) set forth in this Agreement, Employee, on behalf of herself and her agents, spouse, heirs, executors, successors and assigns, knowingly and voluntarily releases, remises, and forever discharges the Company, its parents,

subsidiaries or affiliates, together with all of the foregoing entities' respective current and former principals, officers, directors, partners, shareholders, agents, representatives, attorneys, insurers, members, managers, and employees, and each of the above listed person's heirs, executors, successors and assigns whether or not acting as his or her representative, individual or any other capacity (collectively, the "Releasees"), to the fullest extent permitted by law, from any and all debts, demands, actions, causes of actions, accounts, covenants, contracts, agreements, claims, damages, costs, expenses, omissions, promises, and any and all claims and liabilities whatsoever, of every name and nature, known or unknown, suspected or unsuspected, both in law and equity ("Claims"), which Employee ever had, now has, or may hereafter claim to have against the Releasees, including but not limited to, those related to or arising from Employee's employment with the Company, the cessation thereof, the Employment Agreement, or any other matter, cause or thing whatsoever relating thereto arising from the beginning of time to the date of execution of this Agreement by Employee (the "General Release"). The General Release shall apply to any Claim of any type, including, without limitation, any Claims with respect to Employee's entitlement to any wages, bonuses, benefits, payments, or other forms of compensation; any claims of wrongful discharge, breach of contract, breach of the covenant of good faith and fair dealing, violation of public policy, defamation, personal injury, or emotional distress; any Claims of any type that Employee may have arising under the common law; any Claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (the "ADEA"), the Older Workers Benefit Protection Act, the Americans With Disabilities Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the Texas Human Rights Act, the Fair Labor Standards Act, the federal Workers' Adjustment and Retraining Notification Act, the Sarbanes-Oxley Act, each as amended; and any other federal, state or local statutes, regulations, ordinances or common law, or under any policy, agreement, contract, understanding or promise, written or oral, formal or informal, between any of the Releasees and Employee, and shall further apply, without limitation, to any and all Claims in connection with, related to or arising out of Employee's employment relationship, or the termination of employment, with the Company or any Releasee and to any Claims for fraud or fraud in the inducement or fraudulent misrepresentation in relation to any such matters. Notwithstanding this General Release, Employee does not hereby release, waive or relinquish any of Employee's rights arising out of this Agreement or to any benefit under any Company benefit plan accrued by Employee prior to the Separation Date. Additionally, Company and Employee agree that Employee will continue to be covered by any and all indemnification agreements, including without limitation, Section 14 of the Employment Agreement as well as any applicable Company directors and officers insurance policy, after the Separation Date, and Employee is not releasing, waiving or relinquishing her rights related to any indemnification she would be entitled to receive as if she continued to be an active employee of the Company. Further, Company and Employee agree that Employee is not releasing, waiving or relinquishing any right to payment under the terms of this Agreement.

(b) Except as provided in the terms and conditions of this Agreement, Employee acknowledges and agrees that the Company and its affiliates have fully satisfied any and all obligations owed to her, and no further sums are owed to her by the Company or by any of the other Releasees at any time. Employee represents and warrants that Employee has not filed, and Employee will not file, any lawsuit or institute any proceeding, charge, complaint or action asserting any claim released by this Agreement before any federal, state, or local administrative agency or court against any Releasee, concerning any event occurring prior to the signing of this Agreement.

(c) Notwithstanding the foregoing, nothing contained in this Agreement limits Employee's ability to file a charge or complaint with any federal, state or local governmental agency or commission

(collectively, “Government Agencies”) or limits Employee’s ability to provide information to or communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies in connection with any charge or complaint, whether filed by Employee, on her behalf, or by any other individual. However, to the maximum extent permitted by law, Employee agrees that if such a charge or complaint is made, Employee shall not be entitled to recover any individual monetary relief or other individual remedies. This Agreement does not limit or prohibit Employee’s right to receive an award for information provided to any Government Agency to the extent that such limitation or prohibition is a violation of law.

(d) Nothing in this Section 4 shall be deemed to release (i) Employee’s right to enforce the terms of this Agreement, or (ii) any Claim that cannot be waived under applicable law, including any rights to workers’ compensation or unemployment insurance.

(e) Employee hereby represents and warrants to the Releasees that Employee is the sole owner of any Claims that Employee may now have or in the past had against any of the Releasees and that Employee has not assigned, transferred, or purported to assign or transfer any such Claim to any person or entity. Employee represents that she has suffered no work-related injuries while providing services for the Company and represents Employee does not intend to file any claim for compensation for work-related injury. Employee further represents that Employee has not filed any lawsuits or claims against any of the Releasees, or filed any charges or complaints with any agency against any of the Releasees. Employee represents that she has not reported any alleged improper conduct or activity to the Company or any of its affiliates; that she has no knowledge of any such conduct or activity; and that she has not been retaliated against for reporting any allegations of wrongdoing by the Company or any of its affiliates.

(f) Employee acknowledges that this Section 4 contains a waiver of any rights and claims under the ADEA and the Older Workers Benefit Protection Act. Employee acknowledges and represents that she has been given at least twenty-one (21) days during which to review and consider the provisions of this Agreement and, specifically, the General Release set forth in this Section 4, or has knowingly and voluntarily waived the right to do so, with the execution of this Agreement constituting a voluntary waiver. Employee further acknowledges and represents that she has been advised by the Company that she has the right to revoke this Agreement for a period of seven (7) days after signing it. Employee acknowledges and agrees that, if she wishes to revoke this Agreement, she must do so in a writing, signed by her and received by Soumit Roy, General Counsel, at soumit@daseke.com no later than 5:00 p.m. local time on the seventh (7th) day of the revocation period. If the last day of the revocation period falls on a Saturday, Sunday or holiday, the last day of the revocation period will be deemed to be the next business day. If no such revocation occurs, the General Release and this Agreement shall become effective on the eighth (8th) day following her execution of this Agreement (the “Effective Date”).

5. Covenants. In consideration of the payments and benefits (less all applicable withholdings) set forth in this Agreement, and in exchange for the provision of confidential information of the Company, Employee agrees to be bound by the following covenants:

(a) Prior Covenants. Employee acknowledges and affirms the restrictive covenants contained in Sections 8, 9 and 10 of the Employment Agreement and agrees that such covenants remain in full force and effect, and are reasonable, enforceable, and necessary to protect the legitimate business interests of the Company.

(b) Non Disparagement. Employee shall not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage, or in any way criticize the personal or business reputations, practices, or conduct of any member of the Company; and Company shall cause its officers and directors to not make any voluntary statements, written or oral, or cause or encourage others to make any such statements that defame, disparage, or in any way criticize the personal or business reputation, practice, or conduct of Employee. The foregoing will not be violated by truthful statements in response to legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings), and the foregoing limitation on the Company's officers and directors will not be violated by statements that they in good faith believe are necessary or appropriate to make in connection with performing their duties and obligations to the Company.

(c) Notice under Defend Trade Secrets Act. In accordance with the Defend Trade Secrets Act of 2016, Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (x) is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (y) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In addition, nothing in this Agreement shall limit Employee's ability to communicate with any Government Agency or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information.

(d) Return of Property. Employee agrees that, no later than 3 days after the Separation Date, she will have shipped (at the Company's expense) or returned to the Company all property of the Company in whatever form, including (i) all physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files and any and all other materials, including computerized and electronic information, that refers, relates or otherwise pertains to the Company or any affiliate of the Company (or business dealings thereof) that are in Employee's possession, subject to Employee's control or held by Employee for others; and (ii) all property or equipment that Employee has been issued by the Company or any affiliate of the Company during the course of her employment or property or equipment thereof that Employee otherwise possesses, including any vehicles, computers, cellular phones, pagers and other devices. Employee acknowledges that she is not authorized to retain any physical, computerized, electronic or other types of copies of any such physical, computerized, electronic or other types of records, documents, proposals, notes, lists, files or materials, and is not authorized to retain any other property or equipment of the Company or any affiliate of the Company. Employee further agrees that Employee will immediately forward to the Company (and thereafter destroy any copies thereof) any property or business information relating to the Company or any affiliate of the Company that has been or is inadvertently directed to Employee following Employee's last day of employment, or that Employee discovers is within her possession.

(e) Cooperation. Employee agrees that she will cooperate in good faith with the Company to assist it with any information or matter that is within Employee's knowledge as a result of Employee's employment with the Company, including but not limited to being reasonably available for interview by the Company's attorneys, auditors, or accountants, or providing truthful testimony without the necessity of a subpoena or compensation in any pending or future legal matter, in which the Company is a party. The Company will compensate Employee for her time in providing such cooperation at a mutually agreed market rate for accountants with Employee's experience. For the avoidance of doubt, this shall

include (but will not be limited to) assisting with any dispute related to the April 13, 2018, Arrangement Agreement among the Company, Daseke, and certain other parties (the “Dispute”). Employee agrees that she is and continues to be bound by the attorney-client privilege, the work product doctrine and all other applicable privileges to the maximum extent permitted by law for all communications between herself and counsel for the Company in the Dispute. Company and Employee further acknowledge and agree that such cooperation may include, but shall in no way be limited to, Employee’s making herself available for interview by the Company or any attorney retained by the Company, and providing to the Company any documents in her possession or under her control relating to the Dispute or any litigation, business, or investigatory matter. The Company additionally agrees to schedule such assistance in such a manner as not to interfere with any alternative employment obtained by Employee when possible. Employee agrees that she shall **not** discuss the Dispute with any person or entity, except as may be required by the Company or required by any court.

6. Consultation with Attorney: Voluntary Agreement. The Company advises Employee to consult with an attorney of her choosing prior to signing this Agreement. Employee understands and agrees that she has the right and has been given the opportunity to review this Agreement and, specifically, the General Release in Section 4 hereof, with an attorney. Employee also understands and agrees that she is under no obligation to consent to the General Release. Employee acknowledges and agrees that the rights and payments set forth this Agreement are sufficient consideration to require her to abide with her obligations under this Agreement, including but not limited to the General Release. Employee represents that she has read this Agreement, and understands its terms and that she enters into this Agreement freely, voluntarily, and without coercion. Employee acknowledges that she (i) is not relying upon any statements, understandings, representations, expectations, or agreements other than those expressly set forth in this Agreement; (ii) has made her own investigation of the facts and is relying solely upon her own knowledge; and (iii) knowingly waives any claim that this Agreement was induced by any misrepresentation or nondisclosure and any right to rescind or avoid this Agreement based upon presently existing facts, known or unknown.

7. Public Announcement. Except in connection with a termination for Cause under Section 2(c)(i) hereof, the Company shall not file any Form 8-K with the Securities and Exchange Commission regarding Employee’s separation without permitting Employee to review and provide reasonable input. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to prevent the Company, in the reasonable judgment of the Company’s counsel, from complying with applicable law.

8. Section 409A.

(a) Compliance. Notwithstanding any provision of this Agreement to the contrary, all provisions of this Agreement are intended to comply with Section 409A of the Internal Revenue Code, and the applicable Treasury regulations and administrative guidance issued thereunder (collectively, “Section 409A”) or an exemption therefrom and shall be construed and administered in accordance with such intent. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of Employee’s employment shall only be made if such termination of employment constitutes a “separation from service” under Section 409A.

(b) Reimbursement and In-kind Benefits. To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Employee, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year.

(c) Section 409A Payment Date. Notwithstanding any provision in this Agreement to the contrary, (i) if any payment or benefit provided for herein would be subject to additional taxes and interest under Section 409A if Employee's receipt of such payment or benefit is not delayed until the earlier of (A) the date of Employee's death or (B) the date that is six months after the Separation Date (such date, the "Section 409A Payment Date"), then such payment or benefit shall not be provided to Employee (or Employee's estate, if applicable) until the Section 409A Payment Date, and (ii) to the extent any payment hereunder constitutes nonqualified deferred compensation (within the meaning of Section 409A), then each such payment which is conditioned upon Employee's execution of a release and which is to be paid or provided during a designated period that begins in one taxable year and ends in a second taxable year shall be paid or provided in the later of the two taxable years. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement are exempt from, or compliant with, Section 409A and in no event shall any member of the Company Group (as such term is defined in the Employment Agreement) be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by Employee on account of non-compliance with Section 409A.

9. Governing Law. This Agreement shall be construed and enforced under and be governed in all respects by the laws of the State of Texas, without giving effect to any choice or conflict of law provision or rule that would require application of a different jurisdiction's law.

10. Dispute Resolution. All disputes relating to or arising from this Agreement (including but not limited to the arbitrability thereof), Employee's employment with the Company, the Employment Agreement, and the 2017 Omnibus Incentive Plan, as amended, shall be resolved in accordance with Section 11 of the Employment Agreement.

11. Entire Agreement. This Agreement, together with Sections 8, 9, 10 and 11 of the Employment Agreement, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior agreements between the Parties with respect to such matters, unless specifically provided otherwise herein. Employee agrees that she is not relying on any representations outside this Agreement. The Parties agree that the Employment Agreement (other than Sections 8, 9, 10 and 11 thereof) is superseded by this Agreement and of no further force or effect and that the General Release in Section 4 hereof encompasses any and all claims under the Employment Agreement unless expressly provided otherwise in this Agreement.

12. Amendment. This Agreement may be modified or amended only by a written instrument signed by Employee and an authorized officer of the Company.

13. Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving Party. The failure of either Party to require the performance of any term or obligation of

this Agreement, or the waiver by either Party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

14. Successors and Assigns. This Agreement shall inure to the benefit of the Company and each of its successors and assigns. Employee shall not assign this Agreement or any part hereof. Any purported assignment by Employee shall be null and void from the initial date of the purported assignment.

15. Drafting. This Agreement and the provisions contained in it shall not be construed or interpreted for or against either Party because that Party drafted or caused that Party's legal representative to draft any of its provisions.

16. Headings. Descriptive headings in this Agreement are inserted for convenience only and shall be disregarded in construing or applying any provision of this Agreement.

17. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and both of which, taken together, shall constitute one and the same instrument. This Agreement may be executed and delivered by exchange of facsimile or other electronic means of transmitting signature, and such signatures shall be considered an original for purposes of enforcement of the Agreement.

[Signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed as of the dates written below.

Dated: April 2, 2020

/s/ Angie J. Moss
Angie J. Moss

Dated: April 2, 2020

Daseke, Inc.

By: /s/ Christopher Easter
Name: Chris Easter
Title: Chief Executive Officer

EXHIBIT A

GENERAL RELEASE AGREEMENT

This General Release Agreement (this "Release") is by and between Angie Moss ("Employee") and Daseke, Inc. (the "Company"), and is effective on the eighth day following Employee's execution of this Release provided she has not revoked it as provided for herein.

WHEREAS, Employee was initially employed by the Company as Vice President, Chief Accounting Officer, Corporate Controller and Assistant Secretary pursuant to that certain Employment Agreement effective as of February 27, 2017 (the "Employment Agreement");

WHEREAS, Employee and the Company are party to that certain Transition and Separation Agreement effective as of [____], 2020 (the "Transition Agreement") which superseded and replaced, in part, the Employment Agreement; and

WHEREAS Employee's employment with the Company terminated effective as of [____], 2020 (the "Separation Date").

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements, and promises set forth herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, Employee and the Company hereby agree as follows:

1. Termination. Employee's employment with the Company terminated effective as of the Separation Date. Employee agrees to and does hereby resign effective as of the Separation Date from any other appointments or positions which she may hold with the Company and its affiliates. Employee agrees to execute all further documents that the Company may reasonably request of her to effectuate such resignations.

2. Consideration. In consideration of Employee's execution and non-revocation of this Release, and conditioned on Employee's continued compliance with Sections 8, 9 and 10 of the Employment Agreement (which remain in full force and effect in accordance with their terms), Section 5 of the Transition Agreement, and the covenants and promises contained herein, the Company shall pay and provide to Employee, those amounts described in Section 3(b) of the Transition Agreement in the manner set forth in such Section 3(b) and, if applicable, Section 8 of the Transition Agreement. The Company agrees that if the Company or any of its subsidiaries requests that Employee enter into a separate agreement for consulting or employment after the Separation Date, then Employee may enter into such agreement and it will not be considered a violation of any restrictive covenant nor would such an agreement or the rendering of such services be considered a breach of Sections 8, 9, and/or 10 of the Employment Agreement.

3. General Release.

(a) In consideration of the payments and benefits (less all applicable withholdings) set forth in this Release, Employee, on behalf of herself and her agents, spouse, heirs, executors, successors and assigns, knowingly and voluntarily releases, remises, and forever discharges the Company, its parents, subsidiaries or affiliates, together with all of the foregoing entities' respective current and former principals, officers, directors, partners, shareholders, agents,

representatives, attorneys, insurers, members, managers, and employees, and each of the above listed person's heirs, executors, successors and assigns whether or not acting as his or her representative, individual or any other capacity (collectively, the "Releasees"), to the fullest extent permitted by law, from any and all debts, demands, actions, causes of actions, accounts, covenants, contracts, agreements, claims, damages, costs, expenses, omissions, promises, and any and all claims and liabilities whatsoever, of every name and nature, known or unknown, suspected or unsuspected, both in law and equity ("Claims"), which Employee ever had, now has, or may hereafter claim to have against the Releasees, including but not limited to, those related to or arising from Employee's employment with the Company, the cessation thereof, the Employment Agreement, the Transition Agreement, or any other matter, cause or thing whatsoever relating thereto arising from the beginning of time to the date of execution of this Release by Employee (the "General Release"). The General Release shall apply to any Claim of any type, including, without limitation, any Claims with respect to Employee's entitlement to any wages, bonuses, benefits, payments, or other forms of compensation; any claims of wrongful discharge, breach of contract, breach of the covenant of good faith and fair dealing, violation of public policy, defamation, personal injury, or emotional distress; any Claims of any type that Employee may have arising under the common law; any Claims arising under the Employment Agreement or Transition Agreement; any Claims under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (the "ADEA"), the Older Workers Benefit Protection Act, the Americans With Disabilities Act, the Family and Medical Leave Act, the Employee Retirement Income Security Act, the Texas Human Rights Act, the Fair Labor Standards Act, the federal Workers' Adjustment and Retraining Notification Act, the Sarbanes-Oxley Act, each as amended; and any other federal, state or local statutes, regulations, ordinances or common law, or under any policy, agreement, contract, understanding or promise, written or oral, formal or informal, between any of the Releasees and Employee, and shall further apply, without limitation, to any and all Claims in connection with, related to or arising out of Employee's employment relationship, or the termination of employment, with the Company or any Releasee and to any Claims for fraud or fraud in the inducement or fraudulent misrepresentation in relation to any such matters. Notwithstanding this General Release, Employee does not hereby release, waive or relinquish any of Employee's rights arising out of this Release or to any benefit under any Company benefit plan accrued by Employee prior to the Separation Date. Additionally, Company and Employee agree that Employee will continue to be covered by any and all indemnification agreements, including without limitation, Section 14 of the Employment Agreement as well as any applicable Company directors and officers insurance policy, after the Separation Date, and Employee is not releasing, waiving or relinquishing her rights related to any indemnification she would be entitled to receive as if she continued to be an active employee of the Company. Further, Company and Employee agree that Employee is not releasing, waiving or relinquishing any right to payment of unpaid amounts, if any, owed to Employee pursuant to (i) Section 3(d) of the Employment Agreement that relate to expenses incurred on or before the Separation Date and (ii) Section 3(a)(i) [and Section 3(a)(ii)] of the Transition Agreement.

(b) Except as provided in Section 3(a)(i) [and Section 3(a)(ii)] of the Transition Agreement, Employee acknowledges and agrees that the Company and its affiliates have fully satisfied any and all obligations owed to her, and no further sums are owed to her by the Company or by any of the other Releasees at any time. Employee represents and warrants that Employee has not filed, and Employee will not file, any lawsuit or institute any proceeding, charge, complaint or

action asserting any claim released by this Release before any federal, state, or local administrative agency or court against any Releasee, concerning any event occurring prior to the signing of this Release.

(c) Notwithstanding the foregoing, nothing contained in this Release limits Employee's ability to file a charge or complaint with any federal, state or local governmental agency or commission (collectively, "Government Agencies") or limits Employee's ability to provide information to or communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies in connection with any charge or complaint, whether filed by Employee, on her behalf, or by any other individual. However, to the maximum extent permitted by law, Employee agrees that if such a charge or complaint is made, Employee shall not be entitled to recover any individual monetary relief or other individual remedies. This Release does not limit or prohibit Employee's right to receive an award for information provided to any Government Agency to the extent that such limitation or prohibition is a violation of law.

(d) Nothing in this Section 3 shall be deemed to release (i) Employee's right to enforce the terms of this Release, or (ii) any Claim that cannot be waived under applicable law, including any rights to workers' compensation or unemployment insurance.

(e) Employee hereby represents and warrants to the Releasees that Employee is the sole owner of any Claims that Employee may now have or in the past had against any of the Releasees and that Employee has not assigned, transferred, or purported to assign or transfer any such Claim to any person or entity. Employee represents that she has suffered no work-related injuries while providing services for the Company and represents Employee does not intend to file any claim for compensation for work-related injury. Employee further represents that Employee has not filed any lawsuits or claims against any of the Releasees, or filed any charges or complaints with any agency against any of the Releasees. Employee represents that she has not reported any alleged improper conduct or activity to the Company or any of its affiliates; that she has no knowledge of any such conduct or activity; and that she has not been retaliated against for reporting any allegations of wrongdoing by the Company or any of its affiliates.

(f) Employee acknowledges that this Section 3 contains a waiver of any rights and claims under the ADEA and the Older Workers Benefit Protection Act. Employee acknowledges and represents that she has been given at least twenty-one (21) days during which to review and consider the provisions of this Release and, specifically, the General Release set forth in this Section 3, or has knowingly and voluntarily waived the right to do so, with the execution of this Release constituting a voluntary waiver. Employee further acknowledges and represents that she has been advised by the Company that she has the right to revoke this Release for a period of seven (7) days after signing it. Employee acknowledges and agrees that, if she wishes to revoke this Release, she must do so in a writing, signed by her and received by Soumit Roy, General Counsel, at soumit@daseke.com no later than 5:00 p.m. local time on the seventh (7th) day of the revocation period. If the last day of the revocation period falls on a Saturday, Sunday or holiday, the last day of the revocation period will be deemed to be the next business day. If no such revocation occurs, the General Release and this Release shall become effective on the eighth (8th) day following her execution of this Release.

4. Modification. This Release may not be modified or amended except in writing signed by the parties.

5. Successor and Assigns. All the terms and provisions of this Release shall be binding upon and inure to the benefit of the parties hereto and to their respective successors and permitted assigns. Neither this Release nor any rights or obligations hereunder may be assigned by Employee, other than by will or the laws of descent or distribution. Any amounts payable under this Release to Employee after her death shall be paid to Employee's estate or legal representative.

6. Governing Law. This Release shall be governed by and construed in accordance with the laws of the State of Texas (without giving effect to principles of conflict of law) and, where applicable, the laws of the United States. Venue shall lie exclusively in Dallas County, Texas.

7. Advice to Consult with Attorney; Acknowledgments. Employee acknowledges that she has been and hereby is advised to consult an attorney regarding this Release prior to its execution. Employee agrees that she is receiving benefits under this Release to which she would not be entitled but for execution of this Release. Employee acknowledges that she has read this Release, understands it, and is entering into it voluntarily and without reliance on any representations other than those contained herein.

8. Dispute Resolution. All disputes relating to or arising from this Release (including but not limited to the arbitrability thereof), Employee's employment with the Company, the Employment Agreement, the 2017 Omnibus Incentive Plan, as amended, and the Transition Agreement shall be resolved in accordance with Section 11 of the Employment Agreement.

9. Entire Agreement. This Release, together with Sections 8, 9, 10 and 11 of the Employment Agreement, and the Transition Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements between the parties with respect to such matters, unless specifically provided otherwise herein. Employee agrees that she is not relying on any representations outside this Release. The parties agree that the Employment Agreement (other than Sections 8, 9, 10 and 11 thereof) and the Transition Agreement (other than Sections 4, 5, [7] and 8 thereof) are superseded by this Release and are of no further force or effect and that the Release in Section 3 hereof encompasses any and all claims under the Employment Agreement and Transition Agreement.

[Remainder of Page Intentionally Left Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Release to be executed in its corporate name by an officer thereof thereunto duly authorized, and Employee has hereunto set her hand, effective as of the day and year first above written.

THE COMPANY: DASEKE, INC.

EMPLOYEE: ANGIE MOSS

By:

Printed Name:

Printed Name:

Title:

Date:

Date:

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Christopher Easter, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 of Daseke, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2020

By: /s/ Christopher Easter
Name: Christopher Easter
Title: Chief Executive Officer and Director
(Principal Executive Officer)

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Jason Bates, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 of Daseke, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 6, 2020

By: /s/ Jason Bates
Name: Jason Bates
Title: Chief Financial Officer
(Principal Financial Officer)

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Daseke , Inc. (the Company) for the period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Christopher Easter, Chief Executive Officer, Chief Operating Officer and Director of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge: (1) the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2020

By: /s/ Christopher Easter
Name: Christopher Easter
Title: Chief Executive Officer and Director
(Principal Executive Officer)

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of Daseke, Inc. (the Company) for the period ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the Report), Jason Bates, Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge: (1) the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 6, 2020

By: /s/ Jason Bates
Name: Jason Bates
Title: Chief Financial Officer
(Principal Financial Officer)
