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WERNER ENTERPRISES INC
Form DEF 14A
April 03, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of
1934

Filed by the Registrant [X]
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Check the appropriate box:

- [] Preliminary Proxy Statement
- [] Confidential, for Use of the Commission Only (as permitted by rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [] Definitive Additional Materials
- [] Soliciting Material Pursuant to 240.14a-12

WERNER ENTERPRISES, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

[LOGO OF WERNER ENTERPRISES, INC.]
Post Office Box 45308
Omaha, Nebraska 68145-0308

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD MAY 8, 2007

Dear Stockholders:

It is a pleasure to invite you to the 2007 Annual Meeting of Stockholders of Werner Enterprises, Inc. (the "Company") to be held at the Omaha Marriott, 10220 Regency Circle, Omaha, Nebraska, on Tuesday, May 8, 2007, at 10:00 a.m. local time. The Omaha Marriott is located near the intersection of Interstate 680 and West Dodge Road. The meeting will be held for the following purposes:

1. To elect two Class I directors to serve for a three-year term and until their successors are elected and qualified.
2. To adopt an amended and restated Equity Plan.
3. To approve the amendment to Article III of the Articles of Incorporation with regard to the purpose of the corporation.
4. To approve the amendment to Article VIII of the Articles of Incorporation with regard to the provisions for indemnification.
5. To approve the amendment to Article VIII, Section A of the Articles of Incorporation with regard to limitations on the liability of directors.
6. To transact such other business as may properly come before the meeting or any adjournment thereof.

Stockholders of record at the close of business on March 19, 2007, will be entitled to vote at the meeting or any adjournment thereof.

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At the meeting, Clarence L. Werner, Gregory L. Werner, and Gary L. Werner and other members of the Company's management team will discuss the Company's results of operations and business plans. Members of the Board of Directors and the Company's management will be present to answer your questions.

A copy of the Company's Annual Report to Stockholders for the year ended December 31, 2006 is enclosed.

As stockholders, we encourage you to attend the meeting in person. Whether or not you plan to attend the meeting, we ask you to sign, date, and mail the enclosed proxy, or vote your shares by telephone or via the Internet, as promptly as possible in order to make sure that your shares will be voted in accordance with your wishes at the meeting in the event that you are unable to attend. A self-addressed, postage-paid return envelope is enclosed for your convenience, as well as instructions for alternative means of voting. If you attend the meeting, you may vote by proxy or you may revoke your proxy and cast your vote in person.

By Order of the Board of Directors

/s/ James L. Johnson

James L. Johnson
Senior Vice President, Controller
and Corporate Secretary

Omaha, Nebraska
April 4, 2007

WERNER ENTERPRISES, INC.
Post Office Box 45308
Omaha, Nebraska 68145-0308

PROXY STATEMENT FOR
ANNUAL MEETING OF STOCKHOLDERS
MAY 8, 2007

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors (the "Board") for the Annual Meeting of Stockholders of Werner Enterprises, Inc. ("Werner" or the "Company") to be held on Tuesday, May 8, 2007, at 10:00 a.m. local time, at the Omaha Marriott, 10220 Regency Circle, Omaha, Nebraska, and at any adjournments thereof. The meeting will be held for the purposes set forth in the Notice of Annual Meeting of Stockholders on the cover page hereof. The Proxy Statement, Form of Proxy, and Annual Report to Stockholders are being mailed by the Company on or about April 4, 2007.

A Form of Proxy for use at the Annual Meeting of Stockholders is enclosed together with a self-addressed, postage-paid return envelope. Alternatively, most stockholders may vote by telephone or via the Internet instead of returning the enclosed form. Stockholders should refer to the voting form or other voting instructions included with the proxy materials for information on the voting methods available.

Any stockholder who executes and delivers a proxy has the right to revoke it at any time prior to its use at the Annual Meeting. Revocation of

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a proxy may be effected by filing a written statement with the Secretary of the Company revoking the proxy, by executing and delivering to the Company a subsequent proxy before the meeting, or by voting in person at the meeting. A proxy, when executed and not revoked, will be voted in accordance with the authorization contained therein. Unless a stockholder specifies otherwise on the Form of Proxy, all shares represented will be voted FOR the election of all nominees for director, FOR adoption of the Company's amended and restated Equity Plan, FOR approval of the amendment to Article III of the Articles of Incorporation (the "Articles"), FOR approval of the amendment to Article VIII of the Articles, and FOR approval of the amendment to Article VIII, Section A of the Articles.

The cost of soliciting proxies, including the preparation, assembly and mailing of material, will be paid by the Company. Directors, officers, and regular employees of the Company may solicit proxies by telephone, electronic communications, or personal contact, for which they will not receive any additional compensation in respect of such solicitations. The Company will also reimburse brokerage firms and others for all reasonable expenses for forwarding proxy material to beneficial owners of the Company's stock.

As a matter of policy, proxies, ballots, and voting tabulations that identify individual stockholders are kept private by the Company. Such documents are available for examination only by certain representatives associated with processing proxy cards and tabulating the vote. The vote of any stockholder is not disclosed, except as may be necessary to meet legal requirements.

OUTSTANDING STOCK AND VOTING RIGHTS

On March 19, 2007, the Company had 73,900,461 shares of its \$.01 par value Common Stock outstanding. At the meeting, each stockholder will be entitled to one vote, in person or by proxy, for each share of stock owned of record at the close of business on March 19, 2007. The stock transfer books of the Company will not be closed.

With respect to the election of directors, stockholders of the Company, or their proxy if one is appointed, have cumulative voting rights under the laws of the State of Nebraska. This means that stockholders, or their proxy, may vote their shares for as many directors as are to be elected, or may cumulate such shares and give one nominee as many votes as the number of directors to be elected multiplied by the number of their shares, or may distribute votes on the same principle among as many nominees as they may desire. If a stockholder desires to vote cumulatively, he or she must vote in person or give his or her specific cumulative voting instructions to the designated proxy that the number of votes represented by his or her shares are to be cast for one or more designated nominees. The solicitation of proxies on behalf of the Board of Directors includes a solicitation for discretionary authority to cumulate votes. A stockholder may withhold authority to vote for any nominee (or nominees) by striking through the name (or names) of such nominees on the accompanying Form of Proxy.

A majority of all outstanding shares of common stock entitled to vote at the annual meeting must be present or represented by proxy in order to satisfy the quorum requirement for the transaction of business at the annual meeting. Both abstentions and broker non-votes are counted for the purpose of determining a quorum. "Broker non-votes" are shares present by proxy at the Annual Meeting and held by brokers or nominees as to which instructions to vote have not been received from the beneficial owners and the broker or nominee does not have discretionary authority as to certain shares to vote on one or more matters. If a quorum should not be present, the annual meeting

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may be adjourned from time to time until a quorum is obtained.

On the date of mailing this Proxy Statement, the Board of Directors has no knowledge of any other matter which will come before the Annual Meeting other than the matters described herein. However, if any such matter is properly presented at the meeting, the proxy solicited hereby confers discretionary authority to the proxies to vote in their sole discretion with respect to such matters, as well as other matters incident to the conduct of the meeting.

STOCKHOLDER COMMUNICATIONS WITH THE BOARD OF DIRECTORS

The Board of Directors has established a process by which stockholders and other parties who wish to communicate directly with the independent directors as a group may do so by writing to Independent Directors c/o Corporate Secretary at the address indicated on the first page of this Proxy Statement. A majority of the Company's independent directors has approved the process for collecting and organizing stockholder communications received by the Company's Corporate Secretary on the Board's behalf.

DIRECTOR NOMINATION PROCESS

The Nominating Committee considers candidates for Board membership suggested by Board members, as well as management and stockholders. In accordance with the "Policy Regarding Director Recommendations by Stockholders", it will consider candidates recommended by one or more stockholders that have individually or as a group owned beneficially at least two percent of the Company's issued and outstanding stock for at least one year. Stockholder recommendations must be submitted in writing with the required proof of compliance with stock ownership requirements, background information, and qualifications of the candidate to the Corporate Secretary not less than 120 days prior to the first anniversary of the date of the proxy statement relating to the Company's previous annual meeting (by December 5, 2007 for the 2008 Annual Meeting of Stockholders) in order for the candidate to be evaluated and considered as a prospective nominee.

Generally, candidates for director positions should possess:

- * Relevant business and financial expertise and experience, including an understanding of fundamental financial statements;
- * The highest character and integrity and a reputation for working constructively with others;

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- * Sufficient time to devote to meetings and consultation on Board matters; and
- * Freedom from conflicts of interest that would interfere with performance as a director.

The Nominating Committee evaluates prospective nominees against certain minimum standards and qualifications, as listed in the "Nominating Committee Directorship Guidelines and Selection Policy". These include, but are not limited to, business experience, skills, talents, and the prospective nominee's ability to contribute to the success of the Company. The Nominating Committee also considers other relevant factors, including the balance of management and independent directors, the need for Audit Committee expertise, and relevant industry experience. A prospective candidate nominated by a stockholder in accordance with the "Policy Regarding Director Recommendations by Stockholders" is evaluated by the Nominating Committee in the same manner as any other prospective candidate. The Company has not

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engaged and has not paid any fees to a third party to assist in the nomination process.

The full text of the Company's "Policy Regarding Director Recommendations by Stockholders", including a list of information required to be submitted with the nomination by the recommending stockholder, and "Nominating Committee Directorship Guidelines and Selection Policy" may be found on the Company's website, www.werner.com. Stockholders may also request a copy of either policy by writing to the Corporate Secretary at the address indicated on the first page of this Proxy Statement.

ELECTION OF DIRECTORS AND INFORMATION REGARDING DIRECTORS

The Articles of Incorporation of the Company provide that there shall be two or three separate classes of directors, each consisting of not less than two, nor more than five, directors, and as nearly equal in number as possible. The Bylaws of the Company provide for eight directors, divided into three classes. The term of office of the directors in the first class expires at the 2007 Annual Meeting of Stockholders. Directors hold office for a term of three years. The term of office of the directors in the second and third classes will expire at the 2008 and 2009 Annual Meetings of Stockholders, respectively. Gerald H. Timmerman and Kenneth M. Bird, current class I directors whose terms will expire at the 2007 Annual Meeting, have been nominated for election at the meeting for terms expiring at the 2010 Annual Meeting and until their successors are duly elected and qualified.

Information concerning the names, ages, terms, positions with the Company, and/or business experience of each nominee named above and of the other persons whose terms as directors will continue after the 2007 Annual Meeting is set forth on the following pages. The Board has determined that Messrs. Timmerman, Steinbach, Bird, Jung, and Sather are each independent pursuant to Nasdaq listing standards.

Name	Position with Company or Principal Occupation	Term Ends
Clarence L. Werner	Chairman of the Board	2009
Gary L. Werner	Vice Chairman	2008
Gregory L. Werner	President and Chief Executive Officer	2008
Gerald H. Timmerman	President of Timmerman & Sons Feeding Co., Inc. (1) (2) (3)	2007
Michael L. Steinbach	Owner of Steinbach Farms and Equipment Sales and Steinbach Truck and Trailer (1) (3)	2008
Kenneth M. Bird	Superintendent - Westside Community Schools (1) (2) (3)	2007
Patrick J. Jung	Chief Operating Officer of Surdell&Partners LLC (1) (2) (3)	2009
Duane K. Sather	Former Chairman of Sather Companies (1) (3)	2009

(1) Serves on Audit Committee.

(2) Serves on Compensation Committee.

(3) Serves on Nominating Committee.

Clarence L. Werner, 69, operated Werner Enterprises as a sole proprietorship from 1956 until its incorporation in September 1982. He has

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been a director of the Company since its incorporation and served as President until 1984. Since 1984, he has been Chairman of the Board, and he served as Chief Executive Officer of the Company from 1984 until February 8, 2007.

Gary L. Werner, 49, has been a director of the Company since its incorporation. Mr. Werner was General Manager of the Company and its predecessor from 1980 to 1982. He served as Vice President from 1982 until 1984, when he was named President and Chief Operating Officer of the Company. Mr. Werner was named Vice Chairman in 1991. From 1993 to April 1997, Mr. Werner also reassumed the duties of President.

Gregory L. Werner, 47, was elected a director of the Company in 1994. He was a Vice President of the Company from 1984 to March 1996 and was Treasurer from 1982 until 1986. He was promoted to Executive Vice President in March 1996 and became President in April 1997. Mr. Werner has directed revenue equipment maintenance for the Company and its predecessor since 1981. He assumed responsibility for the Company's Management Information Systems in 1993, and also assumed the duties of Chief Operating Officer in 1999. He was named Chief Executive Officer of the Company on February 8, 2007.

Gerald H. Timmerman, 67, was elected a director of the Company in 1988. Mr. Timmerman has been President since 1970 of Timmerman & Sons Feeding Co., Inc., Springfield, Nebraska, which is a cattle feeding and ranching partnership with operations in three midwestern states.

Michael L. Steinbach, 52, was elected a director of the Company in 2002. He has been the sole owner of Steinbach Farms and Equipment Sales, which buys and sells farm land and equipment and is located in Valley, Nebraska, since 1980. Mr. Steinbach has also been the sole owner of Steinbach Truck and Trailer, a semi-tractor and trailer dealership located in Valley, Nebraska, since 1997. Mr. Steinbach also farms or custom farms approximately six thousand acres of farmland.

Kenneth M. Bird, 59, was appointed by the Board of Directors in 2002 to fill a vacant director position and was elected by the stockholders in 2004. He has been Superintendent of the Westside Community Schools in Omaha, Nebraska since 1992 and has held various administrative positions in the District since 1981. Dr. Bird was the Nebraska Superintendent of the Year in 1998 and has been recognized for his technology leadership and vision. Dr. Bird is very active in professional organizations on the local, state, and national levels, and also serves on a number of community and civic boards.

Patrick J. Jung, 59, was elected a director of the Company in 2003. He is currently serving as the Chief Operating Officer of Surdell&Partners LLC, an Omaha, Nebraska advertising company. Prior to his position with Surdell&Partners LLC, Mr. Jung was a practicing certified public accountant with KPMG LLP for thirty years. Mr. Jung was the audit engagement partner on the Company's annual audit for the year ended December 31, 1999 prior to his retirement from KPMG LLP in 2000. Mr. Jung currently serves on the board of directors of the Burlington Capital Group LLC, including America First Tax Exempt Investors L.P., and serves on its audit and governance committees. He also serves on the board of directors of Supertel Hospitality, Inc. and serves as its audit committee chairman and as a member of its nominating committee.

Duane K. Sather, 62, is an investor and serves as a director of several privately-held companies that construct and operate ethanol plants. From 1972 to 1996, Mr. Sather was President of Sather Trucking Company, and from 1988 to 1996, Mr. Sather was Chairman of Sather Companies. In 1996, the Sather Companies were sold to Favorite Brands International.

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Gary L. Werner and Gregory L. Werner are sons of Clarence L. Werner.

In the event that any nominee becomes unavailable for election for any reason, the shares represented by the accompanying form of proxy will be voted for any substitute nominees designated by the Board, unless the proxy

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withholds authority to vote for all nominees or the nominee who becomes unavailable. The Board of Directors knows of no reason why any of the persons nominated to be directors might be unable to serve if elected, and each nominee has expressed an intention to serve if elected. There are no arrangements or understandings between any of the nominees and any other person pursuant to which any of the nominees was selected as a nominee.

Assuming the presence of a quorum, directors shall be elected by a plurality of the votes cast by the stockholders of the outstanding shares of the Common Stock of the Company present in person or represented by proxy at the 2007 Annual Meeting of Stockholders and entitled to vote thereon. This means that the two nominees receiving the highest number of votes at the annual meeting, after taking into account any cumulative voting, will be elected to the Board. Shares not voted for any nominee, whether by specifically withholding authority to vote on a proxy card or otherwise, will have no impact on the election of directors except to the extent the failure to vote for a nominee results in another individual receiving a larger proportion of the total votes.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE ELECTION OF EACH NOMINEE TO THE BOARD OF DIRECTORS. PROXIES SOLICITED BY THE BOARD OF DIRECTORS WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES FOR DIRECTOR UNLESS STOCKHOLDERS SPECIFY A CONTRARY VOTE.

Board of Directors and Committees

The Board of Directors conducts its business through meetings of the Board, actions taken by written consent in lieu of meetings, and by the actions of its Committees. The Board has established Audit, Compensation, and Nominating Committees. Currently, Messrs. Timmerman, Bird, and Jung serve as members of the Audit, Compensation, and Nominating Committees, and Messrs. Sather and Steinbach are members of the Audit and Nominating Committees. The Option Committee was dissolved on November 7, 2006, and the authority and power of this committee was transferred and delegated to the Compensation Committee.

Audit Committee

The Audit Committee discusses the annual audit and resulting letter of comments to management, consults with the auditors and management regarding the adequacy of internal controls, reviews the Company's financial statements with management and the outside auditors prior to their issuance, discusses with management the process used to support the Chief Executive Officer and Chief Financial Officer certifications that accompany the Company's periodic filings, appoints the independent auditors for the next year, reviews and approves all audit and non-audit services, manages the Company's internal audit department, and reviews and maintains procedures for the anonymous submission of complaints concerning accounting and auditing irregularities. The Audit Committee periodically meets in executive session with the independent auditors and with the head of the internal audit department, in each case without the presence of management. All current Audit Committee members are each independent pursuant to Nasdaq listing standards. The Board of Directors has determined that each Audit Committee member has sufficient

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knowledge in financial and auditing matters to serve on the Committee and has designated Mr. Jung as an Audit Committee financial expert as defined under the rules of the Securities and Exchange Commission ("SEC"). The Audit Committee charter, which has been approved by the Board of Directors, is posted on the Company's website, www.werner.com. This information is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to the liabilities of Section 18 of the Securities Exchange Act of 1934, and shall not be deemed to be incorporated by reference into any prior or subsequent filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent the Company specifically requests that such information be incorporated by reference or treated as soliciting material.

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Compensation Committee

The Compensation Committee is responsible for determining and approving the compensation of the Chairman, the Vice Chairman, and the President and Chief Executive Officer. The Compensation Committee is also responsible for approving the compensation of all other executive officers after considering the recommendations of the Chairman, the Vice Chairman, and the President and Chief Executive Officer. On November 7, 2006, the Compensation Committee became responsible for administering the Company's Stock Option Plan, and the authority of the Option Committee was transferred and delegated to the Compensation Committee. It has the authority to determine the recipients of options and stock appreciation rights, the number of shares subject to such options and the corresponding stock appreciation rights, the date on which these options and stock appreciation rights are to be granted and are exercisable, whether or not such options and stock appreciation rights may be exercisable in installments, and any other terms of the options and stock appreciation rights consistent with the terms of the plan. All current Compensation Committee members are "non-employee directors" as defined by Rule 16b-3 under the Securities Exchange Act of 1934, are "outside directors" as defined in Section 162(m) of the Internal Revenue Code of 1986 ("the Code"), as amended, and are each independent pursuant to Nasdaq listing standards. The Compensation Committee charter is posted on the Company's website, www.werner.com.

As explained in more detail under "Compensation Process" within the Compensation Discussion and Analysis, the Compensation Committee has delegated authority to the President and CEO which allows him to make changes to the base salaries of executive officers within ranges established by the Compensation Committee. Any such base salary changes are summarized, reviewed, and approved by the Compensation Committee at the close of the year.

During 2006, the Compensation Committee retained the firm of Towers Perrin as its compensation consultant to assist in the continued development and evaluation of compensation policies and the Compensation Committee's determinations of compensation awards. The role of Towers Perrin is to provide independent, third-party advice and expertise in executive compensation issues. The Compensation Committee engaged Towers Perrin to provide a competitive market pay analysis for the Company's executive officers, comparing the base salary, annual bonus, and long-term incentive components of compensation to both a competitive peer group and the general industry.

Nominating Committee

The Nominating Committee assists the Board in identifying, evaluating,

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and recruiting qualified candidates for election to the Board and recommends for the Board's approval the director nominees for any election of directors. All current Nominating Committee members are each independent pursuant to Nasdaq listing standards. The Nominating Committee charter is posted on the Company's website, www.werner.com.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee of the Board of Directors is comprised of Messrs. Timmerman, Bird, and Jung. None of the members of the Compensation Committee during 2006 or as of the date of this proxy statement is or has been an officer or employee of the Company. There were no transactions between any member of the Compensation Committee and the Company that occurred during 2006 which would require disclosure under Item 404 of Regulation S-K. During 2006, no executive officer of the Company served as a director or member of the compensation committee of any other entity, one of whose executive officers served as a director or member of the Compensation Committee of the Company.

Meeting Attendance

The Board of Directors held five meetings (in addition, two executive sessions of the independent directors were held without the presence of management) and acted once by unanimous written consent during the year ended

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December 31, 2006. There were six meetings of the Audit Committee (including four executive sessions with the independent auditors and four executive sessions with the senior manager of internal audit, all without the presence of management), three meetings of the Compensation Committee and one action by unanimous written consent, one meeting of the Option Committee, and one meeting of the Nominating Committee during that period. All directors participated in 75% or more of the aggregate of the total number of Board of Directors meetings and the total number of meetings held by committees on which they served, and the average attendance was 96%. The Company encourages directors to attend annual meetings, although it does not have a formal policy regarding director attendance at these meetings. Seven of the eight then-current directors attended the Company's Annual Meeting of Stockholders in May 2006, and the Company anticipates that most, if not all, of its directors will attend the 2007 Annual Meeting of Stockholders.

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DIRECTOR COMPENSATION AND BENEFITS

Directors who are not employees of the Company receive an annual compensation package that is designed to attract, motivate and retain highly-qualified independent professionals to represent the Company's stockholders.

The Company's 2006 compensation package for non-employee directors is comprised of an annual cash retainer and cash meeting fees. Specifically:

- * Annual board retainer: \$10,000, paid in quarterly installments, for board membership
- * Board meeting fee: \$2,000 paid for each meeting
- * Audit Committee Chairman annual retainer: \$10,000, paid in quarterly installments
- * Committee meeting fee: \$2,000 paid for each meeting (if meeting is not held on the same day as the board meeting)

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In addition, the non-employee directors also receive reimbursement at cost for all travel expenses incurred in attending board and Committee meetings.

Director Stock Ownership

The Company does not have formal stock ownership requirements for directors.

2006 Compensation

Cash compensation varies by non-employee director based on the number of Committee meetings held, the Committees on which the non-employee director serves, and whether the individual is the Chairman of the Audit Committee. In 2006, all of the incumbent directors attended at least 75% of the total number of meetings of the Board and of all Board Committees of which the directors were members and expected to attend.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value & Nonqualified Deferred Compensation Earnings (\$)	All Compens
Gerald H. Timmerman	34,000	-	-	-	-	-
Michael L. Steinbach	32,000	-	-	-	-	-
Kenneth M. Bird	34,000	-	-	-	-	-
Patrick J. Jung	44,000	-	-	-	-	-
Duane K. Sather	23,500	-	-	-	-	-
Jeffrey G. Doll (1)	11,000	-	-	-	-	-

(1) Mr. Doll resigned from the Company's Board of Directors effective May 9, 2006.

Directors who are also employees of the Company receive no additional compensation for service as a Director.

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EXECUTIVE OFFICERS

The following table sets forth the executive officers of the Company and the capacities in which they currently serve.

Name	Age	Capacities In Which They Serve
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Clarence L. Werner	69	Chairman of the Board (1)
Gary L. Werner	49	Vice Chairman
Gregory L. Werner	47	President and Chief Executive Officer (1)
Daniel H. Cushman	52	Senior Executive Vice President and Chief Marketing Officer
Derek J. Leathers	37	Senior Executive Vice President - Value Added Services and Intern
H. Marty Nordlund	45	Senior Executive Vice President - Specialized Services
Robert E. Synowicki, Jr.	48	Executive Vice President and Chief Information Officer
Richard S. Reiser	60	Executive Vice President and General Counsel
John J. Steele	49	Executive Vice President, Treasurer and Chief Financial Officer
Jim S. Schelble	46	Executive Vice President - Sales and Marketing

(1) On February 8, 2007, Mr. Clarence L. Werner resigned as the Chief Executive Officer, and the Board named Gregory L. Werner the Chief Executive Officer.

See "ELECTION OF DIRECTORS AND INFORMATION REGARDING DIRECTORS" for information regarding the business experience of Clarence L. Werner, Gary L. Werner, and Gregory L. Werner.

Daniel H. Cushman joined the Company in 1997 as Director of National Accounts. He was promoted to Vice President - Sales, Van Division, in April 1999, Senior Vice President - Van Division in December 1999, Senior Vice President - Marketing and Operations in 2001, Executive Vice President and Chief Marketing Officer in 2002, and Senior Executive Vice President and Chief Marketing Officer in 2004. Mr. Cushman was President of Triple Crown Services in Fort Wayne, Indiana for four years prior to joining the Company and held various other management positions at Triple Crown Services starting in 1988. From 1978 to 1988, Mr. Cushman was employed by Roadway Express in Akron, Ohio.

Derek J. Leathers joined the Company in 1999 as Managing Director - Mexico Division. He was promoted to Vice President - Mexico Division in 2000, Vice President - International Division in 2001, Senior Vice President - International in April 2003, Senior Vice President - Van Division and International in July 2003, Executive Vice President - Van Division and International in 2004, and was named Senior Executive Vice President - Value Added Services and International in 2006. Mr. Leathers was Vice President of Mexico Operations for two years at Schneider National, a large truckload carrier, prior to joining the Company and held various other management positions during his eight-year career at Schneider National.

H. Marty Nordlund joined the Company in 1994 as an account executive. He was promoted to Director of Dedicated Fleet Services in 1995, Senior Director of Dedicated Fleet Services in 1997, Vice President - Dedicated Fleet Services in 1998, Vice President - Specialized Services in 2001, Senior Vice President - Specialized Services in 2003, Executive Vice President - Specialized Services in August 2005, and was named Senior Executive Vice President - Specialized Services in 2006. Prior to joining the Company, Mr. Nordlund held various management positions with Crete Carrier Corporation.

Robert E. Synowicki, Jr. joined the Company in 1987 as a tax and finance manager. He was appointed Treasurer in 1989, became Vice President, Treasurer and Chief Financial Officer in 1991, Executive Vice President and Chief Financial Officer in March 1996, Executive Vice President and Chief Operating Officer in November 1996, and Executive Vice President and Chief Information Officer in December 1999. Mr. Synowicki was employed by the firm of Arthur Andersen & Co., independent public accountants, as a certified public accountant from 1983 until his employment with the Company in 1987.

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Mr. Synowicki also serves on the Board of Directors of Blue Cross and Blue Shield of Nebraska.

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Richard S. Reiser joined the Company as Vice President and General Counsel in 1993, and was promoted to Executive Vice President and General Counsel in 1996. Mr. Reiser was a partner in the Omaha office of the law firm of Nelson and Harding from 1975 to 1984. From 1984 until his employment with the Company, he was engaged in the private practice of law as a principal and director of Gross & Welch, a professional corporation, Omaha, Nebraska.

John J. Steele joined the Company in 1989 as Controller. He was elected Corporate Secretary in 1992, Vice President - Controller and Corporate Secretary in 1994, Vice President, Treasurer and Chief Financial Officer in 1996, Senior Vice President, Treasurer and Chief Financial Officer in 2004, and was named Executive Vice President, Treasurer and Chief Financial Officer in August 2005. Mr. Steele was employed by the firm of Arthur Andersen & Co., independent public accountants, as a certified public accountant from 1979 until his employment with the Company in 1989.

Jim S. Schelble joined the Company in 1998 as Manager of New Business Development. He was promoted to Director of National Accounts in 1999, Senior Director of Dedicated Services in 2000, Associate Vice President of Corporate and Dedicated Sales in 2002, Vice President - Sales in 2003, Senior Vice President - Sales in 2004 and was named Executive Vice President - Sales and Marketing in August 2005. Prior to joining the Company, Mr. Schelble spent twelve years with Roadway Express in a variety of management positions within operations, sales, and marketing.

Under the Company's bylaws, each executive officer holds office for a term of one year or until his successor is elected and qualified. The executive officers of the Company are elected by the Board of Directors at its Annual Meeting immediately following the Annual Meeting of Stockholders.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors, and persons who own more than ten percent of a registered class of the Company's equity securities, to file initial reports of ownership and changes in ownership with the SEC. Officers, directors and greater than ten percent stockholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on its review of the copies of such forms and amendments thereto received by it and written representations from certain reporting persons that no Forms 5 were required for those persons, the Company believes that, during the year ended December 31, 2006, all filing requirements applicable to its officers, directors, and greater than ten percent beneficial owners were complied with in a timely manner, except that the initial Form 3 for Duane K. Sather was filed 10 business days after the due date.

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SECURITY OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND PRINCIPAL
STOCKHOLDERS

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The table below sets forth certain information as of March 19, 2007, with respect to the beneficial ownership of the Company's Common Stock by each director and each nominee for director of the Company, by each named executive officer of the Company named in the Summary Compensation Table herein, by each person known to the Company to be the beneficial owner of more than 5% of the outstanding Common Stock, and by all executive officers, directors, and director nominees as a group. On March 19, 2007, the Company had 73,900,461 shares of Common Stock outstanding. Except as otherwise indicated in the footnotes to the following table, the Company believes that the beneficial owners of the Common Stock listed below have sole voting power and investment power with respect to such shares, subject to applicable laws. Unless otherwise noted, the business address of each beneficial owner set forth below is 14507 Frontier Road, Omaha, Nebraska 68138.

Name of Beneficial Owner -----	Beneficial Ownership			
	Shares Owned -----	Right to Acquire (1) -----	Total -----	Percent (2) -----
Clarence L. Werner (3)	22,327,985	1,137,500	23,465,485	31.3%
Gary L. Werner (4)	1,558,086	460,418	2,018,504	2.7%
Gregory L. Werner	3,276,694	688,336	3,965,030	5.3%
Daniel H. Cushman	704	173,234	173,938	*
John J. Steele	2,896	67,709	70,605	*
Gerald H. Timmerman	13,666	-	13,666	*
Michael L. Steinbach	-	-	-	*
Kenneth M. Bird	500	-	500	*
Patrick J. Jung	2,000	-	2,000	*
Duane K. Sather	7,000	-	7,000	*
Lord, Abbett & Co. LLC (5)	4,985,316	-	4,985,316	6.7%
Dimensional Fund Advisors LP (6)	4,830,396	-	4,830,396	6.5%
All executive officers, directors and director nominees as a group (15 persons) (3) (4)	27,201,696	2,737,700	29,939,396	39.1%

* Indicates less than 1%.

- (1) Number of shares underlying stock options which are exercisable as of March 19, 2007, or which become exercisable 60 days thereafter.
- (2) The percentages are based upon 73,900,461 shares, which equal the outstanding shares of the Company as of March 19, 2007. For beneficial owners who hold options exercisable within 60 days of March 19, 2007, the number of shares of Common Stock on which the percentage is based also includes the number of shares underlying such options.
- (3) Clarence L. Werner has sole voting power with respect to these 23,465,485 shares, sole dispositive power with respect to 8,464,235 shares, and shared dispositive power with respect to 15,001,250 shares.
- (4) The shares shown for Gary L. Werner do not include (i) 479,497 shares held by the Gary L. Werner Irrevocable Inter Vivos QTIP Trust II, the sole trustee of which is Union Bank and Trust Company who has sole investment and voting power over the shares held by the trust, and (ii) 500,000 shares held by the Becky K. Werner Revocable Trust, the sole

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trustee of which is Becky K. Werner (Mr. Werner's wife) who has sole investment and voting power over the shares held by the trust. Mr. Werner disclaims actual and beneficial ownership of the shares held by the Gary L. Werner Irrevocable Inter Vivos QTIP Trust II and the shares held by the Becky K. Werner Revocable Trust.

- (5) Based on Schedule 13G as of December 29, 2006, as filed with the Securities and Exchange Commission by Lord, Abbett & Co. LLC, 90 Hudson Street, Jersey City, New Jersey 07302. Lord, Abbett & Co. LLC claims sole voting power with respect to 4,733,216 shares, sole dispositive power with respect to 4,985,316 shares, and no shared voting or dispositive power with respect to any of these shares.
- (6) Based on Schedule 13G as of December 31, 2006, as filed with the Securities and Exchange Commission by Dimensional Fund Advisors LP, 1299 Ocean Avenue, Santa Monica, California 90401. Dimensional Fund Advisors LP claims sole voting power and sole dispositive power with respect to these 4,830,396 shares and no shared voting or dispositive power with respect to any of these shares.

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COMPENSATION DISCUSSION AND ANALYSIS

The Compensation Committee of the Board of Directors is responsible for establishing executive compensation policies and overseeing executive compensation practices at Werner. The Compensation Committee is comprised solely of non-employee directors, each of whom is independent pursuant to Nasdaq listing standards.

Executive Compensation Philosophy

Werner's executive compensation program objectives are to attract, motivate and retain high-quality executives by providing total compensation that is competitive with the various labor markets and industries in which the Company competes for talent. The executive pay program is designed to reward the Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and the next three most highly compensated executive officers who were executive officers at December 31, 2006 (collectively, the "named executive officers") for both Company performance and the executive's individual performance and contribution to the Company's overall business objectives.

The Compensation Committee carries out the executive compensation philosophy of Werner through the following compensation principles:

- * Provide total compensation that is competitive with the various labor markets and industries in which the Company competes for talent such that it will attract, motivate and retain a highly capable and performance-focused executive team.
- * Link executive rewards to the financial performance of the Company as well as the executive's individual performance and contribution to the Company's overall business objectives.

Elements of Compensation

Individual elements of Werner's total compensation are determined after consideration of an executive's total direct compensation (base salary, actual bonus and actual long-term incentive awards).

The primary elements of the Company's 2006 executive compensation

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package include: base salary, annual cash bonus opportunity, stock options, employee stock purchase plan, perquisites, health and welfare benefit programs, 401(k), and non-qualified deferred compensation plan.

Base Salary

Werner's base salary is a fixed element of compensation that is paid to each named executive officer for the performance of his primary job duties and responsibilities. Base salaries at Werner are reviewed annually. Market adjustments to named executive officer base salaries are generally made when there is a significant change in position responsibilities or if competitive market data indicates a significant deviation compared to market salary practices.

The actual salaries paid to each of Werner's named executive officers will vary based on the performance of the individual and the business unit(s) or function(s) under his or her leadership, the Company's performance, and economic and business conditions affecting Werner at the time of the review.

Annual Cash Bonus

Werner's annual cash bonus program is a discretionary program designed to reward executives after consideration of Werner's overall financial results considering economic and business conditions affecting the Company, the executive's performance and contribution to the Company's overall business objectives and the prior year's bonus payment. The annual cash

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bonus program provides motivation for executives to improve the Company's annual financial results, which leads to long-term success. Historically, executive payments have been the same or higher than the previous year's payment which correlates with Werner's consistent profitable growth record, after considering economic and business conditions affecting the Company.

Actual cash bonus awards are at the sole discretion of the Compensation Committee. The Compensation Committee considers the CEO's recommendation, competitive total cash compensation data by position, and actual bonuses paid in the marketplace at other peer transportation and logistics companies (such as those companies in the Werner executive compensation peer group listed under "Compensation Process"). The Compensation Committee also reviews the Company's revenues, net income, operating ratio, number of tractors, stock price, and return on assets relative to other peer transportation companies when making its decision.

Final award amounts approved by the Compensation Committee for each executive are intended to deliver market competitive total cash compensation reflective of the executive's individual performance and contribution within the overall context of Company financial results and business objectives.

Long-Term Incentive Compensation

Werner's long-term incentive program is designed to reward for share price appreciation through executive stock options and provides an incentive for long-term retention of executives. Grants are made at the discretion of the Compensation Committee and are not necessarily made on an annual basis. In determining an overall pool of stock options to make available for grant, the Compensation Committee considers both dilution and relative financial performance of Werner compared against the marketplace. The Compensation Committee considers each executive's responsibilities, individual performance, and contribution to the Company's performance for purposes of

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allocating the overall pool among executives.

Werner has historically chosen a stock option long-term incentive program because the Company believes that stock options link the interests of Werner's named executive officers with Company stockholders. The Board has proposed amendments to its stock option plan, subject to stockholder approval, which would allow the Company to award restricted stock to its executives. The Company believes the use of restricted stock would have a less dilutive effect as compared to stock options, and would also directly link executive interests with that of the stockholders as restricted stock units are impacted by both increases and decreases in stock price. The Company expects to use a combination of stock options and restricted stock awards in its ongoing long-term incentive program. The vesting periods for the long-term incentive program directly align compensation for named executive officers with the interests of stockholders of the Company by rewarding creation and preservation of long-term stockholder value.

In 2006, Werner did not make any stock option grants to the named executive officers.

Perquisites

Werner believes perquisites are both an important element of competitive total rewards and are necessary for the named executive officers to carry out the responsibilities of their positions.

Position-specific perquisites are as follows: the Vice Chairman and the President and CEO utilize Company-provided income tax preparation services. The Chairman also utilizes Company income tax, accounting, and legal services for which he reimburses the Company. The Senior Executive Vice President and Chief Marketing Officer is provided with a Company-paid country club membership.

Werner did not provide unreimbursed personal use of Company aircraft to the Chairman, the Vice Chairman, and the President and CEO. When any of these three executives use Werner aircraft for personal business, the executive reimburses the Company at the higher of the incremental cost to the Company or the Internal Revenue Service ("IRS") taxable income amount. In

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2006, Werner provided the Senior Executive Vice President and Chief Marketing Officer with nominal use of the Werner aircraft for personal business for himself and two other individuals. For SEC disclosure purposes, there was no incremental cost to the Company related to his use of the plane in 2006; however, "All Other Compensation" in the Summary Compensation Table includes the tax gross-up for the IRS value of the personal use.

All of the named executive officers of Werner are provided with a Company car for business and personal use, with the exception of the Chairman and the President and CEO who each have the use of two Company cars.

Benefits

The named executive officers participate in the full range of health and welfare benefits and are covered by the same plans on the same terms as provided to all full-time U.S. employees, with the exception of the Senior Executive Vice President and Chief Marketing Officer who receives an additional subsidy of his healthcare premiums (see All Other Compensation Table for details).

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Werner targets its overall benefits to be competitive with its peer group. Included in these benefits are the company contributions to the 401(k) Plan and company match on the Employee Stock Purchase Plan, which are on the same terms as provided to all full-time U.S. employees (see All Other Compensation Table for details). At the executives' request, the Vice Chairman and the President and CEO do not receive a matching contribution for the 401(k) Plan. The non-qualified deferred compensation plan (as described further under "Non-qualified Deferred Compensation Plan for the Year Ended December 31, 2006") allows key employees whose 401(k) plan contributions are limited due to IRS regulations affecting highly compensated employees to contribute additional amounts on a tax-deferred basis, subject to annual dollar limits imposed by the Company. The nonqualified deferred compensation plan provisions allow the Company to make a matching contribution, however, to date, the Company has elected not to make a matching contribution.

Compensation Process

Each year, the Compensation Committee reviews the competitiveness of total direct compensation as well as the competitiveness of each individual compensation element for Werner's named executive officers. As part of this annual process, the Compensation Committee reviews and considers executive market data (base salary, total cash, long-term incentives and total direct compensation) along with the individual responsibilities of each executive when setting annual pay opportunities.

At the end of the year, after reviewing the competitive compensation data, the Compensation Committee sets established total direct compensation "pay ranges" by job title (i.e., Senior Executive Vice President, Executive Vice President, Senior Vice President, and Vice President) within which the CEO may make base salary changes during the following year. Any proposed changes that do not fall within the approved ranges require approval of the Compensation Committee. These base salary changes are summarized, reviewed and approved by the Compensation Committee at the close of the year. For example, the Compensation Committee sets base salary pay ranges in November 2006 for fiscal year 2007. The CEO has delegated authority to make base salary changes throughout 2007 within these ranges. In November 2007, the Compensation Committee will review year-end total cash compensation recommendations by the CEO for the named executive officers, including these base salary changes.

Werner reviews its executive total compensation levels (base salary, bonus and long-term incentives) in relation to both a competitive peer group of 17 transportation and logistics companies and companies of comparable size to Werner in the broader general industry. The competitive market pay analysis is prepared by the Compensation Committee's Consultant.

Werner's revenues align most closely with the revenues of the top quartile of the competitive peer group; therefore, Werner compares total compensation against the 75th percentile of the peer group. The general

industry data, on the other hand, is regressed or size-adjusted to Werner's annual revenues. Therefore, Werner compares total compensation at the median of the general industry group.

Werner's competitive peer group is made up of companies with which the Company competes for executive talent in the transportation and logistics industry. The companies are: Arkansas Best, Celadon Group, Hub Group, Pacer International, Expeditors International of Washington, Con-Way, Covenant Transport, Heartland Express, J.B. Hunt Transport Services, Knight

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Transportation, Landstar System, Old Dominion Freight Line, Saia, Swift Transportation, U.S. Xpress Enterprises, Marten Transport, and USA Truck.

The Compensation Committee does not attempt to set each compensation element for each executive based on the peer group and general industry data but instead uses these comparisons as one factor in determining compensation levels. Generally, the Compensation Committee reviews total compensation levels annually and makes adjustments when job responsibilities, individual performance or market data warrants. Actual total compensation can vary from year to year based on Company, operating unit and individual performance.

When setting total compensation, the Company applies a consistent approach for all named executive officers. The Compensation Committee also exercises appropriate business judgment in how it applies these standard approaches to the facts and circumstances associated with each executive.

Generally, the amount of compensation realized or potentially realizable does not directly impact the level at which future pay opportunities are set.

Recommendations on the pay packages for the Chairman, the Vice Chairman, and the President and CEO are made by the Compensation Committee's Consultant and their pay is set by the Compensation Committee during executive session based on the Compensation Committee's assessment of the individual's responsibility and performance and the financial and operating performance of Werner. On February 8, 2007, Mr. Clarence L. Werner resigned as the Chief Executive Officer and continues to serve as Chairman, and the Board named Mr. Gregory L. Werner the Chief Executive Officer. In connection with the promotion and additional responsibilities, the Compensation Committee increased the base salary of Mr. Gregory L. Werner effective February 9, 2007, as disclosed in a Current Report on Form 8-K filed February 9, 2007.

The CEO of Werner is eligible for all of the same programs as the other named executive officers. The CEO's actual compensation is reflective of overall Company performance and the achievement of the CEO goals and objectives, as determined by the Compensation Committee.

Stock Grant Practices

Werner grants stock options on an ad hoc basis at the discretion of the Compensation Committee. The Compensation Committee follows a set practice whereby the Compensation Committee selects a grant date, and the option grant price is based on the closing price of Werner common stock on the day prior to the date of grant in accordance with the provisions of the current stock option plan. The Board has proposed amendments to the plan, one of which will specify that the grant price is established as the closing price on the date of grant.

When choosing the grant date, the Compensation Committee watches the longer term trends in Werner's stock price and selects grant dates that will provide an incentive for management to increase Werner's stock price back to higher levels.

The Compensation Committee also establishes the vesting period for each grant. Stock options granted to Werner's named executive officers since 1999 vest over six years based on the following schedule and expire after ten years:

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Years from Grant Date -----	Amount Vested -----
2 years	25%
3 years	20%
4 years	20%
5 years	20%
6 years	15%

Executive Stock Ownership

Werner does not have formal executive stock ownership guidelines.

Tax and Accounting Considerations

The Committee reviews projections of the estimated accounting (pro forma expense) and tax impact of all material elements of the executive compensation program. Generally, an accounting expense is accrued over the requisite service period of the particular pay element (generally equal to the performance period) and the Company realizes a tax deduction upon the payment to/realization by the executive.

Section 162(m) of the Code, generally provides that publicly held corporations may not deduct in any one taxable year certain compensation in excess of \$1 million paid to the Chief Executive Officer and the next four most highly compensated executive officers. The Committee will use, where practical, compensation policies and programs that preserve the tax deductibility of compensation; however, the Committee, at its sole discretion, may approve payment of nondeductible compensation from time to time if it deems circumstances warrant it.

In fiscal 2006, the Chairman received compensation in excess of \$1 million. Consequently, a portion of Mr. C.L. Werner's compensation was not treated as a deductible income tax expense for 2006. Section 162(m) did not limit Werner's ability to take a tax deduction for compensation paid to any other executive officer.

Employment Arrangements

None of the Company's named executive officers have written employment agreements with the Company.

Termination Arrangements

None of the Company's named executive officers have severance agreements with the Company.

Werner does not provide for incremental compensation or special treatment for incentive compensation in the event of a voluntary termination, termination for cause, or termination by death or disability.

Change-in-Control Arrangements

None of the Company's named executive officers have change in control agreements with the Company, and Werner does not currently provide for incremental compensation or special treatment for incentive compensation related to a change in control. The Board has proposed amendments to its stock option plan, subject to stockholder approval, which would add change in control provisions to the stock option plan.

SUMMARY COMPENSATION TABLE

The Summary Compensation Table presented below represents all elements of compensation awards to the Company's named executive officers for fiscal year 2006, including:

- * Base salary
- * Bonus: Awards made under the annual cash plan
- * All other compensation represents the sum of the values of:
 - * Perquisites and Other Personal Benefits
 - * Matching Company contributions to 401(k) plan
 - * Insurance Premiums paid by the Company
 - * Tax Reimbursements
 - * Matching Company contributions under the Employee Stock Purchase Plan

Base salaries and annual cash plan awards have been determined in accordance with the procedures presented in the Compensation Discussion and Analysis. Executive deferrals to the Company's 401(k) plan and non-qualified deferred compensation plan are included in the appropriate column (i.e., Salary and/or Bonus) for which the compensation was earned.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)(1)	Stock Awards (\$)(2)	Option Awards (\$)(2)	Non-Equity Incentive Plan Compensation (\$)(2)	Change in Pension Value and Non-Qualified Deferred Compensation Earnings (\$)(3)
Clarence L. Werner Chairman (5)	2006	715,000	350,000	-	-	-	
Gregory L. Werner President and Chief Executive Officer (5)	2006	420,000	350,000	-	-	-	
Gary L. Werner Vice Chairman	2006	355,000	230,000	-	-	-	
Daniel H. Cushman Senior Executive Vice President and Chief Marketing Officer	2006	310,270	245,000	-	-	-	
John J. Steele Executive Vice President, Treasurer and Chief Financial Officer	2006	210,000	80,000	-	-	-	

Footnotes:

(1) Annual awards made under the annual cash plan.

(2) No stock, stock option, or non-equity incentive plan awards were made in

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2006.

- (3) None of the earnings on non-qualified deferred compensation balances are above-market or preferential earnings.
- (4) See "All Other Compensation" table below for detailed breakdown of all other compensation.
- (5) On February 8, 2007, Mr. Clarence L. Werner resigned as the Chief Executive Officer, and the Board named Gregory L. Werner the Chief Executive Officer.

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ALL OTHER COMPENSATION FOR THE YEAR ENDED DECEMBER 31, 2006

The table below presents "all other compensation" provided in fiscal year 2006 to the named executive officers. All other compensation, as defined by the SEC, is comprised of the following:

Name	Perquisites & Other Personal Benefits (\$)	Payments/ Accruals on Termination Plans (\$)	Registrant Contributions to Defined Contribution Plans (\$) (6)	Insurance Premiums (\$)(7)	Tax Reimbursements (\$)(8)
Clarence L. Werner (1)	20,801	-	-	-	11,820
Gregory L. Werner (2)	25,301	-	-	-	11,792
Gary L. Werner (3)	12,666	-	-	-	4,594
Daniel H. Cushman (4)	14,139	-	2,019	1,992	8,018
John J. Steele (5)	8,471	-	1,655	-	3,686

Footnotes:

- (1) Perquisites and personal benefits include \$20,801 for use of two company cars.
- (2) Perquisites and personal benefits include \$20,801 for use of two company cars and \$4,500 for income tax preparation services.
- (3) Perquisites and personal benefits include \$10,166 for use of company car and \$2,500 for income tax preparation services.
- (4) Perquisites and personal benefits include \$8,471 for use of company car and \$5,668 for Company-paid country-club membership.
- (5) Perquisites and personal benefits include \$8,471 for use of company car.
- (6) Registrant contributions to company 401(k) plan.
- (7) Insurance premium of \$1,992 represents an additional subsidy of Mr. Cushman's healthcare premiums.
- (8) Tax gross-ups for company car use for Messrs. C.L. Werner, Gregory L. Werner, Gary L. Werner, and John J. Steele. Tax gross-up of \$4,484 for company car use and \$3,534 for the IRS value of personal use of the company aircraft for Mr. Cushman.
- (9) 15% company match for employee contributions to the Employee Stock Purchase Plan.

The Company's contribution to the 401(k) Plan and Employee Stock Purchase Plan on behalf of the named executive officers are on the same terms

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as provided to all full-time U.S. employees. In addition to the above compensation, the five named executive officers also participated in voluntary health and welfare benefit programs which are generally available and comparable to those provided to all full-time U.S. employees.

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OUTSTANDING EQUITY AWARDS AT DECEMBER 31, 2006

The table below presents the details of all outstanding awards held by the five named executive officers as of December 31, 2006. There are no outstanding stock awards for any executives (columns in tables have been excluded).

Name	Option Awards			
	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options	Option Exercise Price (\$)
Clarence L. Werner	475,000	-	-	7.73
	637,500	112,500	-	9.77
	25,000	75,000	-	18.33
Gregory L. Werner	26,667	-	-	9.66
	25,001	-	-	7.35
	300,001	-	-	7.73
	311,667	55,001	-	9.77
	25,000	75,000	-	18.33
Gary L. Werner	201,668	-	-	7.73
	233,750	41,250	-	9.77
	25,000	75,000	-	18.33
Daniel H. Cushman	1,564	-	-	9.66
	8,750	-	-	9.26
	2,917	-	-	8.96
	22,918	-	-	7.35
	55,418	-	-	7.61
	56,667	10,001	-	9.77
	25,000	75,000	-	18.33
John J. Steele	-	35,000	-	16.68
	18,750	-	-	9.66
	33,334	-	-	7.35
	10,625	1,875	-	9.77
	5,000	15,000	-	18.33
	-	15,000	-	16.68

OPTION EXERCISES FOR THE YEAR ENDED DECEMBER 31, 2006

The table below presents the stock options exercised during 2006 by the five named executive officers. The value realized on exercise reflects the total pre-tax value realized by officers (stock price at exercise minus the

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option's grant/exercise price). There are no outstanding stock awards for any executives.

Option Awards		
Name	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)
Clarence L. Werner	100,000	1,328,520
Gregory L. Werner	100,000	1,273,295
Gary L. Werner	50,000	697,475
Daniel H. Cushman	-	-
John J. Steele	-	-

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NON-QUALIFIED DEFERRED COMPENSATION PLAN FOR THE YEAR ENDED DECEMBER 31, 2006

The Company offers a deferred compensation plan that was established in 2005 for eligible key employees whose 401(k) plan contributions are limited due to IRS regulations affecting highly compensated employees. Key terms of the plan:

- * Eligible employees can defer compensation (base salary) on a pre-tax basis within annual dollar limits established by the Company. The current annual limit is established such that a participant's combined deferrals in both the non-qualified deferred compensation plan and the 401(k) plan approximate the maximum annual deferral amount available to non-highly compensated employees in the 401(k) plan.
- * Accounts accrue earnings based on the return of one or more investment funds made available in the non-qualified deferred compensation plan; the participant elects the investment funds in which his or her deferred compensation account shall be deemed to be invested.
- * Payouts are made after retirement or termination of employment from the Company either as annual installments or as a lump sum as elected in each participant's salary deferral agreement. Participants may also make elections for in-service payouts under certain circumstances.
- * The plan document allows the Company to make a matching contribution to the participants' accounts, but, to date, the Company has chosen not to make matching contributions.

The table below presents the following information related to the Company's Deferred Compensation Plan.

- * Executive contributions during 2006: reflects voluntary executive deferrals of base salary. These deferrals are included in the Salary column of the Summary Compensation Table.
- * Company contributions during 2006: none
- * Aggregate earnings during 2006: reflects the earnings (losses) on account balances. None of the earnings are above-market or preferential earnings and, thus, are not listed in the Summary Compensation Table.
- * Aggregate withdrawals/distributions: none
- * Aggregate balance as of December 31, 2006: total market value of

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the deferred compensation account, including executive contributions and any earnings to date

Name	Executive Contributions in 2006 (\$)	Registrant Contributions in 2006 (\$)	Aggregate Earnings in 2006 (\$)	Aggregate Withdrawals/Distributions (\$)
Clarence L. Werner	-	-	-	-
Gregory L. Werner	10,000	-	2,217	-
Gary L. Werner	10,000	-	1,074	-
Daniel H. Cushman	10,000	-	1,980	-
John J. Steele	10,000	-	2,196	-

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COMPENSATION COMMITTEE REPORT

The following report is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A, other than as provided below, or to the liabilities of Section 18 of the Securities Exchange Act of 1934, and the report shall not be deemed to be incorporated by reference into any prior or subsequent filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent the Company specifically requests that such information be incorporated by reference or treated as soliciting material.

In conjunction with the preparation of the Company's Annual Report on Form 10-K for the year ended December 31, 2006 and this Proxy Statement for the Annual Meeting of Stockholders to be held May 8, 2007, the Compensation Committee has reviewed and discussed with management the accompanying Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and found on pages 9-13.

Based on the foregoing review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement on Schedule 14A and incorporated by reference into the Annual Report on Form 10-K for the year ended December 31, 2006.

Patrick J. Jung, Committee Chairman
 Gerald H. Timmerman
 Kenneth M. Bird

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REPORT OF THE AUDIT COMMITTEE

The following report is not deemed to be "soliciting material" or to be "filed" with the SEC or subject to Regulation 14A, other than as provided below, or to the liabilities of Section 18 of the Securities Exchange Act of 1934, and the report shall not be deemed to be incorporated by reference into any prior or subsequent filing by the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 except to the extent the Company specifically requests that such information be incorporated by reference or

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treated as soliciting material.

The Audit Committee of the Board of Directors is comprised of Messrs. Jung, Timmerman, Steinbach, Bird, and Sather. Mr. Jung is chairman of the Audit Committee. All of the Committee members qualify as independent members of the Audit Committee under the National Association of Securities Dealers' listing standards. The primary purpose of the Audit Committee is to assist the Board of Directors in its general oversight of the Company's financial reporting process. The Audit Committee conducted its oversight activities for the Company in accordance with the duties and responsibilities outlined in the Audit Committee charter.

The Company's management is responsible for the preparation, consistency, integrity, and fair presentation of the financial statements, accounting and financial reporting principles, systems of internal and disclosure controls, and procedures designed to ensure compliance with accounting standards, applicable laws, and regulations. The Company's independent auditors, KPMG LLP, are responsible for performing an independent audit of the financial statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in the United States of America.

In conjunction with the preparation of the Company's 2006 audited financial statements, the Audit Committee met with both management and the Company's outside auditors to review and discuss the financial statements included in the Company's Annual Report on Form 10-K prior to their issuance and to discuss significant accounting issues. Management advised the Audit Committee that the financial statements were prepared in accordance with accounting principles generally accepted in the United States of America, and the Audit Committee discussed the statements with both management and the outside auditors. The Audit Committee's review included discussion with the outside auditors of matters required to be discussed pursuant to Statement on Auditing Standards No. 61 (Communication With Audit Committees), as amended, as adopted by the Public Company Accounting Oversight Board.

With respect to the Company's outside auditors, the Audit Committee, among other things, discussed with KPMG LLP matters relating to its independence, including written disclosures made to the Audit Committee as required by the Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees).

Based on the foregoing review and discussions, the Audit Committee has recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, for filing with the Securities and Exchange Commission.

Patrick J. Jung, Committee Chairman
Gerald H. Timmerman
Michael L. Steinbach
Kenneth M. Bird
Duane K. Sather

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INDEPENDENT PUBLIC ACCOUNTANTS

The firm of KPMG LLP is the independent registered public accounting firm of the Company. The following table presents fees for professional audit services rendered by KPMG LLP for the audit of the Company's annual financial statements and internal control over financial reporting for the

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years ended December 31, 2006 and 2005, and fees for other services rendered by KPMG LLP during those periods.

	2006	2005
	----	----
Audit Fees	\$434,379	\$398,668
Audit-Related Fees	7,000	6,500
Tax Fees	0	0
All Other Fees	0	0
	-----	-----
Total	\$441,379	\$405,168
	=====	=====

Audit fees relate to services rendered for the audit of the Company's annual financial statements and internal control over financial reporting and for the review of financial statements included in the Company's Quarterly Reports on Form 10-Q filed with the SEC. Audit-related fees include fees for benefit plan audits. Tax fees are defined as fees for tax compliance, tax advice and tax planning.

The Audit Committee has reviewed the services provided related to the audit-related fees billed by KPMG LLP and believes that these services are compatible with maintaining KPMG LLP's independence with regard to the audit of the Company's financial statements. It is anticipated that the Audit Committee, at its next scheduled meeting, will approve KPMG LLP as the independent registered public accounting firm for the Company for the year ending December 31, 2007. Representatives of KPMG LLP will be present at the Annual Meeting of Stockholders, will have an opportunity to make a statement if they so desire, and will be available to respond to appropriate questions from stockholders.

POLICY ON AUDIT COMMITTEE PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES OF INDEPENDENT PUBLIC ACCOUNTANTS

The Audit Committee's policy is to pre-approve all audit and non-audit services provided by the independent public accountants. Prior to engagement of the independent public accountants for the next year's audit, management will submit to the Audit Committee for approval a list of all audit and non-audit services expected to be rendered during that year and the budgeted fees for those services. The Audit Committee pre-approves these services by category of service (audit, audit-related, tax and other) prior to commencement of the engagement. If circumstances arise where it becomes necessary to engage the independent public accountants for additional services not contemplated in the original pre-approval, the Audit Committee will approve those additional services prior to commencement of the engagement. The Audit Committee may delegate pre-approval authority to the Chair of the Audit Committee, provided that the Chair reports any such pre-approval decisions to the Audit Committee at its next scheduled meeting. The independent public accountants and management periodically report to the full Audit Committee regarding the extent of services provided by the independent public accountants in accordance with this pre-approval, and the fees for the services performed to date. None of the fees paid to the independent public accountants during 2006 and 2005 under the categories Audit-Related, Tax and All Other fees described above were approved by the Audit Committee after services were rendered pursuant to the de minimus exception established by the SEC.

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PROPOSAL TO ADOPT AMENDED AND RESTATED EQUITY PLAN

The Company believes that equity compensation aligns the interests of management and employees with the interests of its stockholders. The Company currently provides for the grant of stock options and stock appreciation

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rights under the Werner Enterprises, Inc. Stock Option Plan. This stock option plan was initially adopted by stockholders on June 9, 1987 at the annual meeting. Since then, the plan was amended and restated in 1988, 1994, 2000 and 2004. The current aggregate number of shares that may be granted pursuant to the exercise of stock options and stock appreciation rights under the plan is 20,000,000 shares. As of December 31, 2006, 8,890,551 shares remained available for issuance under this stock option plan. Stock options for a total of 5,000 shares were granted to employees in 2006, and none have been granted to date in 2007.

The Board has approved and adopted an amended and restated option plan and renamed the amended plan the "Werner Enterprises, Inc. Equity Plan" (the "Equity Plan"), pursuant to which it will, if the plan is approved by the stockholders, be able to grant shares of restricted stock and grant awards of stock options and stock appreciation rights to non-employee directors. The amended and restated Equity Plan is being proposed for stockholder approval so that the Company can continue to grant equity compensation to employees and non-employee directors under the terms of the amended plan. If the proposed plan amendments are not approved by stockholders, the current plan will continue in its current form. A copy of the amended and restated Equity Plan is attached as Appendix A to this Proxy statement.

The following general description of material features of the Equity Plan is qualified in its entirety by reference to the provisions of the amended and restated Equity Plan set forth in Appendix A.

Changes From Current Option Plan

Generally, with the exceptions noted immediately below, the Equity Plan contains the same features, terms and conditions as the current version of the plan. The material changes made to the Equity Plan are as follows:

- * The Equity Plan will permit grants of restricted stock. All shares of restricted stock must, at a minimum, be restricted for at least one year from the date the restricted stock award is granted.
- * The Equity Plan will permit non-employee directors to be eligible to receive awards under the Plan. Accordingly, non-employee directors will be eligible to receive grants of stock options, restricted stock and stock appreciation rights (SARs).
- * The Company modified the definition of "Committee" such that, for awards granted to certain officers, the Committee will be composed of at least two independent directors who qualify as "outside directors" as defined in Section 162(m) of the Code and "non-employee directors" as defined by SEC Rule 16b-3 and, such that a separate Committee composed of two or more directors (who need not be independent) or a senior executive officer can be delegated the authority to grant certain awards under the Equity Plan, provided that any such delegation is within limits specifically prescribed by the Board.

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- * The Company modified the definition of "Fair Market Value", which is used in establishing the exercise price of a stock option or SAR, to be the closing trading price on the date of grant of an option or SAR. The prior definition was the closing price on the day prior to the date of grant of an option or SAR.
- * The Company added certain features to the Equity Plan such that if a participant's employment is constructively or actually terminated within a two-year period following a "Change in Control", that participant's awards under the Equity Plan will become fully exercisable, in the case of stock options or SARs, or fully vested, in the case of restricted stock. The Equity Plan also provides more flexibility with dealing with outstanding awards following a Change in Control or in connection with certain corporate events which do not constitute a Change in Control. Under the Equity Plan, a Change in Control will generally occur if 50% or more of the common stock becomes owned by a person other than a member of the Werner family, there is a non-approved, majority change in the composition of the board of directors, the Company undergoes a merger or consolidation in which the majority of the stockholder ownership changes, the stockholders approve a plan of liquidation or dissolution, or there is a sale of all or substantially all of the Company's assets.

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- * If approved by the Committee or its delegate, awards granted under the Equity Plan may be transferred to certain family members, grantor trusts and certain other persons if such transfer is other than for consideration.
- * The Company expanded its ability under the Equity Plan to allow payment of the stock option exercise price through cashless exercise procedures, so-called "stock-for-stock" exercise procedures or any other method permissible under current law for exercising stock options.

General

The Equity Plan provides for grants of nonqualified stock options, restricted stock and stock appreciation rights. The objectives of the Plan are to advance the Company's interests and the interests of its stockholders by attracting, motivating and retaining those individuals whose skill and initiative enhance the Company's continued success, growth and profitability.

Eligibility and Limits on Awards

Any employee is currently eligible to receive awards under the Equity Plan. If the proposed amendments to the Equity Plan are approved by the stockholders, non-employee directors will be able to receive awards under the Plan as well. No determination has been made as to which of the Company's employees or non-employee directors will receive grants under the Equity Plan, and, therefore the benefits to be allocated to any individual or to any group of employees are not presently determinable. Since all members of the board of directors would be eligible to receive grants under the Equity Plan, each member of the Board has a personal interest in the approval of the Equity Plan.

The Equity Plan places limits on the maximum amount of awards that may be granted to any person during the duration of the Equity Plan. Under the Equity Plan, no person may receive awards of stock options, stock

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appreciation rights or restricted stock, that cover in the aggregate more than 2,562,500 shares during the Equity Plan's duration.

Administration

The Equity Plan is administered by the Board of Directors or the Compensation Committee. The Board or Compensation Committee will select the employees and non-employee directors to whom awards will be granted and will set the terms of such awards. As amended, the Equity Plan provides that Board or Compensation Committee may delegate its authority under the plan to a select group of directors (which may include officers of the Company) or to a senior executive officer, subject to guidelines prescribed by the Board or Compensation Committee, but only with respect to employees who are not subject to Section 16 of the Exchange Act or Section 162(m) of the Internal Revenue Code.

Shares Reserved for Awards

The Plan provides for up to 20,000,000 shares of common stock to be used for awards. At December 31, 2006, 8,890,551 shares were available for granting additional options, which represents approximately 12% of the shares outstanding as of March 19, 2007. The shares may be treasury, or authorized but unissued, shares of common stock and to the extent any award under the Equity Plan terminates, expires or is forfeited, the shares subject to such award will again be available for distribution under the Equity Plan. If a stock option award is exercised, any shares used for full or partial payment of the purchase price of shares with respect to which option is exercised and any shares retained by the Company for tax withholding will again be available for distribution under the Equity Plan. If a stock appreciation right award is exercised, only the number of shares issued, if any, will be considered delivered for the purpose of determining availability of shares for delivery under the Equity Plan.

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The number of shares authorized for awards is subject to adjustment for changes in capitalization, reorganizations, mergers, stock splits, and other corporate transactions as the Board or the Compensation Committee determines to require an equitable adjustment. The Equity Plan will remain in effect until all the shares available have been used to pay awards, subject to the right of the Board to amend or terminate the Equity Plan at any time.

General Terms of Awards

The Board or the Compensation Committee will select the participants and set the term of each award, which may not be more than ten years. The Board or the Compensation Committee has the power to determine the terms of the awards granted, including the number of shares subject to each award, the form of consideration payable upon exercise, and all other matters. The exercise price of an option and the grant price of a stock appreciation right must be at least the fair market value of a share as of the grant date.

The Board or the Compensation Committee will also set the vesting conditions of the award, except that vesting will be accelerated if, within two years after a change of control, the Company (or its successor) terminates the participant's employment other than for "cause" or the participant terminates employment for a "good reason" (as the terms "cause" and "good reason" are defined in the Equity Plan).

Awards granted under the Equity Plan are not generally transferable by the participant except in the event of the participant's death as required by

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law or if authorized by the Committee or its delegate, as provided in an award agreement. Other terms and conditions of each award will be set forth in award agreements, which can be amended by the Board or the Committee.

The number and type of awards that will be granted under the Equity Plan presently is not determinable as the Board or Compensation Committee will make these determinations in the future in its sole discretion.

Restricted Stock

Shares of Restricted Stock may be awarded under the Equity Plan. The restricted stock will vest and become transferable upon the satisfaction of conditions set forth in the respective restricted stock award agreement. Restricted stock awards may be forfeited if, for example, the participant's employment terminates before the award vests.

Stock Options

The Equity Plan will permit the granting to eligible participants of nonqualified stock options, which do not qualify for any special tax treatment under the Internal Revenue Code. The exercise price for any stock option will not be less than the fair market value of a Common Share on the date of grant. No stock option may be exercised more than ten years after its date of grant.

Stock Appreciation Rights

Stock Appreciation Rights ("SARs") may be granted in combination with underlying stock options. SARs entitle the holder upon exercise to receive an amount in shares equal in value to the excess of the fair market value of the shares covered by such right over the grant price. The grant price for SARs will not be less than the fair market value of a common share on the SARs' date of grant. The payment upon a SAR exercise shall be solely in whole shares of equivalent value. Fractional shares will be rounded down to the nearest whole share with no cash consideration paid.

Change in Control Provisions

The Equity Plan provides that, if, within the two-year period beginning on the date of a Change in Control (as defined in the Equity Plan), an employee resigns for "good reason" or is terminated by the Company other than

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for "cause", (as the terms "good reason" and "cause" are defined in the Equity Plan), then all stock options and SARs will become fully vested and immediately exercisable, and the restrictions applicable to outstanding shares of restricted stock will lapse. The Board or Committee may also make certain adjustments and substitutions in connection with a Change in Control or similar transactions or events as described in Section 13 of the Equity Plan.

Federal Income Tax Consequences

Based on current provisions of the Internal Revenue Code and the existing regulations thereunder, the anticipated U.S. federal income tax consequences of grants under the Equity Plan are as described below. The following discussion is not intended to be a complete discussion of applicable law and is based on the U.S. federal income tax laws as in effect on the date hereof. State tax consequences may in some cases differ from those described below.

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Stock Options

A participant receiving a nonqualified stock option does not recognize taxable income on the date of grant of the nonqualified option, provided that the nonqualified option does not have a readily ascertainable fair market value at the time it is granted. In general, the participant must recognize ordinary income at the time of exercise of the nonqualified option in the amount of the difference between the fair market value of the shares on the date of exercise and the option price. The ordinary income recognized will constitute compensation for which tax withholding generally will be required. The amount of ordinary income recognized by a participant will be deductible by the Company in the year that the participant recognizes the income if the Company complies with the applicable withholding requirements.

Shares acquired upon the exercise of a nonqualified stock option will have a tax basis equal to their fair market value on the exercise date or other relevant date on which ordinary income is recognized, and the holding period for the shares generally will begin on the date of exercise or such other relevant date. Upon subsequent disposition of the shares, the participant will recognize long-term capital gain or loss if the participant has held the shares for more than one year prior to disposition, or short-term capital gain or loss if the participant has held the shares for one year or less.

If a participant pays the exercise price, in whole or in part, with previously acquired shares, the participant will recognize ordinary income in the amount by which the fair market value of the shares received exceeds the exercise price. The participant will not recognize gain or loss upon delivering the previously acquired shares to the Company. Shares received by a participant, equal in number to the previously acquired shares exchanged therefor, will have the same basis and holding period for long-term capital gain purposes as the previously acquired shares. Shares received by a participant in excess of the number of such previously acquired shares will have a basis equal to the fair market value of the additional shares as of the date ordinary income is recognized. The holding period for the additional shares will commence as of the date of exercise or such other relevant date.

Restricted Stock

The recognition of income from an award of restricted stock for federal income tax purposes depends on the restrictions imposed on the shares. Generally, taxation will be deferred until the first taxable year the shares are no longer subject to substantial risk of forfeiture. At the time the restrictions lapse, the grantee will recognize ordinary income equal to the then fair market value of the shares. Generally, the Company will be entitled to deduct the fair market value of the shares transferred to the grantee as a business expense in the year the grantee includes the compensation in income.

Stock Appreciation Rights

To the extent that the requirements of the Internal Revenue Code are met, there are no immediate tax consequences to a grantee when a SAR is granted. When a grantee exercises the right to the appreciation in fair

market value of shares represented by a SAR, payments made in shares are normally includable in the grantee's gross income for regular income tax purposes. The Company will be entitled to deduct the same amount as a

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business expense in the same year. The includable amount and corresponding deduction each equal the fair market value of the shares payable on the date of exercise.

Deductibility of Awards

Section 162(m) of the Internal Revenue Code places a \$1 million annual limit on the compensation deductible by the Company or a majority owned subsidiary paid to certain of its executives. The limit, however, does not apply to "qualified performance-based compensation." The Company believes that awards of stock options, SARs, and restricted stock qualify for the performance-based compensation exception to the deductibility limit.

Amendment and Termination

The Board may amend the Equity Plan at any time, provided that no such amendment will be made without stockholder approval if such approval is required under applicable law, regulation, or stock exchange rule, or if such amendment would: (i) decrease the grant or exercise price of any stock option or SAR to less than fair market value on the date of grant (except as discussed above under "Shares Reserved for Awards"), (ii) increase the number of shares that may be distributed under the Equity Plan or adversely affect in any material way any Award previously granted under the Plan, without the written consent of the participant of such Award.

Equity Compensation Plan Information

The following table summarizes, as of December 31, 2006, information about compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
-----	-----	-----	-----
Equity compensation plans approved by security holders	4,565,004	\$11.03	8,890,551

The Company does not have any equity compensation plans that were not approved by security holders.

Voting Procedures

Assuming the presence of a quorum, to be adopted, the proposal to amend and restate the Equity Plan requires the affirmative vote of the stockholders representing a majority of the outstanding shares of the Common Stock of the Company present in person or represented by proxy at the 2007 Annual Meeting of Stockholders. If an executed proxy is returned and the stockholder has abstained from voting on this proposal, the shares represented by such proxy will be considered present at the meeting for purposes of determining a quorum and for purposes of calculating the vote, but will not be considered

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to have been voted in favor of the proposal. Accordingly, an abstention from voting on this proposal will have the same effect as a vote against the proposal. If an executed proxy is returned by a broker holding shares in street name which indicates that the broker does not have discretionary authority as to certain shares to vote on this proposal, such shares will be considered present at the meeting for purposes of determining a quorum, but will not be considered to be represented at the meeting for purposes of calculating the vote with respect to this proposal. This means that such broker non-vote would reduce the number of affirmative votes that are necessary to approve the proposal.

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THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE PROPOSAL TO APPROVE THE AMENDED AND RESTATED EQUITY PLAN. PROXIES SOLICITED BY THE BOARD OF DIRECTORS WILL BE VOTED FOR THE EQUITY PLAN UNLESS STOCKHOLDERS SPECIFY A CONTRARY VOTE.

PROPOSAL REGARDING AMENDMENT TO ARTICLE III OF THE ARTICLES OF INCORPORATION

On February 8, 2007, the Board of Directors authorized a resolution approving, and recommending that the stockholders consider and approve, an amendment to Article III of the Company's Articles of Incorporation with regard to the Company's purpose and conduct of business. The Board recommends that the current Article III with regard to the Company's purpose and conduct of business be amended and restated in its entirety. The Company's current Article III lists numerous specific purposes for which the corporation is organized (including detailed descriptions of the common carrier business), which are overly complex and lacking in clarity. The general effect of the amendment will be to simplify and clarify the purpose of the corporation and the business activities in which the Company may engage by providing that the Company may conduct any and all lawful business permitted by the Nebraska Business Corporation Act. The Board of Directors believes that it is in the best interests of the Company and its stockholders to adopt the proposed amendment.

Article III of the Articles, as amended, would read as set forth below:

"The purpose for which this corporation is organized is to conduct any and all lawful business for which corporations may be organized under the Nebraska Business Corporation Act".

Assuming the presence of a quorum, to be adopted, the proposed amendment to Article III of the Articles of Incorporation requires the affirmative vote of the stockholders representing a majority of the outstanding shares of the Common Stock of the Company present in person or represented by proxy at the 2007 Annual Meeting of Stockholders. If an executed proxy is returned and the stockholder has abstained from voting on this proposal, the shares represented by such proxy will be considered present at the meeting for purposes of determining a quorum and for purposes of calculating the vote, but will not be considered to have been voted in favor of the proposal. Accordingly, an abstention from voting on this proposal will have the same effect as a vote against the proposal. If an executed proxy is returned by a broker holding shares in street name which indicates that the broker does not have discretionary authority as to certain shares to vote on this proposal, such shares will be considered present at the meeting for purposes of determining a quorum, but will not be considered to be represented at the meeting for purposes of calculating the vote with respect to this proposal. This means that such broker non-vote would reduce the number of affirmative votes that are necessary to approve this proposal.

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If the proposed amendment to Article III of the Articles is approved by the stockholders at the 2007 Annual Meeting of Stockholders, the amendment will become effective upon the filing of a Certificate of Revised and Amended Articles with the Secretary of State of the State of Nebraska, which is expected to be accomplished as promptly as practicable after such approval is obtained.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE "FOR" THE PROPOSED AMENDMENT TO ARTICLE III OF THE ARTICLES OF INCORPORATION. PROXIES SOLICITED BY THE BOARD OF DIRECTORS WILL BE VOTED FOR THE PROPOSED AMENDMENT UNLESS STOCKHOLDERS SPECIFY A CONTRARY VOTE.

PROPOSALS REGARDING AMENDMENTS OF ARTICLES OF INCORPORATION REGARDING INDEMNIFICATION AND LIMITATION OF LIABILITY

The proposed amendments to Article VIII described below regarding expanded indemnification and limitation of liability of officers and directors reflect a concern with (1) the extent of stockholder litigation in

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recent years, (2) the increased difficulty and other complications relating to obtaining adequate directors' and officers' liability insurance, and (3) the increased vulnerability of directors and officers to potentially large claims for monetary damages, which may discourage them from fully and freely carrying out their duties, including responsible entrepreneurial risk-taking. The Board of Directors believes that these provisions of the Articles of Incorporation should be revised and updated to reflect developments in the law so as to attract and retain qualified directors and officers and encourage them to fully and freely fulfill their duties.

PROPOSAL REGARDING AMENDMENT TO ARTICLE VIII OF THE ARTICLES OF INCORPORATION

On February 8, 2007, the Board of Directors authorized a resolution recommending that the stockholders consider and approve an amendment to Article VIII of the Company's Articles with regard to the indemnification provisions. The Board recommends that the current Article VIII which provides for mandatory indemnification to Company directors, officers, employees or other agents be amended. Indemnification is the practice by which a corporation holds harmless from liability and pays the expenses of directors and officers who are named as defendants or otherwise involved in litigation relating to their activities on behalf of the corporation. The Nebraska Business Corporation Act authorizes Nebraska corporations such as the Company to indemnify directors and officers against liability and expenses, subject to certain limitations prescribed by law.

The current form of indemnification protection found in Article VIII has been in the Company's Articles of Incorporation since 1986. In 1995, the Nebraska Business Corporation Act, including its provisions on indemnification, was substantially amended. A primary purpose of the proposed amendment is to update Article VIII to reflect current provisions of the Nebraska Business Corporation Act.

There are two material revisions to the indemnification provisions in the amended language of Article VIII: (i) the deletion of coverage of employees or agents from the mandatory indemnification provisions of Article VIII, and (ii) a revision of the limitations on indemnification of directors and officers to be covered under Article VIII.

The indemnification language of Article VIII, both as currently stated and as proposed to be amended, provides for mandatory indemnification of

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covered persons. The Nebraska Business Corporation Act expressly authorizes such provisions with respect to directors and officers of a corporation, but is silent with respect to employees and agents. For this reason, the reference to employees and agents in the mandatory indemnification provisions of Article VIII has been deleted. The Company believes that the issue of indemnification of employees and agents of the corporation is better left to the Board of Directors of the corporation, which may address such requirements in either the Company's Bylaws, or by separate Board resolutions from time to time. Currently there are no mandatory indemnification provisions in the Company's Bylaws or resolutions covering employees or agents, and the impact of the amendment to Article VIII would be to delete the requirement of mandatory indemnification by the Company with respect to employees and agents who meet the appropriate standard. However, the Company's Board of Directors could in its discretion provide such indemnification protection to employees and agents to the extent permitted by law.

The second material revision in the proposed Article VIII amendment language is a change in the limitations on the right of directors and officers to receive the protection of mandatory indemnification. The current Article VIII requires that the covered person act in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, not have any reasonable cause to believe his conduct was unlawful. The mandatory indemnification standard in the proposed Article VIII provides coverage to directors and officers for all liabilities and expenses, except for four delineated categories. This expanded coverage for indemnification follows the express language permitted to be included in the articles of incorporation of Nebraska corporations under the Nebraska Business Corporation Act, as amended in 1995. The exceptions to mandatory indemnification provide protection to the Company against indemnification

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which is not warranted consistent with the Nebraska Business Corporation Act. The protection of mandatory indemnification would not be provided when the covered person: (i) received a financial benefit to which he was not entitled, (ii) intentionally inflicted harm on the Company or its shareholders, (iii) intentionally violated criminal law, or (iv) in the case of a current or former director, violated Section 21-2096 of the Nebraska Revised Statute, which provides for personal liability for directors who approve unlawful distributions (including dividends) from the corporation.

The Company believes that the proposed amendment to Article VIII's indemnification provisions is consistent with current provision of the Nebraska Business Corporation Act and provides more clarity with respect to the coverage to be provided to directors and officers of the corporation.

Although there is currently no litigation pending, or, to the Company's knowledge, threatened, that will trigger either the existing or the proposed indemnification provision, incumbent directors may be deemed to have a direct and personal interest in approval of the proposed amendment because of possible litigation in the future. The Company maintains directors' and officers' liability insurance, which may offset part of the cost involved in any indemnification claim. To the extent obligations under the proposed indemnity provisions exceed any proceeds of insurance (or if such coverage is discontinued or not available), any indemnification payments made by the Company could have an adverse effect upon its earnings and assets. The Board of Directors believes that it is in the best interests of the Company and its stockholders to adopt the proposed amendment.

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Article VIII of the Articles, as amended, would read as set forth below:

"To the fullest extent permitted by law, the corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, arbitrative, or investigative, whether formal or informal, including, to the extent permitted by law, an action by or in the right of the corporation, by reason of the fact that he is or was a director or officer of the corporation, or is or was serving at the request of the corporation as a director, officer, partner, member of a limited liability company, trustee, employee, or agent of another domestic or foreign corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, or other entity, against any obligation to pay any judgment, settlement, penalty, or fine (including an excise tax assessed with respect to an employee benefit plan) and expenses, actually and reasonably incurred by him in connection with such action, suit, or proceeding, except liability for (i) receipt of a financial benefit to which he is not entitled, (ii) an intentional infliction of harm on the corporation or its shareholders, (iii) in the case of a current or former director, a violation of Nebraska Revised Statute 21-2096, or (iv) an intentional violation of criminal law.

To the extent permitted by law, the corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the corporation against any liability asserted against him and incurred by him in such capacity or arising out of his status as such, whether or not the corporation would have the power to indemnify him against such liability.

The indemnity provided for by this Article VIII shall not be deemed to be exclusive of any other rights to which those indemnified may be otherwise entitled, nor shall the provisions of this Article VIII be deemed to prohibit the corporation from extending its indemnification to cover other persons or activities to the extent permitted by law or pursuant to any provisions in the By-Laws, by a resolution of the directors or shareholders, or a contract."

Assuming the presence of a quorum, to be adopted, the proposed amendment to Article VIII of the Articles of Incorporation requires the affirmative vote of the stockholders representing a majority of the outstanding shares of the Common Stock of the Company present in person or represented by proxy at the 2007 Annual Meeting of Stockholders. If an executed proxy is returned and the stockholder has abstained from voting on this proposal, the shares represented by such proxy will be considered present at the meeting for purposes of determining a quorum and for purposes of calculating the vote, but will not be considered to have been voted in favor of the proposal. Accordingly, an abstention from voting on this proposal will have the same effect as a vote against the proposal. If an executed proxy is returned by a