

## **BNSF LOGISTICS TRANSPORTATION PROVIDER TERMS AND CONDITIONS**

The following Terms and Conditions are applicable to the transportation of any pallet, container, package, piece, or any other item tendered by BNSF Logistics, LLC, BNSF Logistics Canada, Inc. or BNSF Logistics International, Inc. (hereinafter referred to as BROKER), or their designees, in North America to an independent contractor transportation provider (hereinafter referred to as PROVIDER).

PROVIDER acknowledges and agrees that all transportation services PROVIDER provides to an individual BROKER entity shall be subject to and governed by these Terms and Conditions, together with the specified load tender sheet or other load tendering mechanism and any applicable appendix to these Terms and Conditions, all of which will be construed and governed as if there were separate written agreements between each BROKER entity and PROVIDER. PROVIDER further acknowledges and agrees that (a) its rights and remedies under these Terms and Conditions related to any given shipment shall be pursued only against the specific BROKER entity to whom the transportation services in question were provided, as evidenced by the applicable load tender; and (b) only the specific legal entity included in the definition of BROKER which actually tenders the shipment to PROVIDER shall have any obligation under these Terms and Conditions or otherwise with respect to such shipment. None of the BROKER entities shall be considered a “motor carrier” for any purpose in connection with these Terms and Conditions.

If there is a conflict between these Terms and Conditions and the terms or conditions of any bill of lading, manifest or other transit documentation, these Terms and Conditions will control.

BROKER reserves the right to unilaterally amend, modify or supplement any portion of these Terms and Conditions at any time. The current version of these Terms and Conditions may be found at any time at the [www.bnsflogistics.com](http://www.bnsflogistics.com) website and supersedes all previous versions and statements concerning the terms and conditions of the PROVIDER’s service being provided to BROKER and its customers.

1. **RELATIONSHIP.** BROKER is authorized by its customers to negotiate and arrange for transportation of the customers’ shipment in interstate and intrastate commerce. Upon accepting tendered load(s) from BROKER, PROVIDERS with motor carrier authority only shall not broker, interline, co-broker, assign or trip lease loads with another party and shall transport all tendered loads (also referred to herein as shipments) on equipment insured, placarded and controlled by PROVIDER. PROVIDERS with broker and/or freight forwarder authority shall not broker, interline, co-broker, assign or trip lease loads with another party without the approval of BROKER for such load. PROVIDERS allowed to broker, interline, co-broker, assign or trip lease loads hereunder shall arrange for such loads to be transported by qualified subcontractors, including subcontractors in Canada and Mexico, on equipment insured, placarded and controlled by such subcontractors and shall ensure the subcontractors do not broker, interline, co-broker, assign, or trip lease loads to another party. BROKER shall be entitled to the sum of \$1,000 USD for each violation of this prohibition, which may be set-off from any unpaid freight charges due to PROVIDER. PROVIDER shall ensure that any subcontractors are in full compliance with these Terms and Conditions, including but not limited to, the insurance provisions set forth in Section 5 below. PROVIDER warrants and agrees not to utilize any subcontractor that does not have valid operating authorities required by Section 6, or the minimum insurance requirements set forth in Section 5. PROVIDER agrees to transport all shipments provided under these Terms and Conditions without delay, and all occurrences which would be probable or certain to cause delay shall be immediately communicated to BROKER by PROVIDER. PROVIDER shall, at its sole cost and expense:

- a) furnish or arrange for all equipment necessary or required for the performance of its obligations hereunder (the "Equipment");
- b) pay or be responsible for all expenses related, in any way, with the use and operation of the Equipment;
- c) maintain or be responsible for maintaining the Equipment in good repair, mechanical conditions and appearance; and
- d) utilize or be responsible for utilizing only competent, able, properly trained and legally licensed personnel.

PROVIDER is responsible for and shall indemnify, defend and hold BROKER and its customer harmless from and against all acts and omissions of any subcontractor utilized by PROVIDER to fulfill its obligations or otherwise provide services under these Terms and Conditions as if such acts or omissions were taken directly by PROVIDER. PROVIDER shall have full control of such personnel; shall perform the services hereunder as an independent contractor; and shall assume complete responsibility for all state and federal taxes, assessments, insurance (including, but not limited to, workers' compensation, unemployment compensation, disability, pension and social security insurance) and any other financial obligations arising out of the transportation performed hereunder. Failure to comply will result in non-payment of freight charges and, at the discretion of BROKER, termination of any agreements between PROVIDER and BROKER.

2. **SHIPMENT DOCUMENTATION.** PROVIDER or, if permitted, its subcontractor is to be named on the bill of lading as the carrier of record. BROKER shall be identified as the agent of the shipper to whom invoices are sent for processing. Upon delivery of each shipment made hereunder, PROVIDER shall submit signed proof of delivery and signed BROKER's load confirmation with invoices to BROKER as agent for the shipper. Invoices will be in an amount equal to the rates and accessorial charges agreed to on the BROKER's load confirmation sheet or other signed writing. Proof of delivery (or receipt) must show the kind and quantity of product delivered to the consignee of such shipment at the destination specified by BROKER or BROKER's customer as well as any damage to or loss of any product, and PROVIDER shall cause such receipt to be signed by the consignee. Any terms, conditions and provisions of the bill of lading, manifest or other form of receipt or contract shall be subject and subordinate to the terms, conditions and provisions of these Terms and Conditions. PROVIDER agrees that invoices not submitted within thirty (30) days of the ship date specified on the applicable bill of lading shall be deemed conclusively waived. PROVIDER shall notify BROKER immediately of any exception made on the bill of lading or delivery receipt. All shipments accepted for transportation by PROVIDER, whether transported by PROVIDER or by any subcontractor, shall be governed solely by these Terms and Conditions (including its appendices) and the load tender, and no provision of any other pre-printed publication or agreement, such as any receipt, bill of lading, PROVIDER's tariffs or service guides, or the National Motor Freight Classification, shall apply.
3. **DETENTION.** PROVIDER agrees to allow four (4) free hours per location at origin, at destination, and at each intermediate stop before detention charges commence. BROKER must be notified at the end of the four (4) hours that PROVIDER is still at location before any charges commence.

PROVIDER's failure to contact BROKER will result in no detention charges being applied and a waiver of these charges by PROVIDER.

4. PAYMENT TERMS. Unless otherwise mutually agreed in writing, BROKER shall transmit payment of freight charges to PROVIDER upon receipt from BROKER's customer and shall endeavor to transmit payments within thirty (30) days of invoice. If BROKER, in its sole discretion, elects to advance payment to PROVIDER prior to receipt from BROKER's customer, such advance is with recourse. Interest and penalties shall not apply to late payments.
5. INSURANCE. PROVIDER warrants to BROKER (and its customers) that it meets the following criteria:
  - a) PROVIDER and each of its subcontractors shall maintain all risk cargo insurance in the amount of not less than \$100,000 per shipment. Such insurance policy shall provide coverage to BROKER, BROKER's customer and the owner and/or consignee for any loss, damage or delay related to any property coming into the possession of PROVIDER or any subcontractors under these Terms and Conditions. The coverage provided under the policy shall have no exclusions or restrictions of any type that would foreseeably preclude coverage relating to cargo claims.
  - b) PROVIDER and each of its subcontractors shall maintain public liability (auto) insurance in the amount of not less than the greater of \$1,000,000 or such amount as may otherwise be required by federal regulation (BMC-91 on file).
  - c) PROVIDER and each of its subcontractors shall maintain workers' compensation insurance as well as employer's liability insurance as required by state or other applicable law.
  - d) PROVIDER and each of its subcontractors shall have commercial general liability coverage in the amount of not less than \$1,000,000 per occurrence.
  - e) All insurance policies required by these Terms and Conditions shall, as applicable, be primary and shall waive subrogation and contribution against BROKER. PROVIDER shall furnish to BROKER written certificates obtained from the applicable insurance carriers showing that such insurance has been procured, is being properly maintained, the expiration date, and specifying that written notice of cancellation or modification of the policies shall be given to BROKER at least thirty (30) days prior to such cancellation or modification. In addition, BROKER shall be named as an additional insured on PROVIDER's and each of its subcontractor's commercial general and public liability (auto) policies, and as a loss payee on each cargo policy as evidenced by an endorsement on the certificates of insurance. Upon request of BROKER or its designated insurance consultant, PROVIDER shall provide BROKER, BROKER's consultant, or BROKER'S customer with copies of the applicable insurance policies.
6. OPERATING AUTHORITY/SAFETY. PROVIDER warrants that it and each of its subcontractors has a United States Department of Transportation ("USDOT") safety rating of "satisfactory" or equivalent (including an analogous rating issued by Canadian authorities for PROVIDERS with Canadian operations) and is otherwise authorized to provide the proposed services. PROVIDER and all subcontractors shall at all times be in compliance with all applicable laws. In the event that

PROVIDER is requested by BROKER to transport any shipment required by applicable law, rule or regulation to be placarded as a hazardous material, the parties agree that the additional provisions included in Appendix A shall apply for each such shipment.

7. GOVERNING RULES. These Terms and Conditions, together with Appendix A (Hazardous Materials Requirements) and Appendix B (High-Value/High-Risk Loads), and any load confirmation, contains the entire agreement between the parties and may be modified only by written agreement signed by an authorized representative of BNSF. PROVIDER and BROKER expressly waive any and all rights and remedies allowed under 49 U.S.C. § 14101(b) to the extent that such rights and remedies conflict with these Terms and Conditions. Failure of BROKER to insist upon PROVIDER's performance under these Terms and Conditions or to exercise any right or privilege shall not be a waiver of any of BROKER's rights or privileges herein. The following rules shall apply:
- a) Standard claims rules otherwise applicable to common carriers (49 C.F.R. § 370);
  - b) Cargo claims liability as set forth in the Carmack Amendment (49 U.S.C. § 14706);
  - c) Destination market value for lost or damaged cargo, no special or consequential damages unless by special agreement;
  - d) Claims may be filed by BROKER or BROKER's customer with PROVIDER;
  - e) BROKER's customer is a third-party beneficiary of these Terms and Conditions; and
  - f) BROKER shall have the right to offset from any amounts owing to PROVIDER the amount of any actual or potential Claims (as defined in Section 9 below), including but not limited to Claims for delay or loss or damage to transported goods, provided such Claims are reasonably substantiated or anticipated. Any such offset is fully authorized by PROVIDER.
8. FREIGHT LOSS, DAMAGE OR DELAY. PROVIDER shall have the sole and exclusive care, custody and control of customer's property from the time it is delivered to PROVIDER or PROVIDER's subcontractors for transportation until delivery to the consignee accompanied by the appropriate receipts as specified in Section 2 above. PROVIDER assumes the liability of a common carrier (i.e., Carmack Amendment liability) for loss, delay, damage to or destruction of any and all of customer's goods or property while under PROVIDER's or PROVIDER's subcontractors' care, custody or control from ultimate origin to ultimate destination (meaning transportation to the ultimate destination intended at the time cargo is tendered for transportation without regard to intermittent stopping points in the course of such transit) regardless of whether or not PROVIDER issues a through bill of lading. These cargo liability provisions expressly apply to any of PROVIDER's subcontractors' activities, whether such subcontractor is acting in the United States, Canada, or Mexico, and PROVIDER assumes full responsibility for the cargo loss or damage occurring while in the care, custody or control of PROVIDER's subcontractors. PROVIDER shall pay to BROKER (for BROKER's customer), or allow BROKER to deduct from any amount BROKER owes PROVIDER, the full actual loss for the kind and quantity of commodities so lost, delayed, damaged or destroyed. PROVIDER agrees to transport and deliver loads within reasonable dispatch unless a specific delivery date is shown on the bill of lading or load confirmation. In the event a claim is not resolved to the satisfaction of BROKER or its customer

within ninety (90) days of presentation or PROVIDER is unable to demonstrate the loss is properly insured, BROKER in its sole discretion may elect to offset the claimed amount against freight charges otherwise due and owing to PROVIDER by deducting such amount from an open invoice and paying the remainder, if any, due under such invoice. At the election of BROKER, any cargo claim or claim for PROVIDER's negligence may be submitted for binding arbitration under the procedures established by the Transportation Lawyers Association with the cost of same to be borne by the non-prevailing party.

9. INDEMNIFICATION.

- a) PROVIDER shall be liable for, and shall defend, indemnify and hold harmless BROKER, its Customer, its shipper, consignee or owner of property, and all officers, members, directors, employees, stockholders, partners, affiliates and agents thereof (collectively the "Indemnified Parties" as intended third-party beneficiaries) from and against, all claims, demands, costs, damages (including special, indirect or consequential damages), losses, liabilities (including reasonable attorneys', accountants', and experts' fees and disbursements and other costs of defense, investigation and settlement, costs of containment, cleanup and remediation of spills, releases or other environmental contamination, and costs of enforcement of indemnity obligations), judgments, penalties, fines and other amounts (collectively "Claims") relating to or arising out of: (a) injury to persons (including injury resulting in death) and damage to property arising out of or in connection with the transportation services performed by PROVIDER hereunder, or by any third parties or PROVIDER subcontractors performing services directly or indirectly on PROVIDER's behalf hereunder, (b) PROVIDER's or PROVIDER's subcontractor's performance or non-performance of any of the obligations under these Terms and Conditions, including without limitation any acts or omissions related to the loading, unloading, handling, transportation, possession or custody of cargo shipped hereunder, (c) PROVIDER's breach, either directly or indirectly by any subcontractor or other third party providing services on PROVIDER's behalf, of these Terms and Conditions or any warranty or representation herein, (d) negligence or misconduct of PROVIDER or any PROVIDER representative or subcontractor, (e) any claim (including by governmental authorities) that PROVIDER or any PROVIDER representative, subcontractor, or other third party providing services on PROVIDER's behalf is an employee of BROKER, or (f) breach by PROVIDER or any PROVIDER representative or subcontractor of applicable law. PROVIDER shall not be obligated to indemnify an Indemnified Party to the limited extent a court of competent jurisdiction determines that the Claim directly and proximately results from the negligence or willful misconduct of such Indemnified Party.
- b) If a Claim is made against an Indemnified Party alleging that the negligent or intentional actions or inactions of the Indemnified Party were the sole or a contributing cause of the event giving rise to the Claim, PROVIDER shall defend the Indemnified Party, without limitation until such time as a final adjudication or settlement has been reached. If the Claim against the Indemnified Party is reduced to a judgment, award or settlement wherein it has been determined (by a court of competent jurisdiction or in arbitration) or agreed upon by the Indemnified Party by way of settlement, that, on a comparative basis, the Indemnified Party's negligence or willful misconduct was a cause of the event giving rise to the Claim, PROVIDER shall not be obligated to indemnify the Indemnified Party to the extent (on a comparative basis) of such determination, it being understood, for the purposes of this exception to PROVIDER's indemnification obligation, that "BROKER's negligence" will not include BROKER's negligent

hiring or negligent entrustment in engaging PROVIDER to perform the transportation giving rise to the Claim. For instance, by way of example and clarification, if the total award for a Claim is \$100,000 and BROKER's negligence is determined to have caused 20% of the event giving rise to the Claim, then PROVIDER would be responsible for only \$80,000 of the Claim.

- c) PROVIDER will assume the defense of Claims by sending notice of assumption to the Indemnified Party and BROKER, by assuming the defense, and by acknowledging the duty to indemnify in accordance with the provisions above. Promptly after sending such notice, PROVIDER will retain independent and competent legal counsel acceptable to the Indemnified Party. If any Indemnified Party determines that there may be a conflict between its position and that of PROVIDER in connection with the defense of a Claim or that there may be defenses available that differ from or are in addition to those available to PROVIDER, then, at the expense of PROVIDER, counsel for the Indemnified Party will be entitled to conduct a defense to the extent the Indemnified Party determines is necessary to protect its interests. PROVIDER, in the defense of any Claim will not, except with the Indemnified Party's express written permission, consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term the giving by the claimant or plaintiff to the Indemnified Party a release from all liability with respect to the Claim. The Indemnified Party will have the right at all times to accept or reject, subject to a reasonableness standard, any offer to settle a Claim.
10. FREIGHT CHARGE COLLECTION. PROVIDER agrees that BROKER has the exclusive right to handle all billing of freight charges to BROKER's customers for the services provided herein, and, as such, PROVIDER agrees to refrain from all collection efforts against the shipper, receiver, consignor, consignee or BROKER's customer unless authorized in writing by BROKER.
11. WAIVER OF PROVIDER'S LIEN. PROVIDER shall not withhold any goods of any customer of BROKER on account of any dispute as to rates or any alleged failure to receive payment of freight charges incurred under these Terms and Conditions. PROVIDER further agrees that BROKER has the discretionary right to offset any payments owed to PROVIDER hereunder for liability incurred by PROVIDER pursuant to Section 8 of these Terms and Conditions. PROVIDER shall pay and completely satisfy all claims for labor, equipment, rentals and material employed or used by it or its subcontractors in connection with any and all work performed when those claims become due and payable. PROVIDER shall ensure that no liens of any kind are fixed upon or against the property of BROKER'S customer by PROVIDER'S employees, subcontractors or subcontractor's employees. PROVIDER shall indemnify, defend and hold BROKER and its customer harmless from all such claims and liens.
12. BACK SOLICITATION. PROVIDER will not accept traffic, either directly or indirectly, from any shipper, broker, logistics provider, consignor, consignee or customer of BROKER where: (1) the availability of traffic first became known to PROVIDER as a result of BROKER's efforts; or (2) the traffic of the shipper, broker, logistics provider, consignor, consignee or customer of BROKER was first tendered to PROVIDER by BROKER. If PROVIDER breaches these Terms and Conditions and, without utilizing the services of BROKER, moves shipments obtained from such parties during the term of any agreement that is subject to or incorporates these Terms and Conditions or within a period of eighteen (18) months from either the expiration of any such agreement or the most recent transaction governed by these Terms and Conditions, PROVIDER shall be obligated to pay BROKER, for a period of eighteen (18) months thereafter, commissions in the amount of fifteen percent (15%) of the transportation revenue resulting from traffic transported in violation of this

provision, and PROVIDER shall provide BROKER with all documentation requested by BROKER to verify such transportation revenue.

13. **SEVERABILITY.** In the event that the operation of any portion of these Terms and Conditions are in violation of any applicable law, the parties agree that such portion shall be severable and that the remaining provisions of these Terms and Conditions shall continue in full force and effect.
14. **CONFIDENTIALITY.** In addition to confidential information protected by law, statutory or otherwise, the parties agree that all of their financial information and that of their respective customers, including, but not limited to, details or descriptions of freight, freight and brokerage rates, amounts received for brokerage services, amounts of freight charges collected, freight volume requirements, as well as personal customer information, customer shipping or other logistics requirements shared or learned between the parties and their respective customers, shall be treated as confidential, and shall not be disclosed or used for any reason without prior written consent. In the event of violation of this Section 14, the parties agree that the remedy at law, including monetary damages, may be inadequate and that the parties shall be entitled, in addition to any other remedy they may have, to an injunction restraining the violating party from further violation of these Terms and Conditions, in which case the prevailing party shall be liable for all costs and expenses incurred, including, but not limited to, reasonable attorney's fees.
15. **FSMA REGULATIONS.** All contracting licensed transportation providers ("Provider") agree to the following terms and conditions when transporting refrigerated commodities, human and animal foods and other shipments which may be subject to adulteration in transit.
  - a) With respect to transportation of food products subject to regulations of the Food and Drug Administration codified at 21 C.F.R. Part 1.900 (the "Act"), including but not limited to the Food Safety Modernization Act (FSMA), PROVIDER shall be responsible for the safety and sufficiency of all items used in the transportation of cargo. PROVIDER is responsible for all sanitary conditions during transport. PROVIDER must ensure the vehicle and Transportation Equipment is in appropriate physical condition to transport the cargo tendered, and any such equipment must be dry, leak proof, free of harmful or offensive odor, free from pest infestation and free from any condition that could render the shipment unsafe. PROVIDER must ensure proper training of all PROVIDER personnel is sanitary transportation practices and retain documentation of such practices and training required by the Food and Drug Administration.
  - b) PROVIDER will comply with handling instructions provided by the shipper, consignor or consignee (including such instructions that may be passed through to PROVIDER by BROKER) including, but not limited to, compliance with requirements related to transportation of temperature controlled shipments, and PROVIDER acknowledges and agrees that failure to do so may result in the shipment being declared a total loss as having been potentially rendered unsafe. Without in any way limiting the generality of the foregoing, PROVIDER shall ensure that any shipments requiring controlled temperature transit are maintained at all times within required temperature ranges. If PROVIDER is transporting cargo of a type that a reasonable person would understand to require controlled temperature transportation, but is not provided with instructions regarding such service, PROVIDER shall request, such instructions prior to accepting the cargo in question and, if controlled temperature service is declined, shall use reasonable efforts to obtain such declination in writing.

To the extent that PROVIDER fails to comply with its duties under the Act, PROVIDER agrees to indemnify, defend and hold harmless Broker as set forth in Paragraph 9 above.

16. PROVIDER OPERATING REFRIGERATED EQUIPMENT IN CALIFORNIA. On behalf of shipper, consignee and broker interests, to the extent that any shipments subject to these terms and conditions are transported within the State of California on refrigerated equipment, **PROVIDER warrants that it shall, and its subcontractors shall, only utilize equipment which is in full compliance with the California Air Research Board (ARB) TRU ACTM in-use regulations. PROVIDER agrees to provide PROVIDER's or its subcontractor's driver with BROKER's contact information including BROKER company name, street address, state, zip code, BROKER contact name specific to the load and BROKER contact number for each refrigerated shipment transported within the State of California.** PROVIDER shall be liable to BROKER for any penalties, or any other liability, imposed on BROKER because of PROVIDER's or its subcontractor's use of non-compliant equipment or PROVIDER's or its subcontractor's non-compliance of providing drivers with contact information listed above.
17. GOVERNING LAW. These terms and conditions will be construed, to the extent not preempted by applicable U.S. federal law, under the laws of the State of Texas, without giving effect to any choice or conflict of law rules. Pursuant to 49 U.S.C. § 14101, PROVIDER expressly waives all rights and remedies under Title 49 U.S.C. Subtitle IV Part B to the extent they conflict with these Terms and Conditions; provided however, that nothing herein shall waive the applicability of 49 U.S.C. § 14704(a)(2) and (e) to PROVIDER's provision of services hereunder. All lawsuits between PROVIDER and BROKER shall be brought exclusively in the State of Texas; provided, however, (a) actions for recovery of cargo loss and damage claims may be commenced (at the option of BROKER or claimant) in such other jurisdiction and venue as may be authorized under 49 U.S.C. § 14706, and (b) actions brought by third parties requiring PROVIDER's indemnification under these Terms and Conditions may be adjudicated in the courts where the third-party claim is filed. PROVIDER consents to the jurisdiction and venue of any court adjudicating the dispute in accordance with the foregoing sentence. **BROKER AND PROVIDER WAIVE ALL RIGHT TO TRIAL BY JURY IN ANY ACTION BROUGHT TO ENFORCE OR DEFEND ANY RIGHTS OR REMEDIES UNDER THESE TERMS AND CONDITIONS.**
18. LIMITATION OF LIABILITY. In no event shall BROKER be liable for any incidental, consequential, indirect or special damages with respect to the subject matter of this Agreement.



## **APPENDIX A: HAZARDOUS MATERIAL REQUIREMENTS**

With respect to the transportation of hazardous materials or waste requiring vehicle placarding under 49 C.F.R. Part 181, PROVIDER agrees that the following additional provisions shall apply for all such shipments:

1. PROVIDER represents and warrants that it or its subcontractor has obtained all necessary federal and state permits and registrations to transport hazardous materials or waste in inter-provincial, interstate and/or intrastate commerce. Upon request, PROVIDER or its subcontractor shall provide BROKER with a copy of all such federal and state permits and registrations. Additionally, PROVIDER agrees to notify BROKER immediately upon any revocation or suspension of PROVIDER's or its subcontractor's state or federal hazardous material permits or registrations as well as the suspension of PROVIDER's or its subcontractor's state or federal hazardous material permits or registrations as well as the suspension or revocation of PROVIDER's or its subcontractor's "Satisfactory" safety fitness rating issued by the USDOT, which satisfactory rating is a prerequisite to providing transportation for hazardous materials under these Terms and Conditions.
2. PROVIDER represents and warrants that all drivers used to transport hazardous material shipments have undergone the necessary training requirements of state and federal laws, including, but not limited to, the training requirements under 49 C.F.R. Part 126(F). PROVIDER further warrants and certifies that each driver used to transport hazardous material has the proper endorsements on his or her Commercial Driver's License to legally transport such shipments. PROVIDER further agrees to comply with, and all of its subcontractors shall agree to comply with, all federal, state and local laws regarding the transportation of hazardous material, including, but not limited to, the requirements specified under 49 C.F.R. Part 181, and 49 C.F.R. Part 397.
3. PROVIDER shall procure and maintain, and require all of its subcontractors to maintain, at its sole cost and expense, public liability and property damage insurance with a reputable and financially responsible insurance company in an amount not less than five million dollars (\$5,000,000 USD) per occurrence. Such insurance policy shall name BROKER and PROVIDER as insureds with respect to any and all liabilities for personal injuries (including death) and property damage, including, but not limited to, environmental damage due to the release of any hazardous material or waste, arising out of the ownership, maintenance, use or operation, including, but not limited to, loading and unloading, of the equipment operated by PROVIDER or arranged for by PROVIDER under these Terms and Conditions.
4. PROVIDER or its subcontractor shall follow all Bill of Lading notations and procedures applicable to the hazardous materials transported as well as all directions transmitted to it by BROKER.

## **APPENDIX B: HIGH-VALUE/HIGH-RISK LOADS**

When, on behalf of BROKER, PROVIDER transports or arranges for the transport of products that have exceptionally high value and marketability, including, but not limited to, computers and other electronics, cigarettes, jewelry, or pharmaceuticals (i.e., “High-Value/High-Risk Cargo”) in truckload quantities, PROVIDER shall comply with, and require its subcontractors to comply with, the requirements set forth below. BROKER, at its sole discretion, reserves the right to make amendments or modifications to these requirements.

1. **INSURANCE.** PROVIDER shall provide either a copy of PROVIDER’S complete cargo insurance policy or written confirmation from PROVIDER’S cargo insurer that there is no cargo insurance policy limit, higher deductible, or coverage exclusions based on type of commodity or cause of loss.
2. **BACKGROUND CHECKS.** PROVIDER shall perform background checks on all drivers transporting High-Value/High-Risk Cargo. PROVIDER shall not dispatch any drivers to transport High-Value/High Risk Cargo who have, or reasonably could have, in their records a “disqualifying criminal offense” as defined and described in 49 C.F.R. § 1572.103, the federal regulation which relates to the transportation of hazardous materials.
3. **DRIVER INSTRUCTION/CERTIFICATION.** PROVIDER shall inform drivers of all High-Value/High-Risk Cargo. PROVIDER shall instruct each driver who transports High-Value/High-Risk Cargo of driver’s responsibility to adhere to the procedures set forth herein. PROVIDER shall cause each driver who is transporting High-Value/High-Risk Cargo to adhere to a checklist, attached to this appendix as Attachment 1 (“Driver Checklist”) if provided by the dispatcher, acknowledging compliance with the procedures contained in the Driver Checklist.
4. **DRIVER DISPATCHING.**
  - a) PROVIDER shall arrange for team drivers when transporting or arranging for the transport of any cargo that requires rest periods. BROKER may, at its sole discretion, pre-approve an exception in writing to this requirement.
  - b) Prior to the driver’s arrival at the original location, PROVIDER shall cause the driver to inspect each piece of equipment and to ensure that it is roadworthy and in compliance with applicable law.
  - c) PROVIDER shall cause the driver to check and ensure an adequate supply of fuel in the equipment that will be providing the transportation to prevent unnecessary stops to refuel after making the High-Value/High-Risk Cargo pickup, provided that the driver may stop for refueling after making such pickup when the refueling occurs on a secured facility of the PROVIDER.
  - d) PROVIDER shall attempt to ensure that solo drivers are rested prior to performing any services.
  - e) PROVIDER shall confirm, or cause its employees, agents, or authorized representatives to confirm, the identity of the driver(s) picking up cargo on behalf of BROKER.
  - f) PROVIDER shall ensure that all trailer doors (or cargo container doors if applicable) are/have been sealed and/or locked by the origin facility vendor before leaving the origin facility property. PROVIDER shall cause each driver to witness the trailer/container doors

being sealed at origin shipper locations when possible and to always verify that the seal number and loaded trailer/container number is on the bill of lading and matches the actual seal number and trailer/container number. PROVIDER shall cause the receiving personnel to compare the actual seal number and the loaded trailer/container number with the seal number and loaded trailer/container number on the bill of lading and confirm the numbers match by signing the bill of lading. All discrepancies must be documented and reported by the PROVIDER to the entity having custody and control of the trailer/container prior to the PROVIDER signing for and accepting the trailer/container. PROVIDER must also notify BROKER as soon as possible thereafter of said discrepancies, not to exceed twenty-four (24) hours from time of discovery.

- g) PROVIDER shall instruct drivers not to speak with any unauthorized person about the specifics of the services, including the load contents, origin, destination or stops, at any time, including upon completion of the services.
- h) PROVIDER shall instruct the drivers not to carry any unauthorized passengers while performing the services.

#### 5. ON-ROAD ACTIVITY.

- a) PROVIDER shall instruct drivers to stay on main highways and to avoid secondary roads where possible.
- b) PROVIDER shall instruct drivers to be watchful of vehicles following the trailers, and, upon noticing suspicious activity, to notify the nearest law enforcement agency and the dispatcher or security department.
- c) PROVIDER shall instruct drivers not to make any unscheduled stops prior to traveling two hundred (200) miles from the origin pick up. PROVIDER shall instruct drivers that deliveries or pickups occurring less than two hundred (200) miles from the origin facility are to be made the first stop. BROKER may, at its sole discretion, pre-approve an exception in writing to this requirement.
- d) PROVIDER shall ensure that the drivers inform the dispatcher when stopping for food, fuel, rest or repair and provide details as to the location and time of the stop. PROVIDER shall ensure that the drivers notify the dispatcher upon their return to the tractor that the drivers and the cargo are secure and are in-transit. PROVIDER shall provide each driver with a password or code to use in the event the driver encounters trouble.
- e) If Section 4(a) of this Appendix B applies to the transportation of cargo, then PROVIDER shall ensure that, during a schedule or unscheduled stop, one member of the driver team stays with the load at all times and PROVIDER shall instruct drivers to make written notices of vehicles that are parked next to their vehicle at truck stops.
- f) PROVIDER shall ensure that, if a solo driver must leave a tractor trailer that is hauling cargo, the driver complies with the following procedures: (i) parks the vehicle in a well-lit area; (ii) keeps the vehicle in sight at all times; (iii) turns off the engine; (iv) locks all doors; (v) removes all keys and keeps such keys in their possession; (vi) inspects the trailer locks upon returning to the tractor trailer, compares the seal numbers to the bill of lading and immediately notifies the dispatcher of any discrepancies.

- g) PROVIDER shall ensure that during a stop for a prolonged period of time, the driver backs the trailer to a wall, pole or any other object that can help prevent persons from opening the rear doors of the trailer.
- h) PROVIDER shall ensure that if a driver is unable to deliver cargo to the recipient listed on the bill of lading, the cargo is stored in a pre-authorized and secure lot.
- i) PROVIDER shall ensure that the drivers never take cargo to the home of the drivers.
- j) PROVIDER shall ensure that the drivers uncouple the tractor and trailer unless PROVIDER has either authorized the drivers to make an unplanned repair or the tractor and trailer are in a secured facility of PROVIDER. PROVIDER shall ensure that if a tractor is uncoupled from the trailer in a location other than a secured facility of PROVIDER, the driver uses a securing device, including, but not limited, to a high-security kingpin lock.

### **ATTACHMENT 1: HIGH-VALUE/HIGH-RISK LOADS ADDENDUM**

#### Driver Checklist and Special Instructions:

- Driver(s) has performed and has completed daily condition report for all equipment.
- Driver(s) has not discussed and will not discuss details of the load with anyone.
- Driver(s) has fueled before pick-up.
- Driver(s) is well rested prior to pick-up.
- Driver(s) does acknowledge receipt of a High-Value/High-Risk security load.
- Driver(s) witnessed the trailer/container door sealing and/or did verify the seal number as well as the loaded trailer/container number on the Bill of Lading (BOL).
- Driver(s) and the shipper signed the BOL.

#### Driver(s) agrees to take the following precautions to ensure security of the transported load:

- Driver(s) will not take the load home.
- Driver(s) will not make unauthorized stops.
- Driver(s) will never leave the trailer and/or truck at a truck stop or any unsecured, unauthorized location over the weekend.
- Driver(s) will stay on major roads and avoids secondary roads where possible. Driver(s) will watch for signs of being followed.
- Driver(s) will contact their dispatch and local law enforcement agency if they suspect they are being followed.
- Driver(s) will not stop before traveling two hundred (200) miles from origin, unless at final destination.
- Driver(s) will communicate the status of their trip to their dispatch every two (20) hours unless otherwise communicated automatically.
- Driver(s) will avoid rest areas if possible.
- If team, one driver will always stay with the unit.
- Driver(s) will notify dispatch if they stop.
- Driver(s) will make written note of vehicles they are parked next to at truck stops.
- Driver(s) will keep unit in sight.
- Driver(s) should never uncouple unit. If necessary for repair, driver(s) will attach a high-security kingpin lock, if uncoupled. If a stop is necessary, driver(s) will back trailer against a wall or pole to prevent doors from being opened.
- Driver(s) will stop engine, remove key, lock truck, and keep keys in their possession whenever they need to be away from the vehicle.
- Driver(s) will survey area around unit before walking away.