



SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into by Plaintiff Deborah Ellis ("Class Representative"), on behalf of herself and as representative of the Settlement Class, as defined below, and Defendant Werner Enterprises, Inc. ("Werner"). This Agreement is made subject to approval by the United States District Court for the District of Nebraska ("Court"), for the purpose of settling all claims asserted by the Settlement Class herein.

WHEREAS, on May 30, 2018, Christopher Midgett filed a Collective and Class Action Complaint against Werner in the Court, under the caption Christopher Midgett v. Werner Enterprises, Inc. ("the Action"), where it is docketed as Case No. 8:18-cv-00238-JFB-SMB;

WHEREAS, the Collective and Class Action Complaint, as amended, seeks certification of a collective action and class action on behalf of drivers who contracted with Werner as independent contractor owner operators and who assert claims for unpaid wages under the Fair Labor Standards Act and Nebraska Wage and Hour Act and for unjust enrichment;

WHEREAS, on November 18, 2020, the Court conditionally certified an FLSA collective action on behalf of certain current and former drivers classified as independent contractors who transported truckload shipments for Werner, during the time frame set forth in the Court's Memorandum and Order;

WHEREAS, on November 18, 2020, the Court denied Plaintiff's Motion to Certify a Rule 23 Class without prejudice, such that the state law claims alleged in the Complaint on behalf of a putative class of drivers who contracted with Werner as independent contractor owner operators have not been certified as a class action;

WHEREAS, after members of the conditionally certified FLSA class were provided written notice of the collective action, the Class Representative and other drivers filed consent forms with the Court opting in to the FLSA collective action (collectively, the "Settlement Class");

WHEREAS, on November 10, 2022, the Class Representative, who is an Opt-in Plaintiff was, by Order of the Court, substituted as a Named Plaintiff and Class Representative to represent the Settlement Class in the Action;

WHEREAS, Werner, the Settlement Class, and Plaintiffs' counsel have reached agreement on the terms and conditions of a settlement of the claims asserted in the Action by the Settlement Class, leaving only the individual claims by Christopher Midgett as unresolved and remaining for determination by the Court; and

WHEREAS, the Settlement Class has agreed, through Plaintiffs' counsel and the Class Representative, that all claims asserted by the Settlement Class, including the FLSA claims and the state law claims asserted in the Action, can be resolved through settlement;

WHEREAS, after analyzing the facts and law applicable to the claims at issue, and taking into account the burdens, risks, uncertainties, and expenses of litigation, as well as the fair, cost-effective, and assured method of resolving the claims at issue in the Action pursuant to this

Agreement, Plaintiffs' counsel have concluded this Agreement is fair, reasonable, adequate, and in the best interests of the Settlement Class;

WHEREAS, Werner has similarly concluded this Agreement is desirable in order to reduce the time, risk, and expense of litigation, and to resolve finally and completely the Settlement Claims of the Settlement Class; and

WHEREAS, the Parties agree that all individuals who would otherwise qualify as members of the Settlement Class described below shall have the right to exclude themselves from the Settlement Class, subject to the terms and conditions for exclusion set forth in this Agreement;

NOW, THEREFORE, the undersigned Parties stipulate and agree that, subject to the Court's approval of this Agreement and the terms and conditions set forth below, (i) all Settlement Claims of the Settlement Class against any of the Released Parties, as those terms are defined below, shall be finally settled and resolved; and (ii) the Motion for Rule 23 Class Certification currently pending in the Action shall be withdrawn upon execution of this Agreement and shall not be reasserted at any time.

I. DEFINITIONS.

A. Action. "Action" shall mean the civil action originally filed by Christopher Midgett against Werner on May 30, 2018, in the United States District Court for the District of Nebraska, docketed as Case No. 8:18-cv-00238-JFB-SMB.

B. Administrative Expenses. "Administrative Expenses" shall include (a) Class Counsel's attorney fees, in an amount not to exceed one-third of the Gross Settlement; and (b) other litigation costs, costs of settlement administration, and service awards.

C. Class Counsel. "Class Counsel" shall mean Eric L. Dirks, WILLIAMS DIRKS DAMERON LLC and Jack D. McInnes, MCINNES LAW LLC and any other lawyers appointed by the Court to represent the Class.

D. Class Member or Settlement Class Member. "Class Member" or "Settlement Class Member" shall mean any person who is a member of the Settlement Class, or, if such person is incompetent or deceased, the person's legal guardian, executor, heir, or successor-in-interest.

E. Class Period. "Class Period" shall mean the period from May 30, 2015, to May 30, 2019.

F. Class Representative. "Class Representative" shall mean Deborah Ellis, who has been appointed by the Court as a Named Plaintiff to represent the Settlement Class for purposes of this Settlement.

G. Class Settlement or Settlement. "Class Settlement" or "Settlement" shall mean the settlement between the Parties, which is memorialized in this Agreement, subject to Court approval.

H. Court. "Court" shall mean the United States District Court for the District of Nebraska.

I. Defense Counsel. "Defense Counsel" shall mean the attorneys for Defendant Werner Enterprises, Inc., Patrick S. Cooper and Elizabeth A. Culhane, Fraser Stryker, PC LLO, 500 Energy Plaza, 409 South 17th Street, Omaha, Nebraska, 68102.

J. Effective Date. "Effective Date" shall mean the latest of the following: (i) the date on which the Order and Judgment becomes Final; (ii) the date on which an order awarding attorney fees to Class Counsel with respect to this Agreement becomes final; or (iii) the date on which all periods during which any party to this Agreement may exercise a right of withdrawal have expired.

K. Final. "Final" means, with respect to an order or judgment, that no timely appeals have been taken or that all appeals or other rights of review have been exhausted and the order or judgment has not been vacated, reversed, or modified as a result.

L. Final Approval and Fairness Hearing. "Final Approval and Fairness Hearing" shall mean a hearing set by the Court for the purpose of determining the fairness and equity of the Settlement.

M. Gross Settlement Amount. The "Gross Settlement Amount" shall be the maximum aggregate payment by Werner of Seven Hundred Fifty Thousand Dollars and No Cents (\$750,000.00). The Gross Settlement Amount shall be the sole source and maximum payment by Werner or the Released Parties under this Settlement and shall be comprised of: (a) attorney fees not to exceed one-third of the Gross Settlement Amount; (b) litigation costs, costs of settlement administration, and service fee awards; and (c) a Net Settlement Fund consisting of the balance of the Gross Settlement Amount after deductions for the items listed in (a) and (b). Neither Werner nor any of the Released Parties shall pay or be required to pay any amount in connection with this Settlement above and beyond the Gross Settlement Amount.

N. Individual Settlement Payment. "Individual Settlement Payment" shall mean the amounts ultimately payable to each member of the Settlement Class who does not timely request exclusion, based on a formula calculated as set forth in Section IV.E.2 below.

O. Net Settlement Fund. The "Net Settlement Fund" shall mean the balance of the Gross Settlement Amount after deductions for (a) attorney fees not to exceed one-third of the Gross Settlement Amount; and (b) litigation costs, costs of settlement administration, and service fee awards. For the purpose of calculating applicable taxes for the payment of the Individual Settlement Payments to each member of the Settlement Class (excluding Class Representative's Service Fee), the Parties agree for settlement purposes only that the Net Settlement Fund will be characterized as 50% wages and 50% interest and liquidated damages, to the extent practicable.

P. Objection Deadline. "Objection Deadline" means a date forty five (45) days from the date the Settlement Notice is first mailed to members of the Settlement Class, or such other date before the Final Approval and Fairness Hearing as may be agreed to by the Parties and approved by the Court.

Q. Opt-in Plaintiffs shall mean all persons who, after receiving notice of the conditionally certified FLSA collective action, filed consent forms with the Court opting in to the conditionally certified collective action in the Action.

R. Opt-Outs. "Opt-Outs" shall mean any and all persons who timely and validly request exclusion from the Settlement Class in accordance with the terms of the Settlement Notice.

S. Opt-Out Request. "Opt-Out Request" shall mean a timely and valid request for exclusion from the Settlement Class in accordance with the terms of the Settlement Notice.

T. Parties. "Parties" shall mean Defendant Werner Enterprises, Inc. and the Class Representative, on behalf of herself and the Settlement Class.

U. Preliminary Approval Date. "Preliminary Approval Date" shall mean the date upon which the Court enters an order preliminarily approving the Settlement.

V. Release of Claims. "Release" means the Release of Settlement Claims set forth in Section IX below.

W. Released Parties. "Released Parties" shall mean Werner Enterprises, Inc.; the present and former parent companies, subsidiaries, divisions, affiliates, successors, predecessors, related companies, and joint ventures of Werner Enterprises, Inc., including but not limited to Drivers Management, LLC, Werner Leasing, Werner Management, and Gra-Gar LLC; and the present and former officers, directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, representatives, consultants, pension and welfare benefit plans, plan fiduciaries, administrators, trustees, general and limited partners, predecessors, successors, and assigns of Werner Enterprises, Inc. and its related companies.

X. Service Fee. "Service Fee" shall mean any additional monetary payment provided to the Class Representative and/or Settlement Class Members who participated in depositions on behalf of themselves and the Settlement Class in this Action.

Y. Settlement. "Settlement" shall mean the settlement between the Parties, which is memorialized in this Agreement, subject to Court approval.

Z. Settlement Administrator. "Settlement Administrator" shall mean Simpluris, which entity the Parties have agreed will be responsible for administration of the Settlement and related matters, or another neutral administrator mutually agreed to by the parties and approved by the Court.

AA. Settlement Claims. "Settlement Claims" shall mean all claims that are alleged, or could have been alleged, in the Complaint filed on May 30, 2018 and any Amended Complaint filed thereafter in this Action, whether known or unknown, regardless of the legal theory, and whether or not asserted now or in the future by any member of the Settlement Class, or their successors, heirs, or assigns against any of the Released Parties. "Settlement Claims" include, without limitation, all claims, relating to unpaid wages, arising out of or relating to (i) Werner's

alleged violation of state or federal wage and hour laws, including the Fair Labor Standards Act, Nebraska Wage and Hour Act, and Nebraska Wage Payment and Collection Act; (ii) Werner's alleged misclassification of drivers as independent contractors rather than employees; (iii) Werner's alleged failure to pay for all time worked; (iv) Werner's alleged practices of making improper deductions from wages, withholding earned wages, and charging of fees or expenses; (v) Werner's alleged failure to provide reimbursement for incurred fees or expenses; (vi) Werner's alleged failure to timely pay all wages when due; (vii) Werner's alleged unjust enrichment; (viii) Werner's alleged unlawful, unfair, and/or deceptive business practices detailed in Paragraphs 12-23 of the operative Complaint; and (ix) any claim for payment, wages, premium compensation, bonuses, damages, penalties, liquidated damages, restitution, reimbursement, interest, attorney fees, litigation costs, injunctive relief, declaratory relief, or any other equitable or legal relief allegedly due or owing by virtue of or related to the relationship between Werner and any member of the Settlement Class.

BB. Settlement Class. "Settlement Class" shall mean all Opt-in Plaintiffs who do not timely request exclusion after receiving the Settlement Notice.

CC. Settlement Notice. "Settlement Notice" shall mean the Notice of Preliminary Approval of Settlement, in the form agreed to by the Parties and attached to the Motion for Preliminary Approval of Settlement or as otherwise approved by the Court, which is mailed to members of the Settlement Class.

DD. Werner. "Werner" shall refer collectively to Werner Enterprises, Inc.; the present and former parent companies, subsidiaries, divisions, affiliates, successors, predecessors, related companies, and joint ventures of Werner Enterprises, Inc., and the present and former officers, directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, representatives, consultants, pension and welfare benefit plans, plan fiduciaries, administrators, trustees, general and limited partners, predecessors, successors, and assigns of Werner Enterprises, Inc.

II. SETTLEMENT AGREEMENT AND SETTLEMENT CONSIDERATION

A. Gross Settlement Amount

The Gross Settlement Amount shall constitute adequate consideration for the settlement memorialized in this Agreement and will be paid in exchange for full and final settlement of (a) the Settlement Claims; (b) Class Counsel's attorney fees and expenses; (c) the Administrative Expenses; and (d) any other obligation of Werner under this Agreement, including any employer's share of payroll taxes. In exchange for Werner's tender of the Gross Settlement Amount, the Class Representative and Class Counsel agree to (i) the Release of All Settlement Claims set forth in Section IX below; (ii) dismiss all claims by the Settlement Class with prejudice, including the federal and state claims asserted in the Action; and (iii) withdraw the Motion for Rule 23 Class Certification currently pending in the Action, which shall not be reasserted.

B. Payment to Class Members Who Do Not Request Exclusion.

Each Settlement Class Member who does not timely request exclusion by the Opt Out Deadline, as further detailed in Section IV.C below, shall receive a payment based on a formula calculated as set forth in Section IV.E.2 below.

C. Tax Treatment of Settlement Payments.

For the purpose of calculating applicable taxes for the Individual Settlement Payments to each member of the Settlement Class (excluding the Class Representative's and other Opt-In Plaintiffs' service awards), the Parties agree for settlement purposes only, and to the extent practicable, that the Net Settlement Fund will be characterized as 50% wages and 50% interest and liquidated damages. The portion of the Net Settlement Fund allocated as wages shall be subject to the withholding of all applicable local, state, and federal income and employment taxes. Both the employer's and employee's share of the payroll taxes for amounts allocated as wages shall be taken out of the Net Settlement Fund, and Werner shall not be responsible for paying the employer's share of the payroll taxes separately from, or in addition to, the Gross Settlement Amount or Net Settlement Fund. If the Settlement Administrator is unable to assign W-2 wages to any or all Settlement Class Members due to lack of information, documentation or other impracticabilities, then Individual Settlement Payment amounts will be distributed via 1099 only.

As detailed in Section IV.E.2 below, the Settlement Administrator shall be responsible for computing the employee's and employer's portion of applicable local, state, and federal income and employment taxes due on the portion of the Net Settlement Fund characterized as wages and for paying all applicable taxes to the appropriate local, state, or federal tax agency on behalf of Werner and each Settlement Class Member, in the amounts calculated by the Settlement Administrator for that Settlement Class Member. The Parties agree that Werner shall not have any responsibility for calculating tax withholdings or for transmitting any portion of an Individual Settlement Payment to local, state, or federal taxing authorities. The Parties further agree that Werner's transmittal of the Gross Settlement Amount in accordance with the terms of this Agreement absolves Werner of any and all liability for alleged non-payment of applicable taxes or any similar claim or argument that may ever be asserted in the future by any local, state, or federal taxing authority with respect to any Individual Settlement Payment issued to a Settlement Class Member. The Parties understand that each Settlement Class Member who receives any payment pursuant to this Agreement shall be solely responsible to pay appropriate taxes due on the payments received and for any and all tax liability, penalties, or costs assessed to that individual in connection with the Individual Settlement Payments and the Settlement Administrator bears sole responsibility for computing tax withholdings and transmitting those payments to the relevant taxing authorities. The Parties further understand and acknowledge that Werner has not made any representations regarding the proper tax treatment of the Individual Settlement Payments.

D. No Effect on Employee Retirement Benefit Plans.

Neither the Agreement nor any amounts paid pursuant to the Agreement will modify any previously credited hours, days, or weeks of service under any employee benefit plan, policy, or bonus program sponsored by Werner. Such amounts will not form the basis for additional

contributions to, benefits under, or any other monetary entitlement under Werner's sponsored benefit plans, policies, or bonus programs. The payments made under the terms of this Agreement shall not be applied retroactively, currently, or on a going forward basis, as salary, earnings, wages, or any other form of compensation for the purposes of any of Werner's benefit plans, policies, or bonus programs. Werner retains the right to modify the language of its benefit plans, policies, and bonus programs to effect this intent and to make clear that any amounts paid pursuant to this Agreement are not for "weeks worked," "weeks paid," "weeks of service" or any similar measuring term as defined by applicable plans, policies, and bonus programs for purposes of eligibility, vesting, benefit accrual, or any other purpose, and additional contributions or benefits are not required by this Agreement. Werner does not consider the settlement payments as "compensation" for purposes of determining eligibility for, or benefit accrual within, any benefit plans, policies, or bonus programs or any other plan sponsored by Werner.

III. FUNDING OF THE SETTLEMENT

A. The Settlement Administrator's Costs and Expenses.

All costs and expenses due to the Settlement Administrator in connection with its administration of the Settlement, including but not limited to sending the Settlement Notice, locating Class Members, processing requests for exclusion from the Class, and calculating and distributing Individual Settlement Payments to Class Members who do not timely request exclusion shall be paid from the Gross Settlement Amount.

B. Deposit by Werner.

Within 14 days after entry of an Order granting Preliminary Approval of this Agreement, Werner shall remit \$10,000.00 by wire transfer to the Settlement Administrator from the Gross Settlement Amount, for the Settlement Administrator's costs and expenses to provide the Settlement Notice. In the event the Court does not approve the Settlement, any unused amount from the \$10,000.00 shall be returned to Werner by the Settlement Administrator and Class Counsel shall reimburse Werner for one-half of any funds already expended by the Settlement Administrator.

C. Payment by Werner of the Balance of the Gross Settlement Amount.

Within 14 days after the Effective Date, Werner will remit by wire transfer to the Settlement Administrator the balance of the Gross Settlement Amount to be distributed pursuant to this Settlement.

IV. NOTICE TO CLASS MEMBERS, PROCESS FOR OPTING OUT OF THE CLASS, AND CALCULATION AND DISTRIBUTION OF INDIVIDUAL SETTLEMENT PAYMENTS.

A. The Settlement Administrator.

The Settlement Administrator will be responsible for mailing and emailing the Settlement Notice to members of the Settlement Class; handling inquiries from members of the Settlement

Class concerning the Settlement Notice; determining Individual Settlement Amounts as directed by counsel; calculating appropriate employer and employee taxes on the portion of the Net Settlement fund characterized as wages; issuing and distributing settlement checks to members of the Settlement Class; remitting appropriate taxes withheld from each Settlement Class Member's Individual Settlement Payment to the appropriate local, state and federal tax agencies on behalf of Werner and the respective Settlement Class Member; and performing such other duties as the Parties may direct. To the extent any Settlement Notice is returned as undeliverable after being sent to a Settlement Class Member address included in the Class List (as defined below), the Settlement Administrator shall also be responsible for researching and, to the extent possible, locating an updated address for any such Settlement Class Member.

On a weekly basis, the Settlement Administrator will provide reports to Class Counsel and Defense Counsel, updating them as to the number of timely received requests for exclusion, as well as any objections submitted by members of the Settlement Class. The Settlement Administrator will serve on Class Counsel and Defense Counsel, via email, date-stamped copies of the original requests for exclusion, objections, and any withdrawals of objections, no later than seven days after receipt of the exclusion, objection, or withdrawal. Within 14 days after the Court issues Final Approval, the Settlement Administrator will compile and deliver to Class Counsel and Defense Counsel a report listing the Individual Settlement Amount to be paid to each member of the Settlement Class who does not timely request exclusion and the final number of Opt-Outs.

B. Notice to Class Members.

Within 14 days after an Order granting Preliminary Approval of this Agreement, the Parties shall provide the Settlement Administrator with a list containing the names and all available social security numbers, last-known addresses, email addresses and telephone numbers for all members of the Settlement Class (the "Class List"). The Settlement Administrator shall represent, warrant, covenant, and agree that (a) it will hold the Class List, including any copies thereof, in strictest confidence and shall not disclose or divulge its contents to any Class Member, including the Class Representative, or to any third party; (b) the Class List shall be kept in secure facilities; and (c) the contents of the Class List shall be used exclusively for administration of the Settlement and for no other purpose. Within 14 days after receipt of the Class List, or as soon thereafter as practicable, the Settlement Administrator shall send the Settlement Notice to each Class Member, via first-class U.S. Mail and email.

C. Opt Out Procedure

In order for a Settlement Class Member to request exclusion from the Settlement, the Settlement Class Member must return a signed written statement, containing his or her full name, current address, and a statement that the Settlement Class member wishes to be excluded from the Settlement, to the Settlement Administrator, postmarked no later than forty-five (45) days after the date on which the Notice to Class Members is first mailed (the "Opt Out Deadline"). If, prior to that deadline, any Settlement Notice mailed to a Settlement Class Member is returned as undeliverable by the U.S. Postal Service, the Settlement Administrator shall perform a skip trace search and seek an address correction for such Settlement Class Member and send a new Settlement Notice to any new or different address obtained for that Settlement Class Member.

It will be conclusively presumed that if an envelope containing the Settlement Notice has not been returned within 28 days of mailing, the Settlement Class Member received the Settlement Notice. Within 14 days after the Opt Out Deadline, the Settlement Administrator shall provide Class Counsel and Defense Counsel with a Declaration of Due Diligence and Proof of Mailing regarding the mailing of the Settlement Notice. The Declaration shall state the number of Class Members to whom the Settlement Notice was sent, the number of Settlement Notices returned as undeliverable, and the number of timely requests for exclusion received. Class Counsel shall file this Declaration with the Court.

Any Settlement Class Member who opts out of the Class will not be entitled to an Individual Settlement Payment and will not be bound by the Settlement or have any right to object, appeal from an order granting final approval of, or otherwise comment on the settlement memorialized in this Agreement. Those Class Members who have not returned a completed request for exclusion by the Opt Out Deadline shall receive an Individual Settlement Payment and shall be bound by the dismissal with prejudice of this Action and the Release of Settlement Claims set forth in Section IX of this Agreement.

D. Objections

The Settlement Notice shall provide that Class Members who wish to object to the settlement memorialized in this Agreement must file with the District Court and serve on counsel for the Parties a written statement objecting to the settlement. Such written statement must be filed with the District Court and served on counsel for the Parties no later than forty five (45) days after the date on which the Notice to Class Members is first mailed (the "Objection / Exclusion Deadline"). Subject to any future Court Order to the contrary, no Settlement Class Member shall be entitled to be heard at the Final Approval and Fairness Hearing (whether individually or through separate counsel) or to object to the settlement, and no written objections or briefs submitted by any Settlement Class Member shall be received or considered by the District Court at the Final Approval and Fairness Hearing, unless written notice of the Settlement Class Member's intention to appear at the Final Approval and Fairness Hearing, and copies of any written objection or briefs, shall have been filed with the District Court and served on counsel for the Parties on or before the Objection / Exclusion Deadline. Settlement Class Members who fail to file and timely serve written objections in the manner specified above shall be deemed to have waived any objections and shall be foreclosed from making any objection (whether by appeal or otherwise) to the settlement.

E. Settlement Distribution.

1. The Parties agree that, in exchange for the Gross Settlement Amount of \$750,000.00, (a) the Settlement Claims of the Settlement Class will be fully and finally resolved, forever released, and dismissed with prejudice as set forth in Section IX below; and (b) the Motion for Rule 23 Class Certification currently pending in the Action shall be withdrawn and shall not be reasserted. The Gross Settlement Amount of \$750,000.00 shall be allocated as follows:

a) The Attorney Fees as approved by the Court, in an amount not to exceed one-third of the Gross Settlement Amount. Such fee award shall be paid in full satisfaction of all attorney's fees incurred in this Action by Class Counsel.

b) The Administrative Expenses, as defined in Section I.B above.

c) The Net Settlement Fund, as defined in Section I.O above. The Individual Settlement Payment to be distributed to each Class Member from the Net Settlement Funds shall be determined as set forth in Section IV.E.2 below.

2. Calculation of the Individual Settlement Payment.

For settlement purposes only, the Individual Settlement Payment to be paid to each Settlement Class Member who does not timely request exclusion from the Net Settlement Fund will be calculated by the Settlement Administrator as follows: The weekly amount of deductions will be subtracted from the weekly amount of pay. If the Settlement Class Member's weekly deductions result in pay for that week that falls below minimum wage, the amount required to bring the Settlement Class Member up to minimum wage for that week will be calculated. From these calculations, the percentage of Plaintiffs' total claimed damages that is attributable to each member of the Settlement Class will be determined, which percentage will then be multiplied by the Net Settlement Fund in order to arrive at that Settlement Class Member's Individual Settlement Payment amount. There shall be a minimum payment of \$100 per class member and a maximum payment of \$10,000 per class member. Werner denies that Settlement Class Members are entitled to any additional money and denies any and all liability for any claims alleged in the Complaint but, for settlement purposes only, consents to the payment methodology described in this paragraph.

The Settlement Administrator will issue both a Form W-2 and Form 1099 to each Settlement Class Member, with 50% of the Individual Settlement Payment reported on the Form W-2 as claimed wages and the remaining 50% reported on the Form 1099 as claimed liquidated damages and interest. If the Settlement Administrator is unable to assign W-2 wages to any or all Settlement Class Members due to lack of information, documentation or other impracticabilities, then Individual Settlement Payment amounts will be distributed via 1099 only. As soon as practicable after all Individual Settlement Payments have been calculated, the Settlement Administrator shall determine the applicable employer and employee local, state, and federal income and employment taxes for the portions of Individual Settlement Payments reported on the Form W-2 as claimed wages. The Settlement Administrator shall deduct the applicable employer and employee local, state, and federal income and employment taxes from the portions of the Individual Settlement Payments reported on the Form W-2 as claimed wages and, on behalf of Werner and each Settlement Class Member, shall pay all such taxes due to the appropriate local, state and federal tax agencies. Within 14 days after distribution of the Individual Settlement Payments, the Settlement Administrator shall provide Werner with a list showing the amounts deducted from each Settlement Class Member's Individual Settlement Payment for taxes and shall confirm in writing that the Settlement Administrator has transmitted those amounts to the applicable local, state, and federal taxing authorities.

The Parties agree and acknowledge that the Settlement Class Members are responsible for all federal, state, and local tax filings and liabilities that may result from the Individual Settlement Payments received, including any portion allocated as liquidated damages and interest, and Werner shall bear no responsibility for such filings or liabilities. Werner makes no representations with

respect to the taxability of any payments received pursuant to this Settlement, and the Settlement Notice will advise Class Members to seek their own tax advice as necessary.

Werner shall have no responsibility for the accuracy of the Settlement Administrator's computation of the Individual Settlement Payments, the taxes owed on the portion of the Individual Settlement Payments allocated as wages, or any other payments made pursuant to this Agreement; shall not be liable under any circumstance for any errors in such computations; shall have no involvement in or responsibility for determining the amount of taxes owed by Settlement Class Members; shall have no involvement in or responsibility for transmitting any portion of the Individual Settlement Payments allocated to taxes to local, state, or federal taxing authorities; and shall not have any liability for errors made in computing Class Members' tax liability.

F. Time for Payment of Attorney Fees and Expenses to Class Counsel.

The Settlement Administrator shall pay any attorney fees and expenses awarded by the Court to Class Counsel by wire transfer within 14 days after the Settlement Administrator receives the balance of the Gross Settlement Amount, or at such other later date as may be mutually agreed between the Settlement Administrator and Class Counsel. The Settlement Administrator shall issue a Form 1099 to Class Counsel for such payment. Class Counsel is responsible for all federal, state, and local tax filings and liabilities that may result from any such payment, and Werner shall bear no responsibility for such filings or liabilities.

G. Time for Payment of Service Fee Awards to Class Representative.

The Settlement Administrator shall pay any Service Fee Award within 14 days after the Settlement Administrator receives the Gross Settlement Amount from Werner, for which the Settlement Administrator will issue a Form 1099. The Class Representative will be responsible for all federal, state, and local tax filings and liabilities that may result from any such payment, and Werner shall bear no responsibility for such filings or liabilities.

H. Time for Payment of Administrative Expenses to the Settlement Administrator.

The Settlement Administrator may pay to itself its portion of the Administrative Expenses for all services through the closing of the administration within 14 days after the Settlement Administrator receives the balance of the Gross Settlement Amount from Werner.

I. Time for Payment of Individual Settlement Payments.

The Settlement Administrator shall make every effort to mail, by first-class U.S. mail to the last-known address, the Individual Settlement Payment to each Settlement Class Member who does not request exclusion no later than 30 days after the Effective Date.

If the Settlement Administrator is not able to mail the Individual Settlement Payments by that deadline, it shall so inform Class Counsel and Defense Counsel and provide an approximate date by which the Individual Settlement Payments will be mailed. Under no circumstances shall the Settlement Administrator distribute checks to Settlement Class Members until the obligations

set forth in Sections IV.F and IV.G have been satisfied. In the event any Settlement Class Member is deceased, payment shall be made payable to the estate of that Settlement Class Member and shall be delivered to the executor or administrator of the estate, unless the Settlement Administrator has received an affidavit or declaration from a person claiming to be the successor of the decedent pursuant to Neb. Rev. Stat. § 30-24,125 or other similarly applicable law, in which case payment shall be made to the affiant(s) or declarant(s), to the extent permitted or required by law.

J. Returned or Uncashed Settlement Checks.

Each Settlement Class Member must cash his or her Individual Settlement Payment check within 360 days after the date of the check. If any checks remain uncashed after 120 days, the Settlement Administrator shall inform the parties of the identities and amount of the check and the efforts taken to locate the individual. If the check remains uncashed after the expiration of the 360-day period, the Settlement Administrator shall pay over that Individual Settlement Payment to the Nebraska Unclaimed Property Division. In such event, the Settlement Class Member will nevertheless remain bound by the Settlement.

K. Extension of Time to Pay and/or Process Claims.

Should the Settlement Administrator need more time than is provided under this Agreement to complete any of its obligations, the Settlement Administrator may request, in writing, such additional time (including an explanation of the need for additional time) from Defense Counsel and Class Counsel. If Defense Counsel and/or Class Counsel do not agree, in writing, to the Settlement Administrator's request for additional time, the Settlement Administrator, Class Counsel, or Defense Counsel may seek such additional time from the Court.

V. NULLIFICATION OF THIS AGREEMENT

A. Non-approval of the Agreement.

If (a) the Court should for any reason decline to approve this Agreement in the form agreed to by the Parties; or (b) the Court should for any reason fail to enter judgment and dismissal with prejudice of the Action, or (c) the judgment and dismissal is reversed, modified, or declared or rendered void, then the Settlement shall be considered null and void, and the Settlement and the related negotiations and proceedings shall not be of any force or effect, and the Parties shall stand in the same position, without prejudice, as if the Settlement had neither been entered into nor filed with the Court. Notwithstanding the foregoing language, the Parties may attempt in good faith to cure any perceived defects in the Settlement for the purpose of facilitating approval. The parties will each be responsible for one-half of all charges incurred by the Settlement Administrator as of the date of entry of any order denying preliminary approval or final approval of this Settlement. Notwithstanding the foregoing, if the Court approves the gross amount of the Settlement and the releases set forth herein but determines there should be a reallocation of the Net Settlement Fund, reduction of Service Awards, and/or a reduction of the amount paid to Class Counsel, the Agreement as so modified and approved by the Court, shall remain fully binding on the Parties. Any amounts allocated as Attorneys' Fees and Lawsuit Costs under this paragraph, but not approved by the Court, shall be re-allocated to the Net Settlement Fund.

B. Werner's Right to Void Settlement.

If five (5) or more of the Opt-in Plaintiffs timely submit requests for exclusion, Werner shall have the exclusive right to void this settlement. Werner shall make its election within seven (7) business days after receipt of the Settlement Administrator's final report regarding the Settlement Class members who timely requested exclusion. If Werner elects to exercise its right to void the Settlement due to the number of Settlement Class members who have requested exclusion, the Settlement shall be considered null and void, and the Settlement and the related negotiations and proceedings shall not be of any force or effect, and the Parties shall stand in the same position, without prejudice, as if the Agreement had neither been entered into nor filed with the Court. In such event, Werner will pay all charges incurred by the Settlement Administrator as of the date Werner elects to void the Settlement.

C. Stay Upon Appeal.

In the event of a timely appeal from the judgment and dismissal of the Action, the judgment shall be stayed and the actions required by this Agreement shall not take place until all appeal rights have been exhausted by operation of law.

VI. MOTION FOR COURT APPROVAL

A. Preliminary Approval.

Class Counsel shall submit this Agreement to the Court and request preliminary approval of the Settlement, on the terms set forth herein. Each party shall cooperate in the Parties' effort to present the Settlement to the Court for preliminary approval in a timely fashion.

B. Final Approval and Fairness Hearing.

The Final Approval and Fairness Hearing shall be held before the Court in the U.S. District Court for the District of Nebraska as soon after the Opt Out Deadline as the matter can practicably be set for hearing.

C. Dismissal of Action with Prejudice.

The claims of the members of the Settlement Class shall be dismissed with prejudice as of the Effective Date as part of the consideration for the settlement memorialized in this Agreement. Notwithstanding the dismissal of such claims with prejudice, the Court shall retain jurisdiction to interpret and enforce the terms of this Agreement and to adjudicate the individual federal and state law claims asserted by Plaintiff Christopher Midgett, which are not encompassed within this Settlement.

VII. DUTIES OF THE PARTIES

A. Mutual Cooperation.

The Parties agree to cooperate fully with one another to accomplish and implement the terms of this Agreement. Such cooperation shall include, but is not limited to, execution of such other documents and the taking of such other actions as may reasonably be necessary to fulfill the terms of this Agreement. The Parties shall use their best efforts, including all efforts contemplated by this Agreement and any other efforts that may become necessary by court order, or otherwise, to effectuate this Agreement and the terms set forth herein. As soon as practicable after execution of this Agreement, the Parties shall take all necessary and reasonable steps to secure the Court's final approval of this Agreement.

B. Duty to Support and Defend the Settlement.

The Parties hereto agree to abide by all of the terms of the Settlement in good faith and to support the Settlement fully and to use their best efforts to defend this Class Settlement from any legal challenge, whether by appeal or collateral attack.

VIII. NO ADMISSION OF LIABILITY

Nothing in this Agreement shall be construed to be or deemed an admission by Werner or of any of the other Released Parties of any liability, culpability, negligence, or wrongdoing toward the Class Representative, the Settlement Class Members, or any other person, and Werner specifically disclaims any liability, culpability, negligence, or wrongdoing toward the Class Representative, the Settlement Class Members, or any other person. Each of the Parties has entered into this Agreement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses, and contingencies. Nothing herein shall constitute any admission by Werner of wrongdoing or liability, or of the truth of any factual allegations in the Action. Nothing herein shall constitute an admission by Werner that the Action was properly brought as a class, collective or representative action other than for settlement purposes. To the contrary, Werner has denied and continues to deny each and every material factual allegation and alleged claim asserted in the Action.

IX. RELEASE OF SETTLEMENT CLAIMS

Upon the Effective Date and in consideration for the payment of the Gross Settlement Amount by Werner, the Class Representative and Settlement Class Members, on behalf of themselves and each of their heirs, representatives, successors, assigns, and attorneys, hereby releases, discharges, and agrees to hold harmless the Released Parties from all Settlement Claims, as defined in Section I.AA, whether known or unknown by the Settlement Class Members. It is the Parties' desire to fully, finally, and forever settle, compromise, and discharge all Settlement Claims as described in Section I.AA. The Class Representative and Settlement Class Members acknowledge that they may hereafter discover facts in addition to or different from those that they now know or believe to be true concerning the subject matter of this Agreement, but nevertheless fully, finally, and forever settle and release all Settlement Claims, known or unknown, suspected

or unsuspected, contingent or non-contingent, which now exist, may hereafter exist, or heretofore have existed based upon actions or conduct occurring on or before the date of this Agreement, without regard to subsequent discovery or existence of such different or additional facts concerning each of the Released Parties. The provisions of any state, federal, municipal, local, or territorial law or statute providing in substance that releases shall not extend to claims, demands, injuries, or damages that are unknown or unsuspected to exist at the time a settlement agreement is executed and approved by a court are hereby expressly, knowingly, and voluntarily waived by the Settlement Class Members.

X. MISCELLANEOUS PROVISIONS.

A. Voiding the Agreement.

Pending Court approval and other than as specifically provided for in Section V.A, if any of the conditions set forth in this Agreement are not met and satisfied, this Agreement shall, at the option of either the Class Representatives or Werner, be ineffective, void, and of no further force and effect, and shall not be used or be admissible in any subsequent proceeding, either in this Court or in any other court or forum.

B. Different Facts.

The Parties hereto, and each of them, acknowledge that except for matters expressly represented herein, the facts in relation to the dispute and/or in relation to any of the claims included in the Release of Settlement Claims contemplated by this Agreement may turn out to be other than or different from the facts currently known by each party and/or its counsel, or believed by such party or its counsel to be true, and each party expressly assumes the risk of the existence of different or presently unknown facts, and agrees that this Agreement shall be in all respects effective and binding.

C. No Publication.

Class Representative and Werner and their respective counsel recognize and accept that the terms of this Agreement, the fact of the Settlement embodied in this Agreement, the disposition of the Action, the Action, and all matters relating to the litigation of the Action, including discovery proceedings therein, and evidence obtained during the course of the Action, shall not be discussed with or published to the media. The Parties' counsel shall not report the settlement or the terms of this Agreement to any publication, whether print, electronic, or otherwise. If contacted by the press or media, the Parties' counsel shall state only that the case has been resolved and may refer the inquiring member of the press or media to the Court file. Any communication, other than attorney-client communications, about the Settlement to Settlement Class Members prior to the Court-approved mailing will be a similarly limited statement that a settlement has been reached and details will be communicated in a forthcoming Court-approved notice. Before the Court-approved mailing has been made, Class Representative will also refrain from discussing the terms of this Agreement or the fact of the settlement with third parties other than (a) her immediate family members; and (b) her accountants, lawyers as necessary for tax purposes.

D. Non-Retaliation.

Werner understands and acknowledges that it has a legal obligation not to unlawfully retaliate against any member of the Class. Werner will refer any inquiries regarding this Settlement to the Settlement Administrator or Class Counsel and will not discourage Class Members who are employees, directly or indirectly, from making claims, opting out, or objecting to the Settlement.

E. Construction.

The Parties hereto agree that the terms and conditions of this Agreement are the result of lengthy, intensive, arms-length negotiations between the Parties and this Agreement is not to be construed in favor of or against any party by reason of the extent to which any party or its counsel participated in the drafting of this Agreement.

F. Notices.

Except for Settlement Class Member Notices required to be mailed by or to the Settlement Administrator, any notices or other communications required or permitted under this Agreement shall be in writing and shall be deemed sufficient if delivered in person to the party or their counsel or, if sent to the party without counsel, by U.S. certified mail, postage prepaid, e-mail, facsimile, or overnight delivery addressed to the party appearing in this Agreement.

G. Captions and Interpretations.

Section titles and captions contained herein are inserted as a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of this Agreement or any provision thereof.

H. Modification.

This Agreement may not be changed, altered, or modified, except in a writing signed by the Parties and approved by the Court. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties.

I. Integration Clause.

This Agreement contains the entire agreement between the Parties relating to the settlement of the Action and the transactions contemplated thereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written, and whether by a party or such party's legal counsel, are hereby superseded. No rights under this Agreement may be waived except in writing.

J. Successors and Assigns.

This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective present and former heirs, trustees, executors, administrators, representatives, officers,

directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension and welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and assigns.

K. Class Counsel Signatories.

Because the Class Members are numerous, the Parties agree that it is impossible or impractical to have each Class Member sign this Agreement. It is agreed that, for purposes of seeking approval of the Class Settlement, this Agreement, including the Release of Settlement Claims in Section IX, may be executed on behalf of the Class by Class Counsel and the Class Representative.

L. Corporate Signatories.

Any person executing this Agreement or any such related document on behalf of a corporate signatory hereby warrants and promises, for the benefit of all Parties hereto, that such person has been duly authorized by such corporation to execute this Agreement or any such related document.

M. Execution in Counterparts.

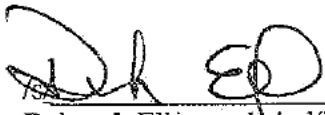
This Agreement shall become effective upon its execution by all of the undersigned. The Parties may execute this Agreement in counterparts, and execution of counterparts shall have the same force and effect as if all Parties had signed the same instrument.

N. Attorney Fees, Costs, and Expenses.

Except as otherwise specifically provided for herein, each party shall bear his or its own attorney fees, costs, and expenses, taxable or otherwise, incurred by them in or arising out of the Action and shall not seek reimbursement thereof from any other party to this Agreement.

IN WITNESS WHEREOF, this Agreement is executed by the Parties and their duly authorized attorneys, as of the date and year herein set forth.

I HAVE READ THE FOREGOING SETTLEMENT AGREEMENT, HAVE HAD ITS CONTENTS EXPLAINED TO ME BY MY ATTORNEY OF RECORD, AND HEREBY AGREE TO THE TERMS THEREOF:

 Date 11/18/22
Deborah Ellis, on behalf of herself and as
a Class Representative for the Settlement Class

/s/ _____ Date _____
Nathan Meisgeier, General Counsel
on behalf of Werner Enterprises, Inc.

directors, shareholders, agents, employees, insurers, attorneys, accountants, auditors, advisors, consultants, pension and welfare benefit plans, fiduciaries, parent companies, subsidiaries, affiliates, related companies, joint ventures, predecessors, successors, and assigns.

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/s/ _____ Date _____
Deborah Ellis, on behalf of herself and as
a Class Representative for the Settlement Class

/s/  Date 11-18-22
Nathan Meisgaier, General Counsel
on behalf of Werner Enterprises, Inc.