
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2014

or

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

For the transition period from _____ to _____

Commission file number: 0-27754

HUB GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

36-4007085
(I.R.S. Employer
Identification No.)

2000 Clearwater Drive
Oak Brook, Illinois 60523
(Address, including zip code, of principal executive offices)

(630) 271-3600
(Registrant's telephone number, including area code)

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer Smaller Reporting Company

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

On July 23, 2014, the registrant had 36,765,623 outstanding shares of Class A common stock, par value \$.01 per share, and 662,296 outstanding shares of Class B common stock, par value \$.01 per share.

HUB GROUP, INC.

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HUB GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share amounts)

	<u>June 30,</u> <u>2014</u>	<u>December 31,</u> <u>2013</u>
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 73,164	\$ 68,964
Accounts receivable trade, net	417,880	371,528
Accounts receivable other	20,871	26,569
Prepaid taxes	574	409
Deferred taxes	7,432	5,826
Prepaid expenses and other current assets	14,801	12,738
TOTAL CURRENT ASSETS	<u>534,722</u>	<u>486,034</u>
Restricted investments	21,960	20,754
Property and equipment, net	286,133	260,400
Other intangibles, net	15,081	15,729
Goodwill, net	262,923	263,032
Other assets	2,595	1,994
TOTAL ASSETS	<u>\$1,123,414</u>	<u>\$ 1,047,943</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable trade	\$ 255,782	\$ 232,350
Accounts payable other	23,279	24,957
Accrued payroll	15,816	17,000
Accrued other	37,739	42,834
Current portion of capital lease	2,456	2,413
Current portion long-term debt	6,712	1,771
TOTAL CURRENT LIABILITIES	<u>341,784</u>	<u>321,325</u>
Long term debt	24,360	6,475
Non-current liabilities	21,629	22,304
Non-current portion of capital lease	17,215	18,477
Deferred taxes	124,887	117,835
STOCKHOLDERS' EQUITY:		
Preferred stock, \$.01 par value; 2,000,000 shares authorized; no shares issued or outstanding in 2014 and 2013	—	—
Common stock		
Class A: \$.01 par value; 97,337,700 shares authorized and 41,224,792 shares issued in 2014 and 2013; 36,764,442 shares outstanding in 2014 and 36,626,384 shares outstanding in 2013	412	412
Class B: \$.01 par value; 662,300 shares authorized; 662,296 shares issued and outstanding in 2014 and 2013	7	7
Additional paid-in capital	166,113	167,357
Purchase price in excess of predecessor basis, net of tax benefit of \$10,306	(15,458)	(15,458)
Retained earnings	568,962	538,251
Accumulated other comprehensive loss	(52)	(85)
Treasury stock; at cost, 4,460,350 shares in 2014 and 4,598,408 shares in 2013	(126,445)	(128,957)
TOTAL STOCKHOLDERS' EQUITY	<u>593,539</u>	<u>561,527</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$1,123,414</u>	<u>\$ 1,047,943</u>

See notes to unaudited consolidated financial statements.

HUB GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME
(in thousands, except per share amounts)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2014	2013	2014	2013
Revenue	\$893,930	\$836,685	\$1,742,379	\$1,605,665
Transportation costs	795,345	741,212	1,555,050	1,422,854
Gross margin	98,585	95,473	187,329	182,811
Costs and expenses:				
Salaries and benefits	35,556	35,002	72,648	69,585
Agent fees and commissions	15,544	13,686	29,210	26,960
General and administrative	14,681	14,728	30,113	27,919
Depreciation and amortization	1,877	1,593	3,935	3,146
Total costs and expenses	67,658	65,009	135,906	127,610
Operating income	30,927	30,464	51,423	55,201
Other income (expense):				
Interest expense	(398)	(305)	(805)	(595)
Interest and dividend income	11	15	25	44
Other, net	(25)	23	(230)	12
Total other expense	(412)	(267)	(1,010)	(539)
Income before provision for income taxes	30,515	30,197	50,413	54,662
Provision for income taxes	11,839	11,587	19,702	20,688
Net income	\$ 18,676	\$ 18,610	\$ 30,711	\$ 33,974
Other comprehensive income (loss):				
Foreign currency translation adjustments	46	(59)	33	(33)
Total comprehensive income	\$ 18,722	\$ 18,551	\$ 30,744	\$ 33,941
Basic earnings per common share	\$ 0.51	\$ 0.50	\$ 0.84	\$ 0.92
Diluted earnings per common share	\$ 0.51	\$ 0.50	\$ 0.84	\$ 0.92
Basic weighted average number of shares outstanding	36,674	36,870	36,667	36,863
Diluted weighted average number of shares outstanding	36,814	36,989	36,769	36,969

See notes to unaudited consolidated financial statements.

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HUB GROUP, INC.
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Six Months Ended June 30,	
	2014	2013
Cash flows from operating activities:		
Net income	\$ 30,711	\$ 33,974
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	13,780	9,954
Deferred taxes	5,557	6,548
Compensation expense related to share-based compensation plans	4,191	3,757
Gain on sale of assets	(10)	(287)
Excess tax benefits from share-based compensation	—	(8)
Changes in operating assets and liabilities:		
Restricted investments	(1,206)	(541)
Accounts receivable, net	(40,654)	(45,558)
Prepaid taxes	(165)	(48)
Prepaid expenses and other current assets	(2,063)	(417)
Other assets	(601)	(120)
Accounts payable	21,756	30,685
Accrued expenses	882	(3,680)
Non-current liabilities	(537)	118
Net cash provided by operating activities	<u>31,641</u>	<u>34,377</u>
Cash flows from investing activities:		
Proceeds from sale of equipment	319	1,358
Purchases of property and equipment	(46,443)	(39,202)
Net cash used in investing activities	<u>(46,124)</u>	<u>(37,844)</u>
Cash flows from financing activities:		
Proceeds from issuance of debt	25,361	9,120
Repayments of debt	(2,535)	—
Proceeds from stock options exercised	—	41
Stock tendered for payments of withholding taxes	(3,151)	(2,585)
Purchase of treasury stock	—	(903)
Capital lease payments	(1,219)	(1,143)
Excess tax benefits from share-based compensation	228	177
Net cash provided by financing activities	<u>18,684</u>	<u>4,707</u>
Effect of exchange rate changes on cash and cash equivalents	(1)	—
Net increase in cash and cash equivalents	4,200	1,240
Cash and cash equivalents beginning of period	68,964	70,760
Cash and cash equivalents end of period	<u>\$ 73,164</u>	<u>\$ 72,000</u>
Supplemental disclosures of cash paid for:		
Interest	\$ 738	\$ 581
Income taxes	\$ 10,769	\$ 16,740

See notes to unaudited consolidated financial statements.

**HUB GROUP, INC.
NOTES TO UNAUDITED
CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1. Interim Financial Statements

Our accompanying unaudited consolidated financial statements of Hub Group, Inc. (“we”, “us” or “our”) have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in annual financial statements have been omitted pursuant to those rules and regulations. However, we believe that the disclosures contained herein are adequate to make the information presented not misleading.

The financial statements reflect, in our opinion, all material adjustments (which include only normal recurring adjustments) necessary to fairly present our financial position as of June 30, 2014 and results of operations for the six months ended June 30, 2014 and 2013.

These unaudited consolidated financial statements and notes thereto should be read in conjunction with the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2013. Results of operations in interim periods are not necessarily indicative of results to be expected for a full year due partially to seasonality.

NOTE 2. Business Segments

We report two business segments, Hub and Mode, based on the way we manage, evaluate and internally report our business activities.

Hub offers comprehensive intermodal, truck brokerage and logistics services. Our employees operate the freight through a network of operating centers located in the United States, Canada and Mexico. Each operating center is strategically located in a market with a significant concentration of shipping customers and one or more railheads. Hub has full time employees located throughout the United States, Canada and Mexico.

Mode has independent business owners who sell and operate the business throughout North America, as well as sales only agents. Mode also has a company managed operation and corporate offices in Dallas, TX, a temperature protected services division, Temstar, located in Oak Brook, IL and corporate offices in Memphis, TN.

Mode markets and operates its freight transportation services, consisting of intermodal, truck brokerage and logistics, primarily through agents who enter into contractual arrangements with Mode.

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The following is a summary of operating results and certain other financial data for our business segments (in thousands):

	Three Months Ended June 30, 2014				Three Months Ended June 30, 2013			
	Hub	Mode	Inter- Segment Elims	Hub Group Total	Hub	Mode	Inter- Segment Elims	Hub Group Total
	Revenue	\$682,049	\$231,538	\$(19,657)	\$893,930	\$644,924	\$203,918	\$(12,157)
Transportation costs	611,351	203,651	(19,657)	795,345	573,498	179,871	(12,157)	741,212
Gross margin	70,698	27,887	—	98,585	71,426	24,047	—	95,473
Costs and expenses:								
Salaries and benefits	32,047	3,509	—	35,556	31,208	3,794	—	35,002
Agent fees and commissions	5	15,539	—	15,544	350	13,336	—	13,686
General and administrative	12,817	1,864	—	14,681	13,338	1,390	—	14,728
Depreciation and amortization	1,538	339	—	1,877	1,061	532	—	1,593
Total costs and expenses	46,407	21,251	—	67,658	45,957	19,052	—	65,009
Operating income	\$ 24,291	\$ 6,636	\$ —	\$ 30,927	\$ 25,469	\$ 4,995	\$ —	\$ 30,464
Capital expenditures	\$ 13,223	\$ 185	\$ —	\$ 13,408	\$ 29,626	\$ 120	\$ —	\$ 29,746

The following tables summarize our revenue by segment and business line (in thousands):

	Three Months Ended June 30, 2014				Three Months Ended June 30, 2013			
	Hub	Mode	Inter- Segment Elims	Hub Group Total	Hub	Mode	Inter- Segment Elims	Hub Group Total
	Intermodal	\$455,763	\$113,744	\$(19,037)	\$550,470	\$451,074	\$ 95,215	\$(11,854)
Truck brokerage	86,407	86,537	(91)	172,853	81,193	78,910	(98)	160,005
Logistics	139,879	31,257	(529)	170,607	112,657	29,793	(205)	142,245
Total revenue	<u>\$682,049</u>	<u>\$231,538</u>	<u>\$(19,657)</u>	<u>\$893,930</u>	<u>\$644,924</u>	<u>\$203,918</u>	<u>\$(12,157)</u>	<u>\$836,685</u>

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	Six Months Ended June 30, 2014				Six Months Ended June 30, 2013			
	Hub	Mode	Inter- Segment Elims	Hub Group Total	Hub	Mode	Inter- Segment Elims	Hub Group Total
Revenue	\$1,335,458	\$440,444	\$(33,523)	\$1,742,379	\$1,237,575	\$391,378	\$(23,288)	\$1,605,665
Transportation costs	1,200,262	388,311	(33,523)	1,555,050	1,100,969	345,173	(23,288)	1,422,854
Gross margin	135,196	52,133	—	187,329	136,606	46,205	—	182,811
Costs and expenses:								
Salaries and benefits	65,384	7,264	—	72,648	61,985	7,600	—	69,585
Agent fees and commissions	16	29,194	—	29,210	799	26,161	—	26,960
General and administrative	26,557	3,556	—	30,113	25,036	2,883	—	27,919
Depreciation and amortization	3,055	880	—	3,935	2,081	1,065	—	3,146
Total costs and expenses	95,012	40,894	—	135,906	89,901	37,709	—	127,610
Operating income	\$ 40,184	\$ 11,239	\$ —	\$ 51,423	\$ 46,705	\$ 8,496	\$ —	\$ 55,201
Capital expenditures	\$ 46,103	\$ 340	\$ —	\$ 46,443	\$ 38,155	\$ 1,047	\$ —	\$ 39,202

The following tables summarize our revenue by segment and business line (in thousands):

	Six Months Ended June 30, 2014				Six Months Ended June 30, 2013			
	Hub	Mode	Inter- Segment Elims	Hub Group Total	Hub	Mode	Inter- Segment Elims	Hub Group Total
Intermodal	\$ 891,195	\$214,180	\$(32,239)	\$1,073,136	\$ 880,065	\$181,951	\$(22,317)	\$1,039,699
Truck brokerage	170,374	165,060	(536)	334,898	163,095	152,843	(561)	315,377
Logistics	273,889	61,204	(748)	334,345	194,415	56,584	(410)	250,589
Total revenue	<u>\$1,335,458</u>	<u>\$440,444</u>	<u>\$(33,523)</u>	<u>\$1,742,379</u>	<u>\$1,237,575</u>	<u>\$391,378</u>	<u>\$(23,288)</u>	<u>\$1,605,665</u>

	As of June 30, 2014				As of December 31, 2013			
	Hub	Mode	Inter- Segment Elims	Hub Group Total	Hub	Mode	Inter- Segment Elims	Hub Group Total
Total assets	\$944,017	\$185,359	\$(5,962)	\$1,123,414	\$887,848	\$164,071	\$(3,976)	\$1,047,943
Goodwill	\$233,534	\$ 29,389	\$ —	\$ 262,923	\$233,643	\$ 29,389	\$ —	\$ 263,032

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The following is a reconciliation of our earnings per share (in thousands, except for per share data):

	<u>Three Months Ended, June 30,</u>		<u>Six Months Ended, June 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Net income for basic and diluted earnings per share	\$ 18,676	\$ 18,610	\$ 30,711	\$ 33,974
Weighted average shares outstanding – basic	36,674	36,870	36,667	36,863
Dilutive effect of stock options and restricted stock	140	119	102	106
Weighted average shares outstanding – diluted	36,814	36,989	36,769	36,969
Earnings per share – basic	\$ 0.51	\$ 0.50	\$ 0.84	\$ 0.92
Earnings per share – diluted	\$ 0.51	\$ 0.50	\$ 0.84	\$ 0.92

NOTE 4. Fair Value Measurement

The carrying value of cash and cash equivalents, accounts receivable and accounts payable and long term debt approximated fair value as of June 30, 2014 and December 31, 2013.

We consider as cash equivalents all highly liquid instruments with an original maturity of three months or less. As of June 30, 2014 and December 31, 2013, our cash and temporary investments were with high quality financial institutions in Demand Deposit Accounts.

Restricted investments included \$22.0 million and \$20.8 million as of June 30, 2014 and December 31, 2013, respectively, of mutual funds which are reported at fair value.

The fair value measurement of these securities is based on quoted prices in active markets for identical assets which are defined as “Level 1” of the fair value hierarchy in the Fair Value Measurements and Disclosures Topic of the Codification.

NOTE 5. Long-Term Debt and Financing Arrangements

We have standby letters of credit that expire at various dates in 2014 and 2015. As of June 30, 2014, our letters of credit were \$6.1 million.

Our unused and available borrowings under our bank revolving line of credit were \$43.9 million as of June 30, 2014 and \$44.8 million as of December 31, 2013. We were in compliance with our debt covenants as of June 30, 2014.

In January 2014, we entered into various Equipment Notes (“Notes”). The Notes are secured by the 200 Freightliner tractors financed in the agreement. The Notes have terms that expire between January 15, 2019 and February 28, 2019 and bear interest at rates between 1.87% and 1.93%. The Notes require monthly principal and interest payments of \$0.4 million.

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Our outstanding debt is as follows (in thousands):

	As of	
	June 30, 2014	December 31, 2013
Secured Equipment Notes due by February 28, 2019 with monthly principal and interest payments of \$444,000 commencing on January 15, 2014; interest is paid monthly at a fixed rate between 1.87% and 1.93%	\$23,707	\$ —
Secured Equipment Notes due by June 19, 2018 with quarterly principal and interest payments of \$480,000 commencing on August 14, 2013; interest is paid quarterly at a fixed rate between 1.9% and 2.0%	7,365	8,246
	<u>31,072</u>	<u>8,246</u>
Less current portion	(6,712)	(1,771)
Total long-term debt	<u>\$24,360</u>	<u>\$ 6,475</u>

NOTE 6. Guarantees

As a recruiting tool for our owner-operators, we are guaranteeing certain owner-operators' lease payments for tractors. The guarantees expire at various dates through 2020.

The potential maximum exposure under these lease guarantees was approximately \$34.4 million and \$39.0 million as of June 30, 2014 and December 31, 2013, respectively. The potential maximum exposure represents the amount of the remaining lease payments on all outstanding guaranteed leases as of June 30, 2014 and December 31, 2013. However, upon default, we have the option to purchase the tractors. We could then sell the tractors and use the proceeds to recover all or a portion of the amounts paid under the guarantees. Alternatively, we can contract with another owner-operator who would assume the lease. There were no material defaults during the quarter ended June 30, 2014 or the year ended December 31, 2013 and no potential material defaults.

We had a liability of approximately \$0.5 million as of June 30, 2014 and \$0.7 million as of December 31, 2013, for the guarantees representing the fair value of the guarantees based on a discounted cash-flow analysis which is included in current and non-current liabilities in our Consolidated Balance Sheets. We are amortizing the amounts over the remaining lives of the respective guarantees.

NOTE 7. Commitments and Contingencies

During the fourth quarter of 2013, we exercised our purchase option on approximately 2,000 containers that are currently leased. The purchases totaling approximately \$7.8 million will occur as the leases expire throughout 2014. As of June 30, 2014, we have purchased approximately 1,750 containers with the remaining 250 containers, for approximately \$0.9 million, to be purchased in the second half of the year.

In March 2014, we entered into an equipment purchase contract for the acquisition of 300 Freightliner tractors. The total purchase price of these tractors is approximately \$39.3 million. We expect to take delivery of the equipment between July and December 2014.

In April 2014, we entered into equipment purchase contracts for the acquisition of up to 4,000 containers. We have decided to acquire 3,500 new 53' containers at a total cost of \$38.3 million. We expect to take delivery of the equipment between June and November 2014. As of June 30, 2014, we have received 418 containers.

We intend to finance the purchase of the new containers and tractors with secured fixed rate debt.

NOTE 8. Legal Matters

We are a party to litigation incident to our business, including claims for personal injury and/or property damage, bankruptcy preference claims, and claims regarding freight lost or damaged in transit, improperly shipped or improperly billed. Some of the lawsuits to which we are party are covered by insurance and are being defended by our insurance carriers. Some of the lawsuits are not covered by insurance and we defend those ourselves. We do not believe that the outcome of this litigation will have a materially adverse effect on our financial position or results of operations.

On January 25, 2013, a complaint was filed in the U.S. District Court for the Eastern District of California (Sacramento Division) by Salvador Robles against our subsidiary, Comtrak Logistics, Inc., now known as Hub Group Trucking, Inc. Mr. Robles drove a truck for Hub Group Trucking in California, first as an independent contractor and then as an employee. The action seeks class certification on behalf of a class comprised of present and former California-based truck drivers for Hub Group Trucking who were classified as independent contractors, from January 2009 to the present. The complaint alleges Hub Group Trucking has misclassified such drivers as independent contractors and that such drivers were employees. The complaint asserts various violations of the California Labor Code and claims that Hub Group Trucking has engaged in unfair competition practices. The complaint seeks, among other things, declaratory and injunctive relief, compensatory damages and attorney's fees. In May 2013, the complaint was amended to add similar claims based on Mr. Robles' status as an employed company driver. These additional claims are only on behalf of Mr. Robles and not a proposed class. In August 2013, the district court stayed proceedings in the case pending decisions by the Court of Appeals for the 9th Circuit to decide whether the claims in two cases raising some similar claims should be dismissed on federal preemption grounds. In July 2014, the Court of Appeals ruled that the claims in those cases were not preempted. The parties have notified the district court of the 9th Circuit's decisions and the case will now proceed. We cannot reasonably estimate at this time the possible loss or range of loss, if any, that may arise from this lawsuit.

NOTE 9. New Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Update No. 2014-09—Revenue from Contracts with Customers (Topic 606). This Standard provides guidance on how to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. For public organizations, the guidance in the Update is effective for annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. The update provides two transition methods to the new guidance: a retrospective approach and a modified retrospective approach. Early application is not permitted. We plan to adopt this standard January 1, 2017, as required. We are currently evaluating the effect this update will have on our consolidated financial statements.

In April 2014, the Financial Accounting Standards Board ("FASB") issued an update to Topic 360 – Property, Plant and Equipment and Topic 205 – Presentation of Financial Statements: Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity. The amendments in the update change the requirements for reporting discontinued operations in Subtopic 25-20. The guidance is effective for annual reporting periods beginning after December 15, 2014, including interim reporting periods within that reporting period and is to be applied prospectively. We plan to adopt this standard January 1, 2015, as required. We do not expect this new guidance to have a significant impact on our consolidated financial statements.

HUB GROUP, INC.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The information contained in this quarterly report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "hopes," "believes," "intends," "estimates," "anticipates," and variations of these words and similar expressions are intended to identify these forward-looking statements. Forward-looking statements are inherently uncertain and subject to risks. Such statements should be viewed with caution. Actual results or experience could differ materially from the forward-looking statements as a result of many factors. We assume no liability to update any such forward-looking statements contained in this quarterly report. Factors that could cause our actual results to differ materially include:

- the degree and rate of market growth in the domestic intermodal, truck brokerage and logistics markets served by us;
- deterioration in our relationships with existing railroads or adverse changes to the railroads' operating rules;
- changes in rail service conditions or adverse weather conditions;
- further consolidation of railroads;
- the impact of competitive pressures in the marketplace, including entry of new competitors, direct marketing efforts by the railroads or marketing efforts of asset-based carriers;
- changes in rail, drayage and trucking company capacity;
- railroads moving away from ownership of intermodal assets;
- equipment shortages or equipment surplus;
- changes in the cost of services from rail, drayage, truck or other vendors;
- increases in costs for independent contractors due to regulatory, judicial and legal changes;
- labor unrest in the rail, port, drayage or trucking company communities;
- general economic and business conditions;
- inability to successfully protect our data against cyber attacks;
- significant deterioration in our customers' financial condition, particularly in the retail, consumer products and durable goods sectors;
- fuel shortages or fluctuations in fuel prices;
- increases in interest rates;
- changes in homeland security or terrorist activity;
- difficulties in maintaining or enhancing our information technology systems;
- changes to or new governmental regulations or duties on imported equipment;
- significant increases to health insurance costs due to the Affordable Care Act;
- loss of several of our largest customers and Mode agents;
- inability to recruit and retain key personnel and Mode sales agents and IBOs;
- inability to recruit and maintain company drivers and owner-operators;
- changes in insurance costs and claims expense;
- changes to current laws which will aid union organizing efforts or change the classification of owner-operators; and
- inability to identify, close and successfully integrate any future business combinations.

EXECUTIVE SUMMARY

Hub Group, Inc. ("we", "us" or "our") reports two distinct business segments, Hub and Mode. The Mode segment includes only the business we acquired on April 1, 2011. The Hub segment includes all businesses other than Mode. Hub Group (as opposed to just Hub), refers to the consolidated results for the whole company, including both the Mode and Hub segments. For the segment financial results, refer to Note 2 to the consolidated financial statements.

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We are the largest intermodal marketing company (“IMC”) in the United States and a full service transportation provider offering intermodal, truck brokerage and logistics services. We operate through a nationwide network of operating centers and independent business owners.

As an IMC, we arrange for the movement of our customers’ freight in containers and trailers over long distances. We contract with railroads to provide transportation for the long-haul portion of the shipment and with local trucking companies, known as “drayage companies,” for local pickup and delivery. As part of the intermodal services, we negotiate rail and drayage rates, electronically track shipments in transit, consolidate billing and handle claims for freight loss or damage on behalf of our customers.

As of June 30, 2014, approximately 72% of Hub’s drayage needs were met by our subsidiary, Hub Group Trucking, Inc., which assists us in providing reliable, cost effective intermodal services to our customers. Hub Group Trucking has terminals in Atlanta, Birmingham, Charlotte, Chattanooga, Chicago, Cleveland, Columbus (OH), Dallas, Hammond (IN), Harrisburg, Huntsville, Indianapolis, Jacksonville, Kalamazoo, Kansas City, Milwaukee, Memphis, Nashville, Newark, Los Angeles, Perry (FL), Philadelphia, Portland (OR), Salt Lake City, Savannah, Seattle, St. Louis, Stockton, and Titusville (FL). As of June 30, 2014, Hub Group Trucking leased or owned 529 tractors, leased or owned 448 trailers, employed 697 drivers and contracted with 2,217 owner-operators.

We also arrange for the transportation of freight by truck, providing customers with another option for their transportation needs. We match the customers’ needs with carriers’ capacity to provide the most effective service and price combinations. As part of our truck brokerage services, we negotiate rates, track shipments in transit and handle claims for freight loss or damage on behalf of our customers.

Our logistics service consists of complex transportation management services, including load consolidation, mode optimization and carrier management. These service offerings are designed to take advantage of the increasing trend for shippers to outsource all or a greater portion of their transportation needs.

Hub has full time marketing representatives throughout North America who service local, regional and national accounts. We believe that fostering long-term customer relationships is critical to our success and allows us to better understand our customers’ needs and specifically tailor our transportation services to them.

Hub’s yield management group works with pricing and operations to enhance Hub’s customer margins. We are working on margin enhancement projects including matching up inbound and outbound loads, reducing empty miles, improving our recovery of accessorial costs, using Hub Group Trucking more, and eliminating or improving low contribution freight.

Hub’s top 50 customers represent approximately 65% of the Hub segment revenue for the six months ended June 30, 2014. We use various performance indicators to manage our business. We closely monitor margin and gains and losses for our top 50 customers. We also evaluate on-time performance, cost per load and daily sales outstanding by customer account. Vendor cost changes and vendor service issues are also monitored closely.

Mode has approximately 235 agents, consisting of 96 sales/operating agents, known as Independent Business Owners (“IBOs”), who sell and operate the business throughout North America and 139 sales only agents. Mode also has a company managed operation and corporate offices in Dallas, a temperature protected services division, Temstar, located in Oak Brook, IL and corporate offices in Memphis. Mode’s top 20 customers represent approximately 36% of the Mode segment revenue for the six months ended June 30, 2014. We closely monitor revenue and margin for these customers. We believe Mode brings us highly complementary service offerings, more scale and a talented sales channel that allows us to better reach small and midsize customers.

[Table of Contents](#)**RESULTS OF OPERATIONS**

Three Months Ended June 30, 2014 Compared to the Three Months Ended June 30, 2013

The following table summarizes our revenue by segment and business line (in thousands) for the three months ended June 30:

	Three Months Ended June 30, 2014				Three Months Ended June 30, 2013			
	Hub	Mode	Inter- Segment Elims	Hub Group Total	Hub	Mode	Inter- Segment Elims	Hub Group Total
Intermodal	\$455,763	\$113,744	\$(19,037)	\$ 550,470	\$451,074	\$ 95,215	\$(11,854)	\$ 534,435
Truck brokerage	86,407	86,537	(91)	172,853	81,193	78,910	(98)	160,005
Logistics	139,879	31,257	(529)	170,607	112,657	29,793	(205)	142,245
Total revenue	<u>\$682,049</u>	<u>\$231,538</u>	<u>\$(19,657)</u>	<u>\$ 893,930</u>	<u>\$644,924</u>	<u>\$203,918</u>	<u>\$(12,157)</u>	<u>\$ 836,685</u>

Revenue

Hub Group's revenue increased 6.8% to \$893.9 million in 2014 from \$836.7 million in 2013.

The Hub segment revenue increased 5.8% to \$682.0 million. Hub intermodal revenue increased 1.0% to \$455.8 million. Volume was flat and price was up slightly. Hub truck brokerage revenue increased 6.4% to \$86.4 million due to a 16% increase for price, fuel and mix combined, partially offset by a 10% decline in volume. Length of haul increased 8%. Hub logistics revenue increased 24.2% to \$139.9 million due mostly to growth from customers that we onboarded last year.

Mode's revenue increased 13.5% to \$231.5 million in 2014 from \$203.9 million in 2013. Mode's intermodal revenue increased 19.5%, brokerage revenue increased 9.7% and logistics revenue increased 4.9%.

Gross Margin

Hub Group's gross margin increased 3.3% to \$98.6 million in 2014 from \$95.5 million in 2013.

The Hub segment gross margin decreased 1.0% to \$70.7 million. Intermodal margin was down because of unfavorable timing of cost increases and worse equipment utilization due to rail service issues, partially offset by a modest increase in price. Truck brokerage gross margin increased because of customer price increases and more value added services. Logistics margin increased due to growth with customers we onboarded last year. Hub's gross margin as a percentage of revenue decreased to 10.4% as compared to last year's 11.1% gross margin. The primary reason for the decline was due to intermodal because of a change in the mix of business and unfavorable timing of cost increases.

Mode's gross margin increased 16.0% to \$27.9 million in 2014 from \$24.0 million in 2013 due to growth in all three service lines with the largest growth coming from intermodal. Mode's gross margin as a percentage of revenue increased to 12.0% in 2014 from 11.8% in 2013.

[Table of Contents](#)**CONSOLIDATED OPERATING EXPENSES**

The following table includes certain items in the consolidated statements of income as a percentage of revenue:

	Three Months Ended	
	June 30,	
	2014	2013
Revenue	100.0%	100.0%
Transportation costs	89.0	88.6
Gross margin	11.0	11.4
Costs and expenses:		
Salaries and benefits	4.0	4.2
Agent fees and commissions	1.7	1.6
General and administrative	1.6	1.8
Depreciation and amortization	0.2	0.2
Total costs and expenses	7.5	7.8
Operating income	3.5	3.6

Salaries and Benefits

As a percentage of revenue, Hub Group's salaries and benefits decreased to 4.0% in 2014 from 4.2% in 2013. Hub Group's salaries and benefits increased to \$35.6 million in 2014 from \$35.0 million in 2013. This increase was due to increased salaries of \$1.0 million due to higher headcount and merit increases, compensation related to restricted stock of \$0.2 million, payroll taxes of \$0.1 million and employee benefits of \$0.1 million, partially offset by decreases in bonus expense of \$0.7 million and commissions of \$0.1 million.

The Hub segment increase of \$0.8 million to \$32.0 million in 2014 from \$31.2 million in 2013 was due to increases in salaries of \$1.1 million due to higher headcount and merit increases and payroll taxes of \$0.1 million, partially offset by a decrease in bonus expense of \$0.4 million.

Mode's decrease of \$0.3 million to \$3.5 million in 2014 from \$3.8 million in 2013 was due primarily to decreases in bonus expense of \$0.2 million and salaries of \$0.1 million.

Hub Group's headcount as of June 30, 2014 was 1,481, which excludes drivers, as driver costs are included in transportation costs. As of June 30, 2014, Mode had 124 employees.

Agent Fees and Commissions

Hub Group's agent fees and commissions expenses increased to \$15.5 million in 2014 from \$13.7 million in 2013. These expenses as a percentage of revenue increased to 1.7% in 2014 from 1.6% in 2013.

The Hub segment agent fees and commissions decrease of \$0.3 million was due to a declining Hub agent program.

The Mode segment agent fees and commissions increased to \$15.5 million in 2014 from \$13.3 million in 2013. The increase of \$2.2 million was due to the increase in Mode's gross margin.

General and Administrative

Hub Group's general and administrative expenses remained consistent at \$14.7 million in both 2014 and 2013. As a percentage of revenue, these expenses decreased to 1.6% in 2014 from 1.8% in 2013.

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The Hub segment decrease of \$0.5 million was due primarily to decreases in rent expense of \$0.6 million, bad debt expense of \$0.2 million and outside consultant expenses of \$0.1 million. These decreases were partially offset by increases in travel and entertainment expense of \$0.2 million and outside sales commissions of \$0.2 million.

Mode's general and administrative expenses increased to \$1.9 million in 2014 from \$1.4 million in 2013. The increase in expenses was primarily due to a decrease in gain on sale of fixed assets in 2014 of \$0.2 million, an increase in bad debt expense of \$0.2 million and an increase in repairs and maintenance of \$0.1 million.

Depreciation and Amortization

Hub Group's depreciation and amortization increased to \$1.9 million in 2014 from \$1.6 million in 2013. This expense as a percentage of revenue remained constant at 0.2% in both 2014 and 2013.

The Hub segment's depreciation expense increase of \$0.5 million was related primarily to depreciation for the new corporate headquarters.

Mode's depreciation expense was \$0.3 million for 2014 as compared to \$0.5 million in 2013. The decrease in expense was primarily related to less depreciation related to computer software.

Other Income (Expense)

Total other expense increased to \$0.4 million in 2014 from \$0.3 million in 2013 due primarily to the increased interest expense related to our tractor debt.

Provision for Income Taxes

The provision for income taxes increased to \$11.8 million in 2014 from \$11.6 million in 2013. Our effective rate was 38.8% in 2014 and 38.4% in 2013. The 2014 effective tax rate was higher primarily due to the cumulative effect of income tax changes among the states and a change enacted by the state of Rhode Island on June 16, 2014. We expect our effective tax rate for the whole year to be 38.9%.

Net Income

Net income increased to \$18.7 million in 2014 from \$18.6 million in 2013 due primarily to higher gross margin.

Earnings Per Common Share

Basic earnings per share were \$0.51 in 2014 and \$0.50 in 2013. Basic earnings per share increased primarily due to the increase in gross margin.

Diluted earnings per share were \$0.51 in 2014 and \$0.50 in 2013. Diluted earnings per share increased primarily due to the increase in gross margin.

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Six Months Ended June 30, 2014 Compared to the Six Months Ended June 30, 2013

The following table summarizes our revenue by segment and business line (in thousands) for the six months ended June 30:

	Six Months Ended June 30, 2014				Six Months Ended June 30, 2013			
	Hub	Mode	Inter- Segment Elims	Hub Group Total	Hub	Mode	Inter- Segment Elims	Hub Group Total
Intermodal	\$ 891,195	\$214,180	\$(32,239)	\$1,073,136	\$ 880,065	\$181,951	\$(22,317)	\$1,039,699
Truck brokerage	170,374	165,060	(536)	334,898	163,095	152,843	(561)	315,377
Logistics	273,889	61,204	(748)	334,345	194,415	56,584	(410)	250,589
Total revenue	<u>\$1,335,458</u>	<u>\$440,444</u>	<u>\$(33,523)</u>	<u>\$1,742,379</u>	<u>\$1,237,575</u>	<u>\$391,378</u>	<u>\$(23,288)</u>	<u>\$1,605,665</u>

Revenue

Hub Group's revenue increased 8.5% to \$1.7 billion in 2014 from \$1.6 billion in 2013.

The Hub segment revenue increased 7.9% to \$1.3 billion. Hub intermodal revenue increased 1.3% to \$891.2 million due to a 0.6% increase in loads and an increase for price and mix partially offset by lower fuel. Hub truck brokerage revenue increased 4.5% to \$170.4 million due to an increase for price, mix and fuel combined of 12.1%, partially offset by a 7.6% decrease in volume. Hub logistics revenue increased 40.9% to \$273.9 million related primarily to new customers onboarded last year.

Mode's revenue increased 12.5% to \$440.4 million in 2014 from \$391.4 million in 2013. Mode's intermodal revenue increased 17.7%, truck brokerage revenue increased 8.0% and logistics revenue increased 8.2%.

Gross Margin

Hub Group's gross margin increased 2.5% to \$187.3 million in 2014 from \$182.8 million in 2013.

The Hub segment gross margin decreased 1.0% to \$135.2 million. Hub's \$1.4 million gross margin decrease came from intermodal partially offset by an increase in logistics and truck brokerage gross margin. The first quarter weather related impact in intermodal was approximately \$2.2 million and included a couple of percentage points of lost volume, sub optimization of the network, slower box turns, increased equipment and accessorial costs, higher fuel and accidents. In addition, second quarter intermodal margin was down because of unfavorable timing of cost increases and worse equipment utilization due to rail service issues, partially offset by a modest increase in price. Truck brokerage gross margin increased because of customer price increases and more value added services. Logistics margin increased due primarily to growth with customers we onboarded last year. As a percentage of Hub segment revenue, gross margin decreased to 10.1% in 2014 from 11.0% in 2013. The primary reason for the decline was due to intermodal because of a change in the mix of business, unfavorable timing of cost increases and weather related costs.

Mode's gross margin increased 12.8% to \$52.1 million in 2014 from \$46.2 million in 2013 due to an increase in all three service lines with the largest increases coming from truck brokerage and intermodal. Mode's gross margin as a percentage of revenue remained consistent at 11.8% in both 2014 and 2013.

[Table of Contents](#)**CONSOLIDATED OPERATING EXPENSES**

The following table includes certain items in the consolidated statements of income as a percentage of revenue:

	Six Months Ended	
	June 30,	
	2014	2013
Revenue	100.0%	100.0%
Transportation costs	89.2	88.6
Gross margin	10.8	11.4
Costs and expenses:		
Salaries and benefits	4.2	4.3
Agent fees and commissions	1.7	1.7
General and administrative	1.7	1.8
Depreciation and amortization	0.2	0.2
Total costs and expenses	7.8	8.0
Operating income	3.0	3.4

Salaries and Benefits

Hub Group's salaries and benefits increased to \$72.6 million in 2014 from \$69.6 million in 2013. As a percentage of revenue, salaries and benefits decreased to 4.2% in 2014 from 4.3% in 2013.

The Hub segment increase of \$3.4 million to \$65.4 million in 2014 from \$62.0 million in 2013 was due primarily to increases in salaries of \$3.0 million due to higher headcount and merit increases, employee benefits of \$0.4 million, compensation related to restricted stock of \$0.3 million and payroll taxes of \$0.2 million, partially offset by a decrease in bonus expense of \$0.3 million and commissions of \$0.2 million.

Mode's salaries and benefits expense decreased to \$7.3 million in 2014 from \$7.6 million in 2013. The decrease was due primarily to a decrease in bonus expense of \$0.4 million, partially offset by an increase in compensation related to restricted stock of \$0.1 million.

Agent Fees and Commissions

Hub Group's agent fees and commissions expenses increased to \$29.2 million in 2014 from \$27.0 million in 2013. As a percentage of revenue, these expenses remained consistent at 1.7% in both 2014 and 2013.

The Hub segment agent fees and commissions decrease of \$0.8 million was due to a declining Hub agent program.

The Mode segment agent fees and commissions increased to \$29.2 million in 2014 from \$26.2 million in 2013. The increase of \$3.0 million was due to the increase in gross margin.

General and Administrative

Hub Group's general and administrative expenses increased to \$30.1 million in 2014 from \$27.9 million in 2013. As a percentage of revenue, these expenses decreased to 1.7% in 2014 from 1.8% in 2013.

The Hub segment increase to \$26.6 million in 2014 from \$25.0 million in 2013 was due primarily to increases in outside consultant expenses of \$1.4 million, travel and entertainment expenses of \$0.3 million, outside sales commissions of \$0.3 million, temporary labor expense of \$0.2 million, office expense of \$0.2 million, repairs and maintenance of \$0.2 million, general insurance of \$0.1 million and equipment leases of \$0.1 million. These increases were partially offset by decreases in rent of \$1.0 million and bad debt expense of \$0.3 million.

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Mode's general and administrative expenses increased to \$3.6 million in 2014 from \$2.9 million in 2013. The increase was primarily due to a lower gain on the sale of equipment in 2014 as compared to 2013 of \$0.4 million, higher bad debt expense of \$0.2 million and higher repairs and maintenance expense of \$0.1 million.

Depreciation and Amortization

Hub Group's depreciation and amortization increased to \$3.9 million in 2014 from \$3.1 million in 2013. This expense as a percentage of revenue remained constant at 0.2% in both 2014 and 2013.

The Hub segment's depreciation expense increased to \$3.1 million in 2014 from \$2.1 million in 2013. This increase of \$1.0 million was related primarily to depreciation for the new corporate headquarters.

Mode's depreciation expense was \$0.9 million for 2014 as compared to \$1.1 million in 2013. The decrease in expense was primarily related to less depreciation related to computer software.

Other Income (Expense)

Total other expense increased to \$1.0 million in 2014 from \$0.5 million in 2013 due primarily to the increased interest expense related to our tractor debt and foreign currency translation losses.

Provision for Income Taxes

The provision for income taxes decreased to \$19.7 million in 2014 from \$20.7 million in 2013. Our effective rate was 39.1% in 2014 and 37.8% in 2013. The 2014 effective tax rate was higher primarily due to income tax changes enacted by the state of New York on March 31, 2014 and to a lesser extent, the expiration of the Federal Research Credit on January 1, 2014. We expect our effective tax rate for the whole year to be 38.9%.

Net Income

Net income decreased to \$30.7 million in 2014 from \$34.0 million in 2013 due primarily to higher costs and expenses.

Earnings Per Common Share

Basic earnings per share decreased to \$0.84 in 2014 from \$0.92 in 2013. Basic earnings per share decreased primarily due to the decrease in net income.

Diluted earnings per share decreased to \$0.84 in 2014 from \$0.92 in 2013. Diluted earnings per share decreased primarily due to the decrease in net income.

LIQUIDITY AND CAPITAL RESOURCES

During the first half of 2014, we funded operations, capital expenditures, capital leases, repayments of debt and stock buy backs related to employee withholding upon vesting of restricted stock through cash flows from operations, cash on hand and proceeds from the issuance of long-term debt. We believe that our cash, cash flow from operations and borrowings available under our Credit Agreement and from other sources will be sufficient to meet our cash needs for at least the next twelve months.

Cash provided by operating activities for the six months ended June 30, 2014 was approximately \$31.6 million, which resulted primarily from income of \$30.7 million and adjustments for non-cash charges of \$23.5 million partially offset by the change in operating assets and liabilities of \$22.6 million.

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Net cash used in investing activities for the six months ended June 30, 2014 was \$46.1 million, which included proceeds from the sale of equipment of \$0.3 million and capital expenditures of \$46.4 million. Capital expenditures consisted primarily of tractors of \$24.5 million, containers of \$8.7 million, new corporate headquarters of \$7.4 million and the remainder for technology investments. We expect capital expenditures to be between \$131 million and \$141 million in 2014.

Net cash provided by financing activities for the six months ended June 30, 2014 was \$18.7 million, which resulted from proceeds from the issuance of debt of \$25.4 million and excess tax benefits from share-based compensation of \$0.2 million, partially offset by \$3.2 million of cash for stock tendered for payments of withholding taxes, \$2.5 million for repayment of debt and \$1.2 million for capital lease payments.

We have standby letters of credit that expire at various dates in 2014. As of June 30, 2014, our letters of credit were \$6.1 million.

As further discussed in Note 5 of the consolidated financial statements, in January 2014, we incurred additional borrowings of \$25.4 million, which require monthly principal and interest payments of \$0.4 million through February 2019. Our unused and available borrowings under our bank revolving line of credit were \$43.9 million as of June 30, 2014 and \$44.8 million as of December 31, 2013. We were in compliance with our debt covenants as of June 30, 2014.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk related to changes in interest rates on our bank line of credit which may adversely affect our results of operations and financial condition. We have no significant exposure to foreign currency exchange rate changes. No derivative financial instruments were outstanding as of June 30, 2014 and December 31, 2013. We do not use financial instruments for trading purposes.

We have both fixed and variable rate debt as described in Note 5 to the Consolidated Financial Statements. Any material increase in market interest rates would not have a material impact on the results of operations for the six months ended June 30, 2014.

As of June 30, 2014 and December 31, 2013, other than our outstanding letters of credit, we had no outstanding obligations under our bank line of credit arrangement.

Item 4. CONTROLS AND PROCEDURES

As of June 30, 2014, an evaluation was carried out under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures. Based upon this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of June 30, 2014. There have been no changes in our internal control over financial reporting identified in connection with such evaluation that occurred during the last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. Other Information

Item 1. LEGAL PROCEEDINGS

See Note 8 to the unaudited consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 6. EXHIBITS

The exhibits included as part of the Form 10-Q are set forth in the Exhibit Index immediately preceding such Exhibits and are incorporated herein by reference.

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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 hereunto duly authorized.

DATE: July 30, 2014

HUB GROUP, INC.

/s/ Terri A. Pizzuto

Terri A. Pizzuto
Executive Vice President, Chief Financial
Officer and Treasurer
(Principal Financial Officer)

EXHIBIT INDEX

Exhibit No.	Description
10.1	Amended and Restated Stockholders' Agreement, dated as of April 22, 2014.
10.2	Class B Common Stock Issuance Agreement, dated as of April 22, 2014.
31.1	Certification of David P. Yeager, Chairman and Chief Executive Officer, Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certification of Terri A. Pizzuto, Executive Vice President, Chief Financial Officer and Treasurer, Pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32.1	Certification of David P. Yeager and Terri A. Pizzuto, Chief Executive Officer and Chief Financial Officer, respectively, Pursuant to 18 U.S.C. Section 1350.
101	The following financial statements and footnotes from the Hub Group Quarterly Report on Form 10-Q for the quarter ended June 30, 2014 formatted in XBRL: (i) Consolidated Balance Sheets; (ii) Unaudited Consolidated Statements of Income and Comprehensive Income; (iii) Unaudited Consolidated Statements of Cash Flows; and (iv) Notes to Unaudited Consolidated Financial Statements.

AMENDED AND RESTATED STOCKHOLDERS' AGREEMENT

THIS AMENDED AND RESTATED STOCKHOLDERS' AGREEMENT (the "Agreement") is made as of April 22, 2014, by and among the Laura C. Yeager 1994 GST Trust, the Matthew D. Yeager 1994 GST Trust, the Phillip D. Yeager 1994 GST Trust, Mark A. Yeager, the Alexander B. Yeager 1994 GST Trust, the Samantha N. Yeager 1994 GST Trust, the DPY 2011 Exempt Children's Trust, the Mark A. Yeager Nonexempt Trust Created Under the Phillip C. Yeager 1994 Trust, the Alexander B. Yeager 1994 GST Trust, the Mark A. Yeager Perpetual Trust and the David P. Yeager Nonexempt Trust Created Under the Phillip C. Yeager 1994 Trust (each, a "Stockholder" and collectively, the "Stockholders") and amends and restates in its entirety the STOCKHOLDERS' AGREEMENT (as amended, the "Original Agreement") made as of March 18, 1996, by and among Phillip C. Yeager, David P. Yeager, the Laura C. Yeager 1994 GST Trust, the Matthew D. Yeager 1994 GST Trust, the Phillip D. Yeager 1994 GST Trust, Mark A. Yeager, the Alexander B. Yeager 1994 GST Trust, the Samantha N. Yeager 1994 GST Trust, and Debra A. Jensen (the "Original Stockholders").

WITNESSETH:

WHEREAS, the Original Stockholders entered into the Original Agreement to record, among other matters, their understanding regarding the voting of the Class B Common Stock, \$0.01 par value per share (the "Class B Stock"), of Hub Group, Inc., a Delaware corporation (the "Company"), and their respective rights to transfer shares of Class B Stock;

WHEREAS, the Elizabeth A. Jensen 1994 GST Trust, the Patrick R. Jensen 1994 GST Trust, the DPY 2011 Exempt Children's Trust, the Mark A. Yeager Nonexempt Trust Created Under the Phillip C. Yeager 1994 Trust and the Deborah A. Jensen Nonexempt Trust Created Under the Phillip C. Yeager 1994 Trust became holders of record of Class B Stock and agreed to be bound by the terms of the Original Agreement;

WHEREAS, Debra A. Jensen, the Elizabeth A. Jensen 1994 GST Trust, the Patrick R. Jensen 1994 GST Trust and the Deborah A. Jensen Nonexempt Trust Created Under the Phillip C. Yeager 1994 Trust Transferred all of their Class B Stock of the Company to certain of the Stockholders pursuant to that certain Stock Exchange Agreement dated as of the date hereof by and among the signatories thereto (the "Jensen Transfer");

WHEREAS, following the Jensen Transfer, the Stockholders constitute all of the parties subject to the Original Agreement and are the holders of all of the outstanding shares of the Class B Stock of the Company; and

WHEREAS, in accordance with Section 4.11 of the Original Agreement, the Stockholders desire to amend and restate the Original Agreement in its entirety as provided herein; and

WHEREAS, the Stockholders wish to record, among other matters, their understanding regarding the voting of the Class B Stock and their respective rights to transfer shares of Class B Stock.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings for the purposes of this Agreement:

“Agreement” shall have the meaning ascribed thereto in the preamble.

“Class A Stock” shall mean the shares of Class A Common Stock, \$0.01 par value per share, of the Company.

“Class B Stock” shall have the meaning ascribed thereto in the recitals, together with (i) any shares of Class B Stock that subsequently may be issued or issuable with respect to the Class B Stock as a result of a stock split or dividend or any sale, transfer, assignment or other transaction involving the Class B Stock by the Company, (ii) any securities into which the Class B Stock may thereafter be changed as a result of merger, consolidation, recapitalization or otherwise (other than securities issued upon conversion of Class B Stock pursuant to the terms thereof) and (iii) any shares of Class B Stock acquired pursuant to this Agreement.

“Company” shall have the meaning ascribed thereto in the recitals.

“DPY Permitted Transferee” shall mean David P. Yeager, the descendants (whether natural or adopted) of David P. Yeager, the spouse of David P. Yeager or any descendant (whether natural or adopted) of David P. Yeager, any estate of any of the foregoing, any trust for the primary benefit of any one or more of the foregoing and any Person, all of the outstanding equity securities of which are owned by any one or more of the foregoing.

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“Jensen Transfer” shall have the meaning ascribed thereto in the recitals.

“Offer” shall have the meaning ascribed thereto in Section 2.2(a).

“Offered Interest” shall have the meaning ascribed thereto in Section 2.2(a).

“Offerees” shall have the meaning ascribed thereto in Section 2.2(a).

“Offering Stockholder” shall have the meaning ascribed thereto in Section 2.2(a).

“Original Agreement” shall have the meaning ascribed thereto in the preamble.

“Original Stockholders” shall have the meaning ascribed thereto in the preamble.

“MAY Permitted Transferee” shall mean Mark A. Yeager, the descendants (whether natural or adopted) of Mark A. Yeager, the spouse of Mark A. Yeager or any descendant (whether natural or adopted) of Mark A. Yeager, any estate of any of the foregoing, any trust for the primary benefit of any one or more of the foregoing and any Person, all of the outstanding equity securities of which are owned by any one or more of the foregoing.

“Merger” shall have the meaning ascribed thereto in Section 2.2(c).

“Permitted Transferee” shall mean Phillip C. Yeager, the descendants (whether natural or adopted) of Phillip C. Yeager, the spouse of Phillip C. Yeager or any descendant (whether natural or adopted) of Phillip C. Yeager, any estate of any of the foregoing, any trust for the primary benefit of any one or more of the foregoing and any Person, all of the outstanding equity securities of which are owned by any one or more of the foregoing.

“Person” shall mean any individual, corporation, proprietorship, firm, partnership, limited partnership, trust, association or other entity.

“Purchasing Stockholder” shall have the meaning ascribed thereto in Section 2.2(c).

“Second Offer” shall have the meaning ascribed thereto in Section 2.2(a).

“Selling Stockholder” shall have the meaning ascribed thereto in Section 2.2(c).

“Stockholder” or “Stockholders” shall have the meanings ascribed thereto in the preamble, together with any Person who becomes subject to this Agreement pursuant to Article II hereof.

“Takeover Meeting” shall have the meaning ascribed thereto in Section 2.2(b).

“Tender Offer” shall have the meaning ascribed thereto in Section 2.2(b).

“Transfer” shall mean any transaction by which a Stockholder purports to assign its shares of Class B Stock to another Person and shall include a sale, assignment, bequest, pledge, encumbrance, hypothecation, mortgage, exchange or other disposition by law or otherwise. For purposes of this Agreement, the term “Transfer” shall include (i) a Stockholder voting its shares of Class B Stock in favor of a merger of the Company and (ii) a conversion of shares of Class B Stock into shares of Class A Stock of the Company pursuant to the Company’s Certificate of Incorporation.

“Transferring Purchaser” shall have the meaning ascribed thereto in Section 2.4.

“Transferred Shares” shall have the meaning ascribed thereto in Section 2.4.

ARTICLE II
RESTRICTIONS ON TRANSFER

Section 2.1 No Transfer of Class B Stock Except in Compliance with Agreement. No Stockholder shall Transfer its shares of Class B Stock, except in compliance with the provisions of this Article II. Any transfer in violation of this Article II shall be void ab initio.

Section 2.2 Transfers Pursuant to a Right of First Refusal.

(a) Except as otherwise provided in Section 2.2(b), if a Stockholder (the “Offering Stockholder”) desires to Transfer all or any portion of its shares of Class B Stock (all or such portion, as applicable, is hereinafter referred to as the “Offered Interest”) to any Person who is not a Permitted Transferee, the Offering Stockholder shall first deliver to each other Stockholder (the “Offerees”), a written notice (the “Offer”) setting forth an offer to sell the Offered Interest, pro rata to each Offeree in accordance with its percentage ownership of Class B Stock, for a specified cash dollar amount per share (which price in the event of a conversion of Class B Stock pursuant to the Company’s Certificate of Incorporation or any other Transfer for which a price is not specified (such as a sale at prevailing market prices or a share exchange), shall be the closing sale price of the shares of Class A Stock on the principal stock market on which the Class A Stock is listed or quoted on the date of the notice) and on specified terms and conditions. For a period of 14 days after receipt by the Offeree of an Offer, the Offeree shall have a first right to purchase its pro rata portion of the Offered Interest. To exercise its rights hereunder, an Offeree must deliver to the Offering Stockholder a written notice setting forth the number of shares of Class B Stock such Offeree desires to purchase and, if such Offeree desires to purchase more than its pro rata portion of the Offered Interest, a statement of the maximum additional amount of the Offered Interest such Offeree would purchase if the other Offerees elect not to purchase their pro rata share. If the Offering Shareholder is a DPY Permitted Transferee and the Offerees that are DPY Permitted Transferees have not timely exercised their rights to purchase in the aggregate 100% of the Offered Interests, the Offering Shareholder shall deliver to each other DPY Permitted Transferee notice to that effect and offering the other DPY Permitted Transferees the opportunity to subscribe for additional shares of the Offered Interest on the terms and conditions specified in the Offer (a “Second Offer”). If the Offering Shareholder is a MAY Permitted Transferee and the Offerees that are MAY Permitted Transferees have not timely exercised their rights to purchase in the aggregate 100% of the Offered Interests, the Offering Shareholder shall deliver to each other MAY Permitted Transferee a Second Offer. Offerees shall have five days after receipt by the Offeree of a Second Offer to exercise its right to purchase additional shares of Offered Interests. If the Offering Shareholder is a DPY Permitted Transferee, shares of the Offered Interest shall be allocated first to the other DPY Permitted Transferees before any shares are allocated to any MAY Permitted Transferees. If the Offering Shareholder is a MAY Permitted Transferee, shares of the Offered Interest shall be allocated first to the other MAY Permitted Transferees before any shares of the Offered Interest are allocated to any DPY Permitted Transferees. Subject to the preferences stated in the preceding two sentences, shares of the Offered Interest shall be allocated to each Offeree that has timely exercised its right to purchase a portion of the Offered Interest pro rata, but not more than such Offeree’s desired maximum amount of shares of Class B Stock, in accordance with such Offeree’s percentage ownership of shares of Class B Stock.

(b) In the case of a proposal to merge the Company with or into another Person that is not a Permitted Transferee (a “Merger”) or a proposal by a Person that is not a Permitted Transferee to make an offer to the Company’s shareholders to purchase all or a portion of the Company’s shares (a “Tender Offer”), any Stockholder is

authorized to call a meeting of the Stockholders (the “Takeover Meeting”) and provide written notice to the Stockholders of such meeting specifying the date, time and place of such meeting. Stockholders may participate in such meeting in person (which may include presence by telephone conference call) or by proxy. The Takeover Meeting must occur before any Stockholder can cast a vote with respect to a Merger or tender shares of Class B Stock in the Tender Offer. Following such Takeover Meeting, any Stockholder desiring to Transfer shares of Class B Stock must follow the procedures specified in Section 2.2(a) prior to voting in favor of a Merger or tendering shares in the Tender Offer; provided, however, that the price per share for the Offered Interest shall be the cash dollar amount offered per share of Class B Stock in such transaction or, in the case of another form of consideration offered per share of Class B Stock, the cash equivalent of the fair market value of such other consideration; provided, further, that the Selling Shareholder shall not be obligated to sell any portion of the Offered Interest pursuant to Section 2.2(a) unless the Offerees purchase 100% of the Offered Interest.

(c) In the event that any Offerees shall have timely elected to purchase all or a portion, as applicable, of the Offered Interest in accordance with Sections 2.2(a) or 2.2(b), the Offering Stockholder (the “Selling Stockholder”) shall sell the Offered Interest to such Offerees (each a “Purchasing Stockholder”) at the price and upon the terms and conditions set forth in the Offer, and the parties shall otherwise consummate said transaction no later than 15 days after the delivery of the Offer to the Offerees. In lieu of cash, any Offeree may elect to pay the purchase consideration in (i) cash, (ii) shares of Class A Stock having a fair market value determined two business days prior to the closing date equal to the purchase price of the Class B Stock being purchased by such Offeree or (iii) a combination of (i) and (ii).

(d) To the extent that (i) the Offerees have not elected to purchase all or a portion of the Offered Interest in accordance with Section 2.2(a) or (ii) the Offerees, on an aggregate basis, elected to purchase less than all of the Offered Interest in accordance with Section 2.2(b), the Offering Stockholder may (i) vote in favor of the Merger or tender shares of Class B Stock in the Tender Offer or (ii) within five days after the expiration of the Offerees’ right to purchase referred to in Sections 2.2(a), Transfer the unpurchased portion of the Offered Interest to a Person other than a Permitted Transferee. If the Merger or Tender Offer is terminated or after the expiration of such 5-day period, as the case may be, any proposed Transfer of all or any portion of the shares of Class B Stock held by the Offering Stockholder shall once again be subject to the provisions of this Section 2.2.

Section 2.3 Transfers to Permitted Transferees. A Stockholder may Transfer its shares of Class B Stock to a Permitted Transferee who is not a party to this Agreement if and only if such Permitted Transferee (or the guardian or other legal representative) has agreed in writing to be bound by all of the terms and conditions of this Agreement.

Section 2.4 Clawback. In the event that (i) any Offeree shall have timely elected to purchase all of the Offered Interest in accordance with Section 2.2(b) and (ii) within twelve (12) months after the consummation of the transaction pursuant to Section 2.2(c) any Purchasing Shareholder (the “Transferring Purchaser”) Transfers all or a portion of their purchased Offered

Interest (the “Transferred Shares”) at a price (in cash or the cash equivalent of the fair market value of such other consideration) greater than the purchase price paid pursuant to Section 2.2(c), then such Transferring Purchaser shall pay to each of the Selling Stockholders its pro rata portion with respect to the Transferred Shares an amount in cash equal to the amount by which the price per share of the Transferred Shares exceeds the purchase price paid for such shares pursuant to Section 2.2(c) (net of taxes paid or payable by such Transferring Purchaser in respect of the Transfer of such Transferred Shares). The parties shall pay such amount in cash no later than five days after the consummation of the Transferred Shares.

ARTICLE III
VOTING AGREEMENT

Section 3.1 Voting Agreement. Except as provided in Section 2.2, each Stockholder hereby agrees to vote all of its shares of Class B Stock or to cause all of its shares of Class B Stock to be voted as directed by a majority in interest of the outstanding shares of Class B Stock present at a meeting of the Stockholders called pursuant to Section 3.2 at which a quorum is present. In the event (i) that the voting of the Class B Stock present at a meeting of the Stockholders pursuant to Section 3.2 at which a quorum is present cannot be directed by a majority in interest of such outstanding shares of Class B Stock present because of a deadlock or (ii) because a quorum of the Stockholders present at a meeting called pursuant to Section 3.2 cannot be achieved after two attempts, each Stockholder hereby agrees to vote all of its shares of Class B Stock or to cause all of its shares of Class B Stock to be voted as recommended by the independent directors (as defined by NASDAQ) of the Board of Directors of the Company for the matter presented by the Company for stockholder action.

Section 3.2 Stockholder Vote. For purposes of effecting the agreement set forth in Section 3.1, the Stockholders shall, within five days after receipt by the Stockholders of a notice from the Company calling for a meeting and vote of its stockholders upon any matter, vote (in accordance with their percentage ownership of shares of Class B Stock) to determine how the Stockholders shall vote their shares of Class B Stock pursuant to Section 3.1. The vote required by this Section 3.2 shall take place at the Company’s principal executive offices and Stockholders may participate in such vote in person (which may include presence by telephone conference call) or by proxy. The presence, in person or by proxy, of the Stockholders of a majority in interest of the outstanding shares of Class B Stock shall constitute a quorum at all meetings of the Stockholders called pursuant to Section 3.2. In the absence of a quorum, the holders of a majority in interest of such shares of Class B Stock present in person or by proxy may adjourn such meeting, from time to time. Notice of a date to reconvene the meeting shall be provided to all Stockholders at least 24 hours in advance of such date. Any shares of Class B Stock not represented at such meeting shall be deemed to have voted as recommended by the independent directors (as defined by NASDAQ) of the Board of Directors of the Company for the matter presented by the Company for stockholder action.

Section 3.3 Action by Written Consent. In the event that any Stockholder desires that the Stockholders take any action by written consent, the Stockholder proposing such action shall deliver to the other Stockholders a written notice setting forth the matter proposed to be acted upon by the Stockholders and setting forth the date, time and place of the meeting of Stockholders to consider and act upon the proposal (which meeting shall take place within five

days after receipt by the Stockholders of such notice). At such meeting, the Stockholders shall vote (in accordance with their percentage ownership of shares of Class B Stock) to determine how the Stockholders shall vote their shares of Class B Stock pursuant to Section 3.1 for purposes of taking the proposed action. Stockholders may participate in the vote required by this Section 3.3 in person (which may include presence by telephone conference call) or by proxy. Any shares of Class B Stock not represented at such meeting shall be deemed to have voted against the matter presented by the proposing Stockholder.

Section 3.4 Standstill Restrictions. Except as provided herein or unless otherwise approved by the majority in interest of the outstanding shares of Class B Stock, each Stockholder hereby agrees not to (i) directly or indirectly make, effect, initiate or cause to be made any stockholder proposals under Rule 14a-8 of the Exchange Act or otherwise at any meeting of the stockholders of the Company or in connection with any action by consent in lieu of a meeting or (ii) solicit proxies, designations or written consents of stockholders, or conduct any binding or nonbinding referendum with respect to voting securities of the Company, or make or in any way participate in any "solicitation" of any "proxy" within the meaning of Rule 14a-1 of the Exchange Act (but without regard to the exclusion set forth in Rule 14a-1(l)(2)(iv) from the definition of "solicitation") to vote any voting securities of the Company with respect to any matter, or become a participant in any contested solicitation for the election of directors with respect to the Company (as such terms are defined or used in the Exchange Act), other than solicitations or acting as a participant in support of the voting obligations of the Stockholders pursuant to Sections 3.1 or 3.3.

ARTICLE IV MISCELLANEOUS

Section 4.1 Restrictive Legend. Each Stockholder agrees that any certificates representing Class B Stock now or hereafter owned by such Stockholder will bear the following legend:

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE TRANSFERRED ONLY IN COMPLIANCE WITH THE TERMS OF THAT CERTAIN AMENDED AND RESTATED STOCKHOLDERS' AGREEMENT (THE "AGREEMENT"), DATED APRIL 22, 2014, BY AND AMONG THE LAURA C. YEAGER 1994 GST TRUST, THE MATTHEW D. YEAGER 1994 GST TRUST, THE PHILLIP D. YEAGER 1994 GST TRUST, MARK A. YEAGER, THE ALEXANDER B. YEAGER 1994 GST TRUST, THE SAMANTHA N. YEAGER 1994 GST TRUST, THE DPY 2011 EXEMPT CHILDREN'S TRUST, THE MARK A. YEAGER NONEXEMPT TRUST CREATED UNDER THE PHILLIP C. YEAGER 1994 TRUST, THE ALEXANDER B. YEAGER 1994 GST TRUST, THE MARK A. YEAGER PERPETUAL TRUST AND THE DAVID P. YEAGER NONEXEMPT TRUST CREATED UNDER THE PHILLIP C. YEAGER 1994 TRUST, AS IT MAY BE AMENDED FROM TIME TO TIME. A COPY OF THE FORM OF SUCH AGREEMENT IS AVAILABLE FOR INSPECTION AT THE PRINCIPAL OFFICE OF THE COMPANY AND WILL BE FURNISHED WITHOUT CHARGE TO THE REGISTERED HOLDER OF SUCH CERTIFICATE UPON WRITTEN REQUEST.

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “ACT”), OR ANY STATE SECURITIES LAWS AND, ACCORDINGLY, MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF EITHER (1) AN EFFECTIVE REGISTRATION STATEMENT UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS OR (2) AN EXEMPTION FROM REGISTRATION THEREUNDER.”

Section 4.2 Notices. Any notice, request, instruction or other document to be given hereunder by a party hereto shall be in writing and shall be deemed to have been given, (a) when received if delivered in person or by courier or a courier service, (b) on the date of transmission if sent by facsimile or other wire transmission, or (c) three days after being deposited in the U.S. mail, certified or registered mail, postage prepaid, in each case addressed as set forth on the signature pages hereto or to such other address as a party hereto may designate for itself by notice given as herein provided. Whenever this Agreement requires notice to be given, or requires an action to be taken, as of a certain date, such notice or action shall be deemed to have been timely given or taken if such notice is given or such action is taken prior to the date called for by the other provisions of this Agreement.

Section 4.3 Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective heirs, legal representatives, executors, successors and permitted assigns.

Section 4.4 Captions. The captions in this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof or interpretation hereof.

Section 4.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 4.6 Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to the principles of conflicts of law thereof.

Section 4.7 Assignment. Neither this Agreement nor any right or obligation hereunder is assignable in whole or in part, whether by operation of law or otherwise, by any party hereto except (i) with the prior written consent of each of the other parties and (ii) assignments made pursuant to, and in accordance with, the other terms of this Agreement in connection with Transfers of shares of Class B Stock made in accordance with the terms of this Agreement.

Section 4.8 Waivers. The failure of any party hereto at any time or times to require performance of any provision hereof will in no way affect its right at a later time to require the performance of that provision. No waiver by any party of any condition or of any breach of any term or condition contained in this Agreement will be effective unless in writing. No waiver in any one or more instances will be deemed to be a further or continuing waiver of any condition or breach in any other instance or waiver of any other condition or breach.

Section 4.9 Specific Performance. The parties acknowledge that monetary damages will be insufficient for a breach of many of the provisions of this Agreement. Therefore, each party agrees that, upon a breach of any provision of this Agreement, the nondefaulting party(ies) may sue for and obtain an injunction or specific performance of such provision in any appropriate court.

Section 4.10 Entire Understanding. This Agreement sets forth the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings among the parties regarding the subject matter hereof.

Section 4.11 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions hereof shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

Section 4.12 Amendments. This Agreement may be amended only by written agreement signed by all of the parties hereto.

Section 4.13 Termination of Agreement. This Agreement shall terminate upon an agreement to terminate this Agreement by the written consent of the Stockholders holding two-thirds of the Class B Stock, or, as to any Stockholder, when such Stockholder ceases to be a Stockholder due to the Transfer of all of such Stockholder's shares of Class B Stock in accordance with this Agreement.

Section 4.14 Effectiveness of Agreement. The Original Agreement shall be deemed to be amended and restated as hereinabove set forth as fully and with the same effect as if the amendments and restatements made hereby were originally set forth in the Original Agreement, but such amendments and restatements shall not operate so as to render invalid or improper any action heretofore taken under the Original Agreement.

[REST OF PAGE LEFT INTENTIONALLY BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered effective as of the date first above written.

DPY 2011 Exempt Children's Trust

By: /s/ Matthew D. Yeager
Name: Matthew D. Yeager
Title: Trustee
c/o Hub Group, Inc.
2000 Clearwater Drive
Oak Brook, Illinois 60523

By: /s/ Phillip D. Yeager
Name: Phillip D. Yeager
Title: Trustee
c/o Hub Group, Inc.
2000 Clearwater Drive
Oak Brook, Illinois 60523

By: /s/ Laura C. Yeager
Name: Laura C. Yeager
Title: Trustee
c/o Hub Group, Inc.
2000 Clearwater Drive
Oak Brook, Illinois 60523

Matthew D. Yeager 1994 GST Trust

By: /s/ David P. Yeager
Name: David P. Yeager
Title: Trustee
c/o Hub Group, Inc.
2000 Clearwater Drive
Oak Brook, Illinois 60523

[Signature Page to Amended and Restated Stockholders' Agreement]

Phillip D. Yeager 1994 GST Trust

By: /s/ David P. Yeager

Name: David P. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

Laura C. Yeager 1994 GST Trust

By: /s/ David P. Yeager

Name: David P. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

/s/ Mark A. Yeager

Name: Mark A. Yeager

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

**Mark A. Yeager Nonexempt Trust Created
Under the Phillip C. Yeager 1994 Trust**

By: /s/ Mark A. Yeager

Name: Mark A. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

[Signature Page to Amended and Restated Stockholders' Agreement]

Alexander B. Yeager 1994 GST Trust

By: /s/ Mark A. Yeager

Name: Mark A. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

Samantha N. Yeager 1994 GST Trust

By: /s/ Mark A. Yeager

Name: Mark A. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

Mark A. Yeager Perpetual Trust

By: /s/ Mark A. Yeager

Name: Mark A. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

[Signature Page to Amended and Restated Stockholders' Agreement]

**David P. Yeager Nonexempt Trust Created
Under the Phillip C. Yeager 1994 Trust**

By: /s/ David P. Yeager

Name: David P. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

[Signature Page to Amended and Restated Stockholders' Agreement]

CLASS B COMMON STOCK ISSUANCE AGREEMENT

THIS CLASS B COMMON STOCK ISSUANCE AGREEMENT (the "Agreement") is made as of April 22, 2014, by and among Hub Group, Inc., a Delaware corporation (the "Company"), and the Laura C. Yeager 1994 GST Trust, the Matthew D. Yeager 1994 GST Trust, the Phillip D. Yeager 1994 GST Trust, Mark A. Yeager, the Alexander B. Yeager 1994 GST Trust, the Samantha N. Yeager 1994 GST Trust, the DPY 2011 Exempt Children's Trust, the Mark A. Yeager Nonexempt Trust Created Under the Phillip C. Yeager 1994 Trust, the Alexander B. Yeager 1994 GST Trust, the Mark A. Yeager Perpetual Trust and the David P. Yeager Nonexempt Trust Created Under the Phillip C. Yeager 1994 Trust (each, a "Stockholder" and collectively, the "Stockholders").

WITNESSETH:

WHEREAS, the Certificate of Incorporation of the Company authorizes the Company to issue 662,300 shares of the Class B Common Stock, \$0.01 par value per share (the "Class B Stock"), of the Company;

WHEREAS, the Company has issued and outstanding 662,296 shares of Class B Stock of the Company;

WHEREAS, the Stockholders constitute all of the holders of all of the issued and outstanding Class B Stock of the Company;

WHEREAS, the Company and the Stockholders wish to record, among other matters, their understanding regarding the issuance of the remaining shares of Class B Stock that are neither issued nor outstanding (the "Remaining Class B Stock").

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, the parties agree as follows:

ARTICLE I
DEFINITIONS

Section 1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings for the purposes of this Agreement:

"Agreement" shall have the meaning ascribed thereto in the preamble.

"Class B Stock" shall have the meaning ascribed thereto in the recitals, together with any shares of Class B Stock that subsequently may be issued or issuable with respect to the Class B Stock as a result of a stock split or dividend or any sale, transfer, assignment or other transaction involving the Class B Stock by the Company.

"Company" shall have the meaning ascribed thereto in the recitals.

"Person" shall mean any individual, corporation, proprietorship, firm, partnership, limited partnership, trust, association or other entity.

“Remaining Class B Stock” shall have the meaning ascribed thereto in the recitals.

“Stockholder” or “Stockholders” shall have the meanings ascribed thereto in the preamble, together with any Person who becomes subject to the Amended and Restated Stockholders’ Agreement, dated as of the date hereof, by and among the Laura C. Yeager 1994 GST Trust, the Matthew D. Yeager 1994 GST Trust, the Phillip D. Yeager 1994 GST Trust, Mark A. Yeager, the Alexander B. Yeager 1994 GST Trust, the Samantha N. Yeager 1994 GST Trust, the DPY 2011 Exempt Children’s Trust, the Mark A. Yeager Nonexempt Trust Created Under the Phillip C. Yeager 1994 Trust, the Alexander B. Yeager 1994 GST Trust, the Mark A. Yeager Perpetual Trust and the David P. Yeager Nonexempt Trust Created Under the Phillip C. Yeager 1994 Trust.

ARTICLE II
RESTRICTIONS ON ISSUANCE

Section 2.1 No Issuance of Class B Stock Except in Compliance with this Agreement. The Company shall not issue any of the Remaining Class B Stock without the prior written consent of each of the Stockholders.

ARTICLE III
MISCELLANEOUS

Section 3.1 Notices. Any notice, request, instruction or other document to be given hereunder by a party hereto shall be in writing and shall be deemed to have been given, (a) when received if delivered in person or by courier or a courier service, (b) on the date of transmission if sent by facsimile or other wire transmission, or (c) three days after being deposited in the U.S. mail, certified or registered mail, postage prepaid, in each case addressed as set forth on the signature pages hereto or to such other address as a party hereto may designate for itself by notice given as herein provided. Whenever this Agreement requires notice to be given, or requires an action to be taken, as of a certain date, such notice or action shall be deemed to have been timely given or taken if such notice is given or such action is taken prior to the date called for by the other provisions of this Agreement.

Section 3.2 Binding Effect. This Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their respective heirs, legal representatives, executors, successors and permitted assigns.

Section 3.3 Captions. The captions in this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof or interpretation hereof.

Section 3.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 3.5 Applicable Law. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware without giving effect to the principles of conflicts of law thereof.

Section 3.6 Assignment. Neither this Agreement nor any right or obligation hereunder is assignable in whole or in part, whether by operation of law or otherwise, by any party hereto except with the prior written consent of each of the other parties.

Section 3.7 Waivers. The failure of any party hereto at any time or times to require performance of any provision hereof will in no way affect its right at a later time to require the performance of that provision. No waiver by any party of any condition or of any breach of any term or condition contained in this Agreement will be effective unless in writing. No waiver in any one or more instances will be deemed to be a further or continuing waiver of any condition or breach in any other instance or waiver of any other condition or breach.

Section 3.8 Specific Performance. The parties acknowledge that monetary damages will be insufficient for a breach of many of the provisions of this Agreement. Therefore, each party agrees that, upon a breach of any provision of this Agreement, the nondefaulting party(ies) may sue for and obtain an injunction or specific performance of such provision in any appropriate court.

Section 3.9 Entire Understanding. This Agreement sets forth the entire agreement and understanding of the parties hereto and supersedes any and all prior agreements, arrangements and understandings among the parties regarding the subject matter hereof.

Section 3.10 Severability. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions hereof shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

Section 3.11 Amendments. This Agreement may be amended only by written agreement signed by all of the parties hereto.

Section 3.12 Termination of Agreement. This Agreement shall terminate upon an agreement to terminate this Agreement by the written consent of each of the Stockholders.

[REST OF PAGE LEFT INTENTIONALLY BLANK; SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered effective as of the date first above written.

Hub Group, Inc.

By: /s/ David P. Yeager
Name: David P. Yeager
Title: Chairman and Chief Executive Officer
c/o Hub Group, Inc.
2000 Clearwater Drive
Oak Brook, Illinois 60523

DPY 2011 Exempt Children's Trust

By: /s/ Matthew D. Yeager
Name: Matthew D. Yeager
Title: Trustee
c/o Hub Group, Inc.
2000 Clearwater Drive
Oak Brook, Illinois 60523

By: /s/ Phillip D. Yeager
Name: Phillip D. Yeager
Title: Trustee
c/o Hub Group, Inc.
2000 Clearwater Drive
Oak Brook, Illinois 60523

By: /s/ Laura C. Yeager
Name: Laura C. Yeager
Title: Trustee
c/o Hub Group, Inc.
2000 Clearwater Drive
Oak Brook, Illinois 60523

[Signature Page to Amended and Restated Stockholders' Agreement]

Matthew D. Yeager 1994 GST Trust

By: /s/ David P. Yeager

Name: David P. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

Phillip D. Yeager 1994 GST Trust

By: /s/ David P. Yeager

Name: David P. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

Laura C. Yeager 1994 GST Trust

By: /s/ David P. Yeager

Name: David P. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

/s/ Mark A. Yeager

Name: Mark A. Yeager

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

**Mark A. Yeager Nonexempt Trust Created
Under the Phillip C. Yeager 1994 Trust**

By: /s/ Mark A. Yeager

Name: Mark A. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

Alexander B. Yeager 1994 GST Trust

By: /s/ Mark A. Yeager

Name: Mark A. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

Samantha N. Yeager 1994 GST Trust

By: /s/ Mark A. Yeager

Name: Mark A. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

[Signature Page to Amended and Restated Stockholders' Agreement]

Mark A. Yeager Perpetual Trust

By: /s/ Mark A. Yeager

Name: Mark A. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

**David P. Yeager Nonexempt Trust Created
Under the Phillip C. Yeager 1994 Trust**

By: /s/ David P. Yeager

Name: David P. Yeager

Title: Trustee

c/o Hub Group, Inc.

2000 Clearwater Drive

Oak Brook, Illinois 60523

[Signature Page to Amended and Restated Stockholders' Agreement]

CERTIFICATION

I, David P. Yeager, certify that:

- 1) I have reviewed this report on Form 10-Q of Hub Group, 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; and
 - 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 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 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: July 30, 2014

/s/ David P. Yeager

Name: David P. Yeager

Title: Chairman and Chief Executive Officer

CERTIFICATION

I, Terri A. Pizzuto, certify that:

- 1) I have reviewed this report on Form 10-Q of Hub Group, 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; and
 - 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 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 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: July 30, 2014

/s/ Terri A. Pizzuto

Name: Terri A. Pizzuto
Title: Executive Vice President,
Chief Financial Officer and
Treasurer

Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

The following statement is provided by the undersigned to accompany the Form 10-Q for the quarter ended June 30, 2014 of Hub Group, Inc. pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and shall not be deemed filed pursuant to any provision of the Exchange Act of 1934 or any other securities law.

Each of the undersigned certifies that the foregoing Report on Form 10-Q fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78m) and that the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of Hub Group, Inc.

/s/ David P. Yeager

David P. Yeager
Chairman and Chief Executive Officer
Hub Group, Inc.

/s/ Terri A. Pizzuto

Terri A. Pizzuto
Executive Vice President, Chief Financial Officer and Treasurer Hub Group,
Inc.

