WINTER EXERCISE: IT DOESN'T HAVE TO BE COLD... OR BORING!

SUSAN RENEE. HUMAN RESOURCES DIRECTOR

As of today this extreme cold weather snap is over.....at least here in the Midwest! Winter may not be officially over, but we will enjoy the warmer temperatures!

If your energy is flagging this winter, exercise may be the last thing you feel like doing. But, believe it or not, movement generates energy so now is the perfect time to get busy. Keep reminding yourself that spring isn't that far away. Hang in there and keep moving.

It stinks when you make a New Year's Resolution to get fit in the middle of winter—one of the hardest times to get moving. If you feel like you're operating on half-power during these cold months, there's something you can do to make exercise more appealing. Moving your workouts inside can be a hard transition, but if you take some time to plan more interesting workouts, it doesn't have to be another blah winter.

Spice Up Your Cardio

The cold weather often makes outdoor exercise miserable, if not impossible. If you've headed indoors and found yourself bored to tears on gym machines, there is a way you can spice things up a bit. When doing cardio, your only concern is getting your heart rate into your target heart rate zone. As long as you accomplish that, you can do anything you want. So why get on the treadmill and walk at the same boring pace for 45 minutes when you could add variety and intensity and get your workout done in less time? Try some of these ideas to make your workouts more fun!

- Break up your work out. Separate your workout into 5 minute segments—each with a different focus—speed, incline, resistance, steady state, etc. By changing your workout every five minutes, you get variety and, because you are focusing on 5 minutes at a time, the workout will fly by.
- Make a cardio medley. Instead of getting on the same machine every time, pick 3 different machines and workout on each one for 10 or so minutes.
- Be creative. Look around the gym, your home or even a hotel room and see if there are other ways to get in your cardio. Look for a flight of stairs to run up and down or a space where you could jump rope. Walk on a treadmill and then go outside and run around the building or house for 5 minutes. Look for different things you can do to break up your usual routine and add excitement!
- Try group fitness. Even if you are not into group fitness classes, giving one a try can give you new enthusiasm for your workouts. Pick a schedule at your club, or local community, and make a deal to try one new class every few weeks. You pick up energy when you work out in a group setting—take advantage of it.

Cardio at Home

If you're a home exerciser, it may seem even harder to get in your workouts since you may not have access to all the machines available at a gym. However, you have even more flexibility since you can use videos, go outside or just make up your own personal workout right in your living room. Music is one way to motivate yourself, so put on your favorites and do a work out to - it doesn't have to be structured. Simply choose some basic cardio exercises such as jumping jacks, jogging in place, front kicks, side shuffles, jump rope, etc. and do each one for a minute or so. Even if you only go for 10 minutes, which is 10 minutes you're not sitting around

If you are watching TV—why not use it to fuel your workouts? Do jumping jacks or run in place during commercial breaks or pick up some weights for a little strength training in between shows. Make a deal with yourself that you can't do something fun until you do your workout. Whatever it takes to get you moving!!

If you're game, send in a photo of your creative ways to tackle your winter exercise routine! Photos can be emailed to srenee@jeffersonlines.com. Keep moving!









4 KEY INITIATIVES: THEIR PROGRESS IN 2017 & 2018 EXPECTATIONS

STEVE WOELFEL, PRESIDENT & CEO

Happy New Year! I wish you all a wonderful, safe, and rewarding 2018! Throughout 2017 I indicated that our individual and business goals for the next several years would focus around 4 key areas. I would like to take this opportunity to update you on our progress around these initiatives.

Market Leaders in understanding and delivering transportation services that preserve and grow our company as the preferred independent bus company. Today, we are in the top 1% of our peer group in nearly all categories of safety and compliance scores. To illustrate our strengths in this area, during 2017, we had had both a FMCSA audit and a Department will work to improve on that. of Defense audit: both results were excellent. We also completed our implementation of electronic logs nearly one year ahead of the required federal compliance deadline. In paperless boarding technology, a highly requested feature from passengers and operators alike, we continue to be at the forefront of the industry's transformation to this technology. And finally, during the year, we renewed every major contract we wanted to renew and added one new contract. While we were close on several others, we were unable to land the 2nd new contract that we had set as our goal for 2017. I am confident we will get that, and more. in 2018.

The second goal is that we desire to be thought leaders in delivery of **Safe and Reliable** services that are reflected in improved customer satisfaction scores. During 2017 we continued with our fleet transformation by adding 11 new vehicles to our fleet so that today the average age of our fleet is among the newest of our peer group. Our maintenance group

also completed phase one of a multi-year plan to upgrade seats, fleet appearance and graphics. Meanwhile, the detailers and coach servicers implemented a fleet cleaning scorecard, and we have experienced amazing improvements in their cleaning quality scores at consistently being over 80%! To better support our drivers, the Operations group added new safety, training, and mentoring positions in Billings and Sioux Falls. During the year, we received some of our highest monthly customer satisfaction scores ever! Unfortunately, we also saw a bit more volatility in the scores than we have been accustomed to; we

We have also made some progress in our aspiration to be the **Employer of Choice** and promote a culture that encourages innovation, communication, and trust; although we acknowledge that much work still needs to be done. Throughout the year, we strengthened our entire team with the addition of some talented employees in nearly every area of the company. We also spent considerable time on organizational development including coaching, mentoring key employees, and restructuring responsibilities in order to put everyone is a position to succeed. In June, thanks to feedback we received from many of you, we made enhancements to some of our benefit plans. In October, several employees helped the company launch Your #1 Bus Experience with a week-long celebration and recognition event. Stay tuned for more improvements during 2018.

Continued on pg. 2

PAGE 1

4 KEY INITIATIVES: THEIR PROGRESS IN 2017 & 2018 **EXPECTATIONS**

PAGE 2

4 KEY INITIATIVES: CONTINUED

SALES OPERATIONS: JEFFERSON LINES ... OUT WEST

NEW YEAR... MAINTENANCE

PAGE 3

JANUARY ANNIVERSARIES

DRIVER RAFFLE REWARD WINNERS!

YOUR #1 BUS EXPERIENCE...

PAGE 4

WINTER EXERCISE: IT DOESN'T HAVE TO BE COLD... OR BORING!

4 KEY INITIATIVES: THEIR PROGRESS IN 2017 & 2018 EXPECTATIONS

STEVE WOELFEL. PRESIDENT & CEO

Continued from pg. 1

The fourth key goal for Jefferson Lines is that we will operate with **Fiscal Integrity** to maintain a healthy business environment that allows for healthy job growth. During the year, nearly all fixed route carriers continued to report lower passenger revenues; across the industry, carriers are experiencing increased costs. While many carriers have responded by cutting capacity, we have actually added operating miles in several key corridors during the past few years. Many of our corridors are growing, however, we do have a few specific areas of weakness, and that has caused our overall passenger revenue to decrease more than 12% since 2014. We have made the difficult but necessary decision to rebalance some of our miles in an attempt to improve this area and this will begin in January. As we forecast through

2018, we expect our overall mileage for the fixed route segment of our business to be flat or up slightly over 2017. However, the soft fixed route segment of our business continues to be a challenge, and we will watch this very closely throughout the

As you can see, we made a lot of progress during 2017 on these goals, and there are already specific initiatives planned for 2018 to continue to move these forward. We will be communicating more on these throughout the year.

Please stay safe and once again, have a wonderful 2018... I know Jefferson Lines plans to!



SALES OPERATIONS: JEFFERSON LINES EXPANDING OUT WEST

KEVIN PURSEY, MARKETING & SALES DIRECTOR

Jefferson Lines is excited to announce the expansion of its bus service into the western area of the United States. Starting January 17th, 2018, Jefferson Lines will run new schedules between Missoula, MT and Spokane, WA. The new service will extend Jefferson's network, beginning service to Washington and Idaho. In addition, Jefferson will also connect with Flathead transit in Missoula, which provides daily service to northwest Montana.

The new schedules include Jefferson Lines taking over the Missoula station from Greyhound Lines and picking up two new stops in Idaho: Coeur d' Alene and Kellog. On a recent call with Don, the manager at the Coeur d' Alene stop, he expressed his excitement at joining the Jefferson Lines family and "working with a company that cares so much for its passengers."

Jefferson will continue to invest in Montana and the western region, always looking at new ways to provide excellent customer service and growth opportunities for its employees.

NEW YEAR PLANNING IN THE MAINTENANCE DEPARTMENT

SAM RODRIGUEZ, MAINTENANCE DIRECTOR

Welcome to 2018! With the New Year upon us, the Jefferson Lines Maintenance Team is still committed to continuous improvement. As we start afresh of sorts, we know that change does not come automatically with the start of a new year, but of current equipment, the expansion of capabilities and services, through determination, hard work and a concerted team effort the institutionalization of sound practices, and the growth and to growth and development.

We have already had some great dialogue this year about how we as a company are going to grow and exceed the expectations of all our stakeholders, and we are committed to doing just that. Did you know that if you are reading this, then you are one of the stakeholders I am talking about?

meeting and exceeding the expectations of our maintenance team, drivers, operations, sales, marketing, leadership, and

ownership teams, our partners, vendors, communities, and our

The introduction of new equipment, the quality maintaining development of our people are all part of this year's action points to achieve these expectations. A challenge it will be, but the seasoned talent and the new-comers alike are all committed to the standard of high quality; we will see some great things in

Have a great year, and I look forward to watching Jefferson This year all of our efforts will be aimed and directed at Lines deeply ingrain the role of "Your #1 Bus Experience" into everything that we do!

JANUARY EMPLOYEE ANNIVERSARIES | CONGRATULATIONS!

Jan. 4, Quintin E. Moore, Minneapolis-Mechanic, 12 Years Jan. 6, Scott Lee, Minneapolis-Driver, 4 Years Jan. 6, Michael McMahon, Minneapolis-Driver, 4 Years Jan. 11, Phillip Voight, Billings-Porter, 2 Years Jan. 14, Edward Johnson, Minneapolis-Driver, 5 Years

Jan. 18, Dwain Caskey, Minneapolis-Driver, 2 Years Jan. 23, Charles Curry, Minneapolis-Driver, 1 Year Jan. 27, Marcy Gamble, Mason City-Terminal Mngr., 1 Year Jan. 28, Anthony Ruffin, Minneapolis-Safety Training, 10 Years

Thank you all for your hard work & commitment to Jefferson Lines!

DRIVER RAFFLE REWARDS WINNERS!

TOM THOEMKE, OPERATIONS DIRECTOR

As many of you are aware, Jefferson Lines introduced a Raffle Rewards program for drivers who go above and beyond expectations to provide great customer service to either internal or external customers. Each month there is a prize offered and drivers earn raffle tickets towards entry for this prize. We have had a phenomenal response as drivers rise to the challenge. Moving forward, we will honor the monthly winner on these pages.

Our November winner of a deluxe luggage set is Minneapolis driver, Chuck Curry. Chuck has been a top-notch performer for Jefferson Lines; always willing to go the extra mile for passengers and fellow employees. Congratulations, Chuck!

Our December winner of a \$150 gift certificate towards the purchase of a pair of Red Wing boots is Kansas City driver, Robert Hogue. Robert has been with Jefferson Lines for many years and is truly a great representative of the values of Jefferson Lines. He is a safe and courteous driver who receives nothing but compliments from passengers. Congratulations, Robert!

In January we are raffling off a personal FitBit. Many of us have made our good health a top priority for 2018, and the FitBit can be a great tool to use in meeting our health goals.

I look forward to seeing all the raffle tickets come in with our great driver names on them! Have a safe and healthy 2018!

YOUR #1 BUS EXPERIENCE IN 2017...



2 3