



ACKNOWLEDGEMENT AND AGREEMENT

By my signature below, I acknowledge that I have received a copy of the US Logistics Driver Handbook and understand that it sets forth the terms and conditions of my employment as well as the duties, responsibilities and obligations of employment with US Logistics. I acknowledge that I have seven (7) days from the date of this acknowledgement in which to read and review the US Logistics Driver Handbook, after which time I will be deemed responsible for having read and reviewed it. If I do not provide notice to US Logistics Human Resources during the seven-day period described above to indicate a lack of understanding, my silence will be taken to mean I understand and agree to be bound by the rules, policies and standards set forth in the Driver Handbook. I acknowledge that a copy of the US Logistics Driver Handbook is available on the Company's website.

I also acknowledge that my employment with US Logistics is not for a specified period of time and can be terminated at any time for any or no reason, with or without cause or notice, by me or by the Company. I acknowledge that no statements or representations regarding my employment can alter the foregoing. As to the circumstances in which employment may be terminated, this is the entire agreement between me and US Logistics, there are no oral or collateral agreements of any kind. I also acknowledge that no supervisor or employee has the authority to enter into an employment agreement - express or implied - providing for employment other than at will.

I also acknowledge that, except for the policy of at-will employment, the Company reserves the right to revise, delete, and add to the provisions of this Driver Handbook. All such revisions, deletions, or additions must be in writing and must be signed by the Chief Executive Officer of the Company. No oral statements or representations can change the provisions of this Driver Handbook. I also acknowledge that, except for the policy of at-will employment, terms and conditions of employment with the Company may be modified at the sole discretion of the Company, with or without cause or notice at any time. No implied contract concerning any employment-related decision or term and condition of employment can be established by any other statement, conduct, policy, or practice.

I understand that the foregoing agreement concerning my employment at-will status and the Company's right to determine and modify the terms and conditions of employment is between me and US Logistics concerning the duration of my employment, the circumstances under which my employment may be terminated, and the circumstances under which the terms and conditions of my employment may change. I further understand that this agreement supersedes all prior agreements, understandings, and representations concerning my employment with US Logistics.

Employee's Name (Printed) _____

Employee Signature: _____ Date _____



US LOGISTICS MISSION

U S Logistics Corp. recognizes that our people drive the business. As our most critical resource, employees will be safeguarded through training, provision of appropriate work surroundings and procedures that foster protection of health and safety. All work conducted by U S Logistics Corp. employees will take into account the intent of this policy. Our mission is to attract and retain customers by providing best in class transportation solutions and fostering a profitable, disciplined culture of safety, service, and trust. No duty, no matter what its perceived result, will be deemed more important than employee health and safety.

We value our employees not only as employees, but also as human beings critical to the success of their families, the local community. U S Logistics Corp. employees are encouraged to report any unsafe work practices or safety hazards encountered on the job. All accidents and incidents, no matter how slight, are to be immediately reported to the supervisor on duty.

A key factor in implementing this policy will be the strict compliance to all applicable federal, state, local and facility policies and procedures. Failure to comply with these policies may result in disciplinary actions. U S Logistics Corp. will make every reasonable effort to provide a safe and healthful workplace that is free from any recognized or known potential hazards. Additionally, U S Logistics Corp. subscribes to these principles and values that guide us in all our actions and relationships:

1. All accidents are preventable through implementation of effective safety and health control policies and programs.
2. Safety and health controls are a major part of our work every day.
3. Accident prevention is good business. It minimizes human suffering, promotes better working conditions for everyone, holds U S Logistics Corp. in higher regard with customer(s) and increases productivity. This is U S Logistics Corp. will comply with all safety and health regulations that apply to the course and scope of operations.
4. Management is responsible for providing the safest possible workplace for employees. Consequently, management of U S Logistics Corp. is committed to allocating and providing all of the resources needed to promote and effectively implement this safety policy.
5. Employees are responsible for following safe work practices, facility rules and for preventing accidents and injuries. Management will establish lines of communication to solicit and receive comments, information, suggestions and assistance from employees where safety and health are concerned.
6. Management and supervisors of U S Logistics Corp. are to set a positive example with good attitudes and strong commitment to safety and health in the workplace. Management will monitor performance, safety, working environments and conditions to ensure that program objectives are achieved.



7. Our safety program applies to all employees and persons affected or associated in any way with our company operations. Everyone's goal must be to constantly improve safety awareness, to prevent accidents and injuries.

8. Ethics: Do the "right thing" and always encourage others to do the right, honest, and ethical things

Everyone at U S Logistics Corp. must be involved and committed to safety. This must be a team effort. Together, we can prevent accidents and injuries, keeping each other safe and healthy in the workplace. Remember, Think SAFE, ACT SAFE and BE SAFE



SAFETY POLICY STATEMENT

At US Logistic & Consulting Corp, the safety of US Logistics people, the general public, and our customers is of utmost importance to us. Safety is and has always been one of our key cultural values and of highest priority. Safety is the responsibility of everyone including our professional drivers, our shop technicians, our office staff and all levels of leadership.

We believe Safety is more than simply following the Federal, State, and Local laws and regulations. It is about continuing to strengthen a culture in which everyone chooses to work and drive safely and are recognized appropriately for doing so.

We strive to hire drivers with a safety mindset and a proven record of safe driving performance. We provide best in class training solutions for new entrants into the driving profession, and we provide the newest, best-maintained equipment in the industry. We want everyone always to make it to their Most Important Stop-Home. Our objective is to provide best in class service to our customers by focusing continually on the three fundamentals of Safety, Service, and Speed.

SAFETY VISION

US Logistics Safety vision is a socially and environmentally responsible corporate citizen that is focused on the need to create a Safety Culture in which every employee is responsible for their personal safety and in which people “actively care” about the safety of others. The people of our organization are singularly focused on achieving a Crash-free and Injury-free workplace.

Always be Safe by Choice, Not by Chance.

Rick Lemke
Safety Manager



SECTION 1 – EMPLOYMENT POLICIES

ABOUT THIS DRIVER HANDBOOK

This Driver Handbook contains information about the employment policies and practices of US Logistics & Consulting Corp. and its affiliated entities (hereinafter referred to as “US Logistics” or the “Company”). We expect each Driver to read this Driver Handbook carefully as it is a valuable reference for understanding your job and the Company. All previously issued Driver Handbooks and any inconsistent policy statements – oral or written – are superseded.

Except for the employment-at-will policy, US Logistics reserves the right to revise, delete or add to any and all policies, procedures, work rules or benefits stated in this Driver Handbook. All such revisions, deletions or additions must be in writing and must be signed by the Chief Executive Officer of the Company. No oral statements or representations can change or alter the provisions of this Driver Handbook.

Nothing in this Driver Handbook (with the exception of the employment-at-will policy), or in any other personnel document, including benefit plan descriptions, creates, or is intended to create a contract, promise or representation of continued employment for any Driver. No Driver Leader or Leader has any authority to enter into a contract of employment – express or implied – with any Driver. Only the Chief Executive Officer of the Company has the authority to enter into an employment agreement, and then only in writing. Any binding commitments regarding your employment being anything other than at-will must be in writing and signed by the Chief Executive Officer of the Company.

Not all Company policies and procedures are set forth in this Driver Handbook. We have summarized only some of the more important ones. If you have any questions or concerns about this Driver Handbook or any other policy or procedure, please ask your Driver Leader.

EMPLOYMENT AT US LOGISTICS AT-WILL

Employment at US Logistics is at-will. This means that employment may be terminated for any or no reason, with or without cause or notice, at any time by you or US Logistics. Nothing in this Driver Handbook or in any other document or oral statement shall limit the right to terminate employment at-will.

This policy of at-will employment may be revised, deleted or superseded only by a written employment agreement signed by the Chief Executive Officer, which expressly revises, modifies, deletes or supersedes the policy of at-will employment. Unless your employment is covered by such a written employment agreement signed by the Chief Executive Officer, this policy of at-will employment is the sole and entire agreement between you and the Company as to the duration of employment and the circumstances under which employment may be terminated.

With the exception of employment at-will, terms and conditions of employment with US Logistics may be modified at the sole discretion of US Logistics with or without cause or notice at any time. No implied contract concerning any employment-related decision or term or condition of employment can be established by any other statement, conduct, policy or practice. Examples of the types of terms and conditions of employment that are within the sole discretion of US Logistics include, but are not limited to, the following: promotions; demotions; transfers; hiring decisions; compensation; benefits; qualifications; discipline; layoffs or recalls; rules; hours and schedules; work assignments; job duties and responsibilities; production standards; subcontracting; reduction, cessation, or expansion of operations; sale



relocation, merger, or consolidation of operations; determinations concerning the use of equipment, methods, or facilities; or any other terms and conditions.

WORD ABOUT UNIONS

OUR POSITION: UNION-FREE AND PROUD TO BE

We are proud to say that US Logistics is union-free. We prefer to deal directly with our employees rather than through a union. Our personnel policies and programs are designed to meet the needs of employees, providing a positive environment where each employee enjoys maximum opportunity for open

communication, conflict resolution and job satisfaction. We work hard to avoid the need for a union and do not think a union would add any value to us and our workforce.

We want you to express your problems and suggestions to us directly via Human Resources, management so that we can understand each other better. You have that opportunity, and you may do so without having a third party limit the direct communication between you and the Company. We will listen, and do our best to keep you safe, satisfied, informed and motivated.

UNION CARDS

Signing a union card is a significant matter. If you are ever approached, we urge you not to sign one. Union cards frequently contain language which “authorizes” a union to take away the right you now have to speak for yourself about your job. Unions sometimes use these signed cards and legal proceedings to try and get into a facility without an election. In effect, the signed cards become legally binding documents which turn many individual job rights over to the union. Experience has shown that once a card is signed and given to the union, it is difficult for an employee to get it back. If you are ever presented with a union card and would like more information or clarification, please feel free to speak with your supervisor or leader.

EQUAL EMPLOYMENT PRACTICES

The Company is an equal opportunity employer and makes employment decisions on the basis of merit. In accordance with applicable law, the Company prohibits discrimination based on race, color, religion,

creed, sex, age, national origin or ancestry, disability, veteran status, or any other consideration protected by applicable federal, state or local laws. All such discrimination is unlawful. Further, US Logistics will not use genetic and/or family history information in any decision-making related to terms or conditions of employment. The Company's commitment to equal opportunity employment applies to all persons involved in the operations of the Company and prohibits unlawful discrimination by any employee of the Company, including leaders and coworkers.

If the Company determines that discrimination in violation of this policy has occurred, remedial action will be taken, commensurate with the severity of the offense. Appropriate action will also be taken to deter any future discrimination. The Company will not retaliate against any employee for filing a complaint and will not permit retaliation.



US Logistics policy of nondiscrimination applies to all personnel and employment practices, including but not limited to:

- Recruitment activities
- Hiring
- Promotions
- Transfers
- Layoffs or termination
- Compensation of any kind
- Selection for training
- Educational programs

HARASSMENT AND DISCRIMINATION

US Logistics is committed to providing an environment free of unlawful harassment and discrimination. In accordance with applicable law, the Company prohibits discrimination and harassment and takes all reasonable steps to prevent such conduct from occurring. Harassment and/or discrimination on the basis of race, color, national origin, ancestry, religion, veteran status, creed, disability, age genetic information or any other basis protected by applicable federal, state, or local law is strictly prohibited. An employee or applicant who believes he/she has been subject to any form of harassment or discrimination may provide a verbal or written report to his/her leader and/or Human Resources representative.

Such reports should be submitted as promptly as reasonably possible, and should be specific, and include

names of the individuals involved and the names of any witnesses. All incidents of harassment, discrimination that are reported will be investigated. The Company will endeavor to protect the privacy and confidentiality of all parties involved to the extent possible, consistent with an appropriate investigation.

If the Company determines that harassment or discrimination has occurred, it will take corrective action commensurate with the circumstances. Other action may also be taken to deter any future harassment or discrimination.

LIABILITY FOR HARASSMENT AND DISCRIMINATION

Any US Logistics employee, including any supervisor or leader, who is found to have engaged in harassment or discrimination is subject to disciplinary action up to and including termination of employment. An employee who engages in harassment and/or discrimination may be held personally liable for monetary damages. The Company will not pay damages assessed personally against an employee.

SEXUAL HARASSMENT DEFINED



Federal law defines sexual harassment as unwanted sexual advances, requests for sexual favors or visual, verbal or physical conduct of a sexual nature when: (1) submission to such conduct is made a term or

condition of employment; or (2) submission to or rejection of such conduct is used as a basis for employment decisions affecting the individual; or (3) such conduct has the purpose or effect of unreasonably interfering with an employee's work performance or creating an intimidating, hostile or offensive working environment.

Other examples of sexual harassment include, but are not limited to, unwanted sexual advances or visual, verbal or physical conduct of a sexual nature. This definition included many forms of offensive behavior. The following is a partial list:

- * Offering employment benefits in exchange for sexual favors or threatening reprisals after a negative response to sexual advances.
- * Visual conduct: leering, making sexual gestures, displaying sexually suggestive objects or pictures, cartoons or posters.
- * Verbal conduct: making or using derogatory comments, epithets, slurs, sexually explicit jokes, comments about an employee's body or dress.
- * Verbal sexual advances or propositions.
- * Verbal abuse of a sexual nature, graphic verbal commentary about an individual's body, sexually degrading words to describe an individual, suggestive or obscene letters, notes or invitations.
- * Physical conduct: touching, assaulting, impeding or blocking movements.
- * It is unlawful for males to harass females or other males sexually, and for females to sexually

harass males or other females. Sexual harassment on the job is unlawful whether it involves co-worker harassment, harassment by a supervisor or leader, or by persons doing business with or for the Company.

This applies but is not limited to all electronic means of Company communication such as telephones, voice mail, cellular phones, e-mail, text messages, Intranet, and Qualcomm.

US LOGISTICS HARASSMENT/DISCRIMINATION REPORTING PROCEDURE

US Logistics reporting procedure provides for a prompt, thorough and objective investigation of any harassment or discrimination claim, appropriate disciplinary action against anyone found to have engaged in prohibited harassment or discrimination, and appropriate remedies to any victim of harassment or discrimination. An employee may have a claim of harassment or discrimination even if he or she has not lost their job or some other benefit.

If you believe you have been harassed and/or discriminated against on the job, or if you are aware of the harassment or discrimination of others, please provide a written or verbal report as soon as possible to a Human Resources representative or your supervisor. Supervisors learning of, or observing, conduct which may constitute any type of



harassment or discrimination will immediately advise a Human Resources representative. Any supervisor who fails to report a complaint or observed incident of any type of harassment or discrimination will be subject to discipline.

The report should include details of the incident(s), the names of individuals involved, the names of any witnesses, direct quotes when relevant, and any documentary evidence (notes, pictures, cartoons, etc.).

A Human Resources representative will investigate all incidents of harassment or discrimination that are reported. The Company will endeavor to protect the privacy and confidentiality of all parties involved to the fullest extent possible consistent with a thorough investigation. Only those members of the Human Resources Department and other leaders with a “need to know” will be involved or provided details of the incident or investigation.

If the Company determines that harassment or discrimination in violation of this policy has occurred, the Company will take remedial action commensurate with the circumstances. Appropriate action will also be taken to deter any future harassment or discrimination. If a complaint of harassment or discrimination in violation of this policy is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

PROTECTION AGAINST RETALIATION

Applicable law also prohibits retaliation against any employee by another employee or by the Company for reporting an incident of harassment or discrimination, filing a complaint alleging unlawful harassment or discrimination or testifying, assisting or participating in any manner in any investigation, proceeding or

hearing conducted by the Company, a federal or state enforcement agency, court of law, or arbitrator regarding a claim for harassment or discrimination. Please report any retaliation to a Human Resource representative or supervisor of the Company. Supervisors learning of, or observing, conduct which may constitute retaliation, regardless of whether or not it is their employee, or whether or not it is in their department, must promptly advise a Human Resources representative. Any report of retaliatory conduct will be promptly, objectively and thoroughly investigated in accordance with the Company’s investigation procedure outlined above. If a report of retaliation in violation of this policy is substantiated, appropriate disciplinary action, up to and including discharge, will be taken.

AMERICANS WITH DISABILITIES ACT

US Logistics complies with all relevant and applicable provisions of the Americans with Disabilities Act (“ADA”), and the ADA Amendments Act of 2008 (“ADAAA”) as well as applicable state and local laws relating to disability in employment. In this regard, US Logistics will not discriminate against any qualified employee or job applicant with respect to any terms privileges, or conditions of employment because of his or her physical or mental disability. US Logistics will also reasonably accommodate all employees and/or applicants with disabilities, provided that the individual is otherwise qualified to safely perform the essential functions of the position and provided further that any such accommodation does not present an undue hardship to the Company.

REASONABLE ACCOMMODATION

To comply with applicable laws ensuring equal employment opportunity to qualified individuals with disabilities, the Company will make reasonable accommodations for the known physical or mental limitations of an otherwise



qualified individual with a disability unless an undue hardship on business operations or a direct threat to safety would result.

An applicant who requires an accommodation to perform essential functions of the job he or she is seeking may request an accommodation during the interviewing/hiring process. An employee who requires an accommodation in order to perform the essential functions of the job he or she holds or is seeking should contact his/her leader and Human Resources representative to request an accommodation.

Requests for accommodation may be made orally; written requests are not required (though they are recommended). A request for accommodation may be made by the employee or applicant, or by someone else or behalf of the employee or applicant. All requests for accommodation made by an employee or applicant will be forwarded to the Human Resources Department for consideration.

The accommodation request should specify the accommodation(s) the employee or applicant needs to perform the job. The Company will consider the requested accommodation(s) and will engage in a dialogue with the employee/applicant regarding the request. The Company may also conduct an investigation to identify the barriers that make it difficult for the employee or applicant to perform the essential functions of the job. As part of the interactive process, the Company may propose an alternative to the requested accommodation(s), may substitute one reasonable accommodation for another and retains the ultimate discretion to choose between or among reasonable accommodations.

Every employee/applicant is expected to cooperate with Human Resources in the interactive process fully, including without limitation providing current medical information from his/her physician which demonstrates that a disability exists and the restrictions associated with the disability. The employee/applicant must supply requested information to be eligible for consideration. All medical information submitted will be maintained confidentially, to the extent possible and as required by law.

INTERNAL COMPLAINT PROCEDURE

US Logistics promotes open lines of communication to provide you an effective method to resolve work-related problems. We encourage open, honest, direct communication among all employees and supervisors/leaders. The Company's Internal Complaint Procedure is there to resolve differences of opinion between you and your supervisor about how a Company policy is being applied.

This procedure is not intended to limit direct communication between you and your supervisor. It is intended as a remedy when informal communication between you and your supervisor has failed to solve a problem. When you believe you have suffered employment discrimination or harassment you may take your complaint directly to a Human Resources representative. Under no circumstances will you be punished or adversely treated because you used the complaint procedure to resolve a problem.

The complaint procedure consists of three steps:

1. A verbal discussion within your supervisor. Your supervisor will generally provide a verbal response within 5 days
2. If you disagree with your supervisor's response, you may submit a signed, written appeal within ten business days,



to your next level supervisor. Before you file a written appeal, you may discuss with a Human Resources representative whether or not the facts warrant a written complaint; however, the decision rests with you. Your next level supervisor will respond to your complaint in writing generally within ten business days after receiving your appeal. A copy of the response will be provided to the Human Resources Department.

3. If you disagree with your next level supervisor's answer, you may submit a signed, written appeal within ten business days to Human Resources. A designated Human Resources representative will thoroughly investigate the matter and make a written recommendation within ten business days to the Director/Vice President of Human Resources. The Director/Vice President will make a decision and respond to you generally within ten business days after receiving the recommendation of a Human Resources representative. The decision of the Director/Vice President of Human Resources will be final.

Appeals involving issues relating to Safety, Security, Compliance, Training and disciplinary actions as a result of accidents or cargo claims will be determined by Driver Safety Performance Auditors. Appeals involving the preventability or non-preventability of crashes must be submitted to the Terminal Safety Consultant on a Crash Review Form within sixty (60) days from the determination of the crash.

Written appeals may be typed or handwritten and must contain the following:

1. Policy that was not followed.
2. Driver Leader you advised about the situation.
3. Specific facts related to the situation.
4. The specific remedy that you want.

EMPLOYMENT PRACTICES AND PROCEDURES

EMPLOYMENT STATUS

INTRODUCTORY PERIOD

The first 90 days of continuous employment at US Logistics, during which you learn your responsibilities and get acquainted with your fellow employees, is considered an Introductory Period. During this time your performance will be closely monitored. Also, during this time you will have a chance to decide whether you are and will be happy with your job, and your Driver Leader will have the opportunity to determine whether you are adapting to your new work at the Company.

After your Introductory Period, your continued employment will be determined based on your performance. If the Company decides you should continue to be employed, you will be advised of any improvements expected from you and you, will be given the opportunity to express any recommendations that you have to improve the efficiency of the Company. The Company reserves the right to extend the Introductory Period for up to an additional 90 days with written notice to the employee.

Completion of the Introductory Period does not guarantee continued employment. You remain employed at-will, which



means employment may be terminated for any or no reason, with or without cause or notice, at any time by the Company or by you.

Generally, Drivers at US Logistics are classified according to the Motor Carriers Act (MCA); however, because of their duties, some Drivers are classified according to the Fair Labor Standards Act (FLSA).

FULL-TIME DRIVERS:

Hourly, salaried or per mile Drivers are normally scheduled to work at least 30 hours in a designated workweek and are required to report time worked.

PART-TIME DRIVERS:

Hourly, salaried or per mile Drivers are scheduled to work less than 30 hours in a designated workweek. Part-time non-exempt Drivers may be assigned a regular work schedule or may work on an as-needed basis, and are required to report time worked. Part-time Drivers are not eligible for benefits, except as required by applicable law. Part-time Drivers must report their time worked during the prior seven days to the Log Compliance Department.

TEMPORARY DRIVERS:

Temporary Drivers are those who are employed for short-term assignments. Short-term assignments will generally be periods of three months or less. Temporary Drivers are not eligible for Driver benefits, except as required by applicable law.

BACKGROUND CHECKS

The Company recognizes the importance of maintaining a safe and productive workplace. Our commitment is to employ only the best-qualified individuals who are honest, trustworthy, reliable, non-violent and who do not present a risk of serious harm to their coworkers or others. For the benefit of all employees/drivers and the Company, in furthering these interests and enforcing the Company's policies, the Company may perform, or request that third parties perform, "background checks," or other types of investigations. These background checks and investigations may be performed by the Company in whole or in part, at the Company's discretion.

Background checks and investigations performed for the Company may include the use of Consumer Reporting Agencies, which may gather and report information to the Company in the form of consumer or investigative Consumer Reports. Such reports, if obtained, may contain information concerning your credit standing or worthiness, credit capacity, character, general reputation, personal characteristics, or mode of living. The types of reports that may be requested from Consumer Reporting Agencies under this policy include, but are not limited to, credit reports, criminal records checks, court records checks, driving records, and/or summaries of educational and employment records and histories. The information contained in these reports may be obtained by a Consumer Reporting Agency from private or public records sources or through personal interviews with your coworkers, neighbors, friends, associates, current or former employers, or other personal acquaintances.

Pursuant to this policy, the Company may request Consumer Reports, including records checks and investigative reports based on interviews, in connection with your application for employment, or at any time during the course of your



employment with the Company, for purposes of evaluating your suitability for employment, promotion, reassignment or retention as a Driver. The Company may otherwise obtain such reports, before, during and after your employment with the Company, for purposes of evaluating, investigating, or enforcing compliance with Company policies or in connection with responding to grievances or complaints, regardless of whether you remain in the employ of the Company at the time the report is requested.

Employees/Drivers are expected to cooperate fully with this background check and investigation policy. Such cooperation includes, among other things, providing truthful and complete information in response to inquiries made by the Company or third party investigators during the course of investigations. Failure to cooperate in these respects, or any attempt to interfere with the Company's implementation of this policy, or the Company's efforts to obtain relevant information, will result in discipline, up to and including termination of employment.

IMMIGRATION COMPLIANCE

The Company will comply with applicable immigration law, including, but not limited to the Immigration Reform and Control Act of 1986 and the Immigration Act of 1990. Federal law requires all employers to verify the identity and employment eligibility of all persons hired in the United States. As a condition of employment, every individual must provide satisfactory evidence of his or her identity and legal authority to work in the United States. The most common forms of identification are a driver's license and social security card; however, other documents can be used.

US Logistics participates in E-verify, the service of the Department of Homeland Security ("DHS") and Social Security Administration ("SSA") to determine whether an employee's Form I-9 documentation is valid. If you have any questions or need more information on immigration law issues, please contact a Human Resource representative.

RELATIVES AND INTIMATE RELATIONSHIPS AT WORK

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

US Logistics will not take any adverse employment action against any employee for engaging in relationships outside of work (either family or otherwise) during non-working hours and away from US Logistic premises. However, the Company will consider such relationships when they affect job performance, occur during working time or on company premises.

A familial or intimate relationship among employees can create an actual, potential or perceived conflict of interest in the employment setting, especially where one relative, spouse, partner, etc., supervises another relative, spouse, partner, etc. To avoid this problem, the Company may refuse to hire or place a relative or other intimately associated individual in a position where the potential for favoritism or conflict exists. The US Logistics employee in the highest ranking position is required to notify his/her leader of the relationship. The Company will not allow a manager to directly supervise a relative or intimately associated individual. Relatives or intimately associated individuals currently involved in a manager/subordinate employment relationship which began before 1/1/2002 are 'grandfathered' in. Exceptions to this policy must be approved in writing by the Chief Executive Officer and kept on file in Human Resources.

In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, one employee must be transferred to another position, to resolve the conflict, within ninety days. If a transfer is not



feasible, one of the two employees must resign from the Company. If neither resigns, the Company will determine which employee, based on business necessity, is retained.

JOB DUTIES

During the Introductory Period, your Driver Leader will explain your job responsibilities and the standards that will be expected. Because flexibility is necessary, your job responsibilities may change at any time during your employment.

One of the most important job duties of all US Logistics Drivers is the expectation that you will maintain a degree of loyalty to the Company. As part of your job, you are expected to perform all duties and assignments with the Company's legitimate business interests in mind. You are also expected not to take any actions that would directly conflict with the Company's legitimate business interests.

In addition to your regularly assigned job responsibilities and duties you may, from time to time, be asked to work on special projects or to assist with other work important to the operation of your department or the Company. Your cooperation and assistance in performing additional work is expected.

The Company reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign additional job responsibilities.

WORKING HOURS AND SCHEDULES

Your work schedule will be determined by Company requirements, freight availability for delivery and DOT.

REGULATIONS

TIMEKEEPING PROCEDURES ~ CITY OR LOCAL DRIVERS

All hourly paid, city or local Drivers are required to record time worked for payroll purposes. These Drivers must record their own time at the start and end of each period, including before and after any lunch break required by local, state or federal law. Completing another Driver's time record, allowing another Driver to complete your time record, altering or falsifying a working time record is prohibited. Your Driver Leader must approve any changes to your reported time worked. Drivers are prohibited from violating the Hours of Service Regulations.

Any errors in your working time record should be reported immediately to your Driver Leader, who will attempt to correct legitimate errors.

MILEAGE KEEPING PROCEDURES

All per-mile paid Drivers are required to record their daily miles driven for payroll purposes. These Drivers must record their own mileage at the start and end of each shift. Completing another Driver's mileage record, allowing another Driver to complete your mileage record, altering or falsifying driving mileage records is prohibited. Your Driver Leader must approve any changes to your reported miles driven. Drivers are prohibited from violating the Hours of Service Regulations.

Any errors in your miles driven record should be reported immediately to your Driver Leader, who will attempt to



correct legitimate errors.

PAYCHECKS

Paychecks and direct deposit confirmations are distributed on a weekly basis. Check with your Driver Leader for details. Only the Driver may receive his or her paycheck or direct deposit confirmation, unless written permission is given to release it to a specific individual.

Information concerning a Driver's paycheck, insurance coverage or federal and state tax withholding will only be released to the employee, unless the employee provides written authorization to release information for a personal or home loan or similar situation.

PERFORMANCE EVALUATIONS

Your supervisor will periodically review your performance and discuss the review with you. The frequency of performance evaluations may vary depending upon, among other things, the length of service, job position, past performance, changes in job duties or recurring performance problems.

Your performance evaluations will include a review of the quality and quantity of the work you perform, your knowledge of your job, your initiative, your work attitude and your demonstrated adherence to Company policies, values, and other related topics. The performance evaluation should help you become aware of the progress you are making, the areas in which you need to improve, and objectives or goals for future work performance.

Positive performance evaluations do not guarantee increases in pay, promotions or continued employment. Pay increases and promotions are solely within the discretion of the Company and depend on upon many factors in addition to your individual performance.

JOB OPPORTUNITY

US Logistics endeavors to afford career opportunities to employees by promoting or transferring employees from within the Company whenever possible. To facilitate this, designated full-time office and shop positions may be posted internally whenever possible, to allow Drivers to pursue promotionally and career path opportunities. Management reserves the right to fill positions from sources outside the Company when Drivers are not selected internally, or when required by special circumstances or operational necessity.

PERSONNEL RECORDS

Your personnel file is the property of the Company, and the information it contains is private and extremely important. Therefore, you should ensure that the personal data in the file is accurate and to date. Please immediately update any change of address, phone number.

As a Driver of the Company, you may inspect your personnel file, as provided by law, in the presence of a Company representative at a mutually convenient time. You may add your version of any disputed item to the file.

The Company will restrict disclosure of your personnel file to authorized individuals within the Company. Any request for information from personnel files must be directed to the Human Resources Department. Only the Human Resources



Department is authorized to release information about current or former Drivers. Requests for past employment information about employment dates, termination dates, the number of preventable accidents, preventable accident details, the reason for termination, re-employment status and DOT drug and alcohol results information on current or former US Logistics Drivers should be directed to Driver Facts at <http://www.driverfacts.com> or by calling 888-844-4730. Disclosure of personnel information to outside sources will be limited; however, the Company will cooperate with requests from authorized law enforcement or local, state or federal agencies conducting investigations, and will respond to subpoenas when required by law.

Health/medical records are not included in your personnel file. These records are confidential and maintained in separate files. The Company will safeguard them from disclosure and will divulge such information only (1) as allowed by law; (2) to the Driver's personal physician upon written request with permission of the Driver, or (3) as required for Work Injury cases or upon request by DOT.

VOLUNTARY TERMINATIONS

If you decide to leave your employment with US Logistics, we ask that you give us at least two weeks written notice. This will give us the opportunity to make the necessary adjustments in our operation. All Company- owned property (e.g., Omnitracs, Qualcomm, vehicles, keys, lock kits, Driver Manual, identification badges, toll, credit and fuel cards, CB and/or radios, permit book and other company property) must be returned at the time of termination. The Company will track assets, and property not returned may be charged back to the employee in accordance with federal or state law.

DRIVER REFERENCES

All Driver requests for references must be from DriverFacts at www.driverfacts.com or 888-844-4730. No Leader, Driver Leader or other US Logistics employees is authorized to release references or prepare letters of recommendation for current or former Drivers. US Logistics complies with all DOT regulations regarding reporting and reserves the right to provide information to DriverFacts about accidents regardless of whether they are DOT-reportable or not. If you believe errors exist in your reference information, please contact DriverFacts.

CODE OF PROFESSIONAL CONDUCT

US Logistics mission includes promotion of professional conduct in the practice of all employees, officers, and board members throughout the Company. One of our values is that all employees are held to the highest standards of veracity. We are honest and ethical in all our business dealings, starting with how we treat each other. We keep our promises and admit our mistakes. Our personal conduct ensures that US Logistics will be there to deliver for your future. US Logistics employees, officers, and board members hold an important and elevated role in corporate governance in that they are uniquely capable and empowered to ensure that all stakeholder's interest are appropriately balanced, protected and preserved. This Code provides principles to which US Logistics employees, officers, and board members are expected to adhere and advocate. It embodies rules regarding individual and peer responsibilities as well as responsibilities to other employees, the public and other stakeholders. Employees, officers, and board members are expected to abide by this Code as well as any other applicable US Logistics policies or guidelines in the Driver and Non-Driver handbooks relating to the areas covered by this Code.



The Company's employees, officers, and board members will:

* Act with honesty, integrity and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Compliance with this provision means that transactions involving conflicts of interest shall be approved by the Chief Financial Officer, Internal Audit Department, and/or any other appropriate person designated by the Company at its sole discretion or, if required by the Company's policies or SEC rules, assuming the Company is a SEC registrant, by the Board of Directors or committee of directors. Provided appropriate approvals are obtained in accordance with the Company's and the SEC's policies, and rules, a conflict of interest transaction will be considered to be in compliance with this Code and not a waiver of the Code.

All employees, officers, and board of US Logistics members are expected to:

- * Provide stakeholders with full, fair, accurate, timely, and understandable disclosures in reports and documents that the Company is required to file or submit to the SEC, registrant, and with its creditors and senior note holders.
- * Comply with applicable rules and regulations of federal, state, provincial and local governments, and other appropriate private and public regulatory agencies.
- * Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- * Maintain the confidentiality of information obtained in the course of one's work except when authorized or otherwise legally obligated to disclose.
- * Ensure that confidential information acquired in the course of one's work is not used for personal advantage.
- * Obtain adequate training and share knowledge applicable to one's duties and responsibilities to US Logistics and its stakeholders.
- * Achieve accountability of and control over all assets and resources engaged or entrusted in the course of one's work.
- * Proactively promote and be an example of ethical behavior among peers, in the work environment and in the community.

REPORTING UNPROFESSIONAL CONDUCT, ILLEGAL CONDUCT OR FRAUD

All employees should promptly report any and all suspected violations of company policy to appropriate personnel. Reports may be anonymous however it is the Company's policy that employees may make reports without fear of dismissal or retaliation of any kind. All reports will be thoroughly investigated.

Safety-related concerns may be reported to any Leader, the Human Resources or Safety Departments. Employment-related concerns should be reported through the internal complaint process and/or normal human resource channels. Reports of theft or unauthorized use of company property or services may be reported through the Security Tipline at



702-381-3067 Reports of fraud, questionable accounting or auditing matters or other illegal or improper conduct relating to the Company may be reported through US Logistics Whistleblower Policy, which is published externally to this Handbook.

Whistleblower reports may be filed in writing, mailed to the attention of Jeffery Kohoutek at US Logistics& Consulting Corp., 2300 West Sahara Ave Suite #600 Las Vegas, NV 89102. In addition, these reports may be made emailed to: info@uslogistics.biz . Examples of whistleblower reports include but are not limited to questionable accounting or auditing matters, unlawful actions by or related to the Company, violation of company policy including the Code of Business Conduct and Ethics and Securities Trading Policy or any other serious improper or unethical conduct related to the Company.

PERFORMANCE IMPROVEMENT PROCESS

The Performance Improvement Process is designed to let Drivers know when their conduct or job performance does not meet acceptable standards and advise them that immediate and sustained improvement to meet standards must be attained.

US Logistics Drivers are expected to demonstrate the highest level of personal conduct and job performance during scheduled work hours, when on Company property, when representing the Company and when operating Company vehicles. Should a driver's conduct or job performance not meet the Company's high standards, leaders will review the situation, and if warranted, will counsel the Driver to raise conduct or job performance to an acceptable level. A Driver's inability or unwillingness to modify conduct or improve job performance to an acceptable level may result in termination.

Management reserves the right to immediately terminate employment without following the performance improvement process for conduct or job performance incidents.

Generally, the process will begin with one or more Informal (written) Performance Counseling Reports (PCR). If the Driver's conduct or job performance does not improve, the process will generally progress to more serious steps, up to and including termination of employment. Such steps may involve Formal (written) PCRs which become a permanent part of the Driver's personnel file. If a Driver disagrees with the PCR, he or she may file an appeal by following the Internal Complaint Procedure.

Leaders maintain the absolute discretion to determine the appropriate level of discipline based on relevant the circumstances. With prior Human Resources approval, a supervisor may suspend a Driver for a reasonable period of time to permit the Company to investigate whether the facts surrounding serious policy violations or misconduct should lead the Company to terminate the Driver summarily. Suspensions should normally last no longer than one work week.

PROHIBITED CONDUCT

There are many employees working together at US Logistics, and we need to safeguard our security, personal safety, welfare and Company operations. The following prohibited conduct will not be tolerated by US Logistics and may lead to immediate termination of employment. This list of prohibited conduct is ILLUSTRATIVE ONLY. Other types of conduct detrimental to security, personal safety, employee welfare and the Company's interests may also be prohibited:



1. A violation of the DOT and/or Company Drug and Alcohol Policy.
2. Text messaging, videotaping or emailing while driving a Company vehicle or while acting within the scope of employment.
3. Failure to report an incident or accident regardless of its severity, or multiple incidents or accidents while driving a Company vehicle.
4. The destruction, abuse, misuse, theft, or unauthorized removal, use or possession of property belonging to the Company, another employee, or a US Logistics account or customer. May be subject to criminal prosecution.
5. Disregard for the safety of one's self or other employees, or committing unsafe acts.
6. Tampering with Company equipment (e.g. engine management systems; fuel pump; etc.).
7. Destruction of Company equipment or property. May be subject to criminal prosecution.
8. Committing or threatening to commit an unsafe act that results in, or may result in serious injury of one's self or other employees or destruction of Company property.
9. Concealing, carrying or possessing weapons or explosive devices while on Company time, business, property (includes tractor and trailer) or while representing the Company. May be subject to criminal prosecution.
10. Threats, coercion or use of insulting, offensive or abusive language or conduct toward others, including employees, Managers or customers.
11. Insubordination, including refusal or failure to perform work in accordance with instruction.
12. Dishonesty.
13. Unauthorized passenger(s) or pet(s) in a Company vehicle.
14. Improper completion, misrepresentation, omission or falsification of employment application, expense reports, timecards or any other Company records or reports.
15. Unauthorized absence from work for three (3) or more consecutive scheduled workdays. This will be considered a voluntary resignation.
16. A pattern of harassment or an extremely serious single incident of harassment
17. Deviation from assigned work schedule, leaving the job or work area without Driver Leader's approval, or sleeping on duty (sleeper berth time - is not on duty time).
18. Solicitation or distribution of materials during work time or in work areas.
19. Failure to cooperate in a Company investigation.



20. Possessing a radar detector and/or jamming device in any Company owned vehicle
21. Failure to provide, 'Yearly Violation Statement,' or failure to be medically certified as required by DOT.
22. Violations of the Hours of Service regulations, missing logs or falsifying of log books/e-logs. Failure to obtain Terminal Leader's approval prior to working a second job outside of the transportation industry, or working a second job related to the transportation industry.
23. Dropping a loaded trailer at any location other than a secured terminal or secured drop yard, or failing to obtain consignee's signature prior to dropping at a consignee's yard. Failure to maintain visual contact at all times with any HIGH VALUE load trailer; dropping a HIGH VALUE load trailer at any unsecured terminal or drop yard; failure to follow the King Pin and Padlock procedure.
24. Failure to report any citations or violations within 24 hours of receipt. Or, failure to resolve such violations.
25. Posting notices, signs or writings in any form on official Company bulletin boards or property, or removing any Company placed notices, signs or writings from Company bulletin boards or property.
26. Gambling, lottery or any other games of chance on Company or customer property (includes tractor or trailer), time or while representing the Company.
27. Offering to sell, selling, offering to buy or buying while in the course and scope of employment, what a reasonable person would believe to be stolen or misappropriated merchandise; attempting to remove or removing, attempting accept or accepting any product being transported. May result in criminal prosecution.
28. Having three or more service failures within a twelve-month period that fall below 97.5% on time delivery.
29. Disclosure of trade secrets or other confidential information.
30. Performing other work, whether or not it is self-employment or the Driver's own business enterprise, while on any leave of absence (except military duty while on military leave of absence) or during scheduled work hours.
31. Unauthorized physical contact or threats with a US Logistics employee, customer, vendor or a member of the motoring public; assault, battery, violence or threats of violence against one's self or others. May be subject to criminal prosecution.
32. At no time will a Student Driver operate any US Logistics tractor without a Driver Trainer being present.
33. Taking prescription medications without proper approval from the Safety Dept. prior to performing a safety sensitive function.
34. Failure to report to the Driver's Driver Leader within 72 hours the loss, revocation, or suspension of CDL or any other license or certification required to perform a job (or required by the job description).

This statement of prohibited conduct does not alter the Company's policy of employment at-will. Either you or the



Company may terminate the employment relationship at any time, for any or no reason, with or without cause or with or without prior notice.

US LOGISTICS & CONSULTING CORP SPEED PARAMETER ADDENDUM

This policy supersedes, replaces and voids any and all prior speed parameter policies in the Driver Handbook or elsewhere.

SPEED PARAMETERS

A primary concern to Drivers and the motoring public is their safety. We have set the following speed parameters guidelines:

Company Drivers: 62 MPH

The following parameters are violations of our speed policy:

- Recorded speed of 67 MPH or higher
- Any time between the range of 67 – 70 MPH (Excessive)
- Any time greater than 70 MPH (Flagrant)
- Any tampering of equipment.

The following disciplinary action may occur if any of the above is discovered within 12 months of another violation:

- First warning: Written warning
- Second warning: Written warning and personal conference
- Third warning: Probation and suspension
- Fourth warning: Recommended termination of employment.

Safety on Customer Property

Employees of U S Logistics Corp. are required to follow all Customers' safety and security procedures while on their property. Including, but not limited to:

- Obeying all posted speed limits in the Customer's yard
- Emergency exit location(s).
- Keep your eyes on the path you are walking and avoid any tripping/slipping hazards; while on stairs, maintain three-point contact – hand on rail and feet on steps.
- Wear shoes that support your feet and are slip-resistant.
- Avoid clothing that is either constrictive or too loose; loose clothing can get caught in equipment.

These rules are established to help you stay safe and injury-free. Violation of the above rules or conduct that



does not meet minimum accepted work standards, may result in discipline, up to and including discharge.

When dropping off or picking up goods at a location, employees are required to follow the above rules, as well as all Customer's rules and procedures, and work in a manner that reflects positively on U S Logistics Corp. Before operating any equipment not owned or normally operated by U S Logistics Corp. personnel, permission must be secured.

Periodic Inspections

It is the policy of U S Logistics Corp. that Employee workplaces (Trucks) are subject to periodic safety and health inspections to ensure implementation and execution of our policies and procedures as relates to employees, vendors and others.

All employees are responsible for cooperating during these inspections, and managers and supervisors are responsible for initiating corrective actions to improve items discovered during the walk-through inspection.

Injury Reporting

All work-related injuries must be reported to U S Logistics Corp. Safety Department immediately. Failure to immediately report injuries can result in loss of workers compensation benefits. After each medical appointment resulting from a work-related injury, you must contact Safety Department representative to discuss your progress. You must also give your supervisor any paperwork that you received at the appointment.

U S Logistics Corp. provides transitional return to work (light duty) jobs for persons injured at work. Transitional work is meant to allow the injured or ill employee to heal under a doctor's care while remaining productive. Employees are required to return to work immediately upon release.

Accident Reporting

All accidents must be reported **immediately** to Safety Department representative. Below are some examples of accidents. If you have any questions regarding this – please make sure to ask safety instructor or department manager.

Examples of accidents, but not limited to:

- Deer Strikes
- Striking a truck, or trailer; or any equipment belonging to U S Logistics Corp., other customers, other transportation and etc.
- Striking pole's or any other object

If there is an accident with an injury call 911, then call Safety Department. All accidents must be reported to



Safety Department within an hour. You may submit you Incident report via the Company website.

Inspections/Citations

Employees of U S Logistics Corp. have to fax/submit any/all copies of Inspection(s) to the company within 8 hours of receiving an inspection; regardless of inspection's outcome, regardless of its level.

Employees of U S Logistics Corp. have to fax/submit any/all copies of any Citation(s) to the company within the 8 hours of receiving a citation; regardless of agreeing with citation, its level, severity and etc.

You may submit you Inspection / Citation report via the Company website.

Incident Reporting

1. Any work-related injury or suspected injury must be reported immediately to Safety Department. An incident report form must be completed. Failure to promptly report an injury may result in disciplinary action.
2. Medical provider will give documents pertaining to injury to the employee. The employee must submit any/all documents to the company to insure proper filing of WC claims.
3. After each practitioner appointment, the employee must report to Safety Department representative to review their progress.

An accident investigation will be conducted to determine the root cause of the accident. The injured employee will be asked to participate in the investigation. You may submit you Incident report via the Company website.

Failure to comply with Injury, Accident, Inspection/Citation reporting policies may result in termination of employment, with followed DAC reporting.

OFF-DUTY CONDUCT

The Company will not take any adverse employment action against any Driver for engaging in unlawful conduct occurring during non-working hours away from US Logistics premises. However, under certain circumstances, if a Driver's personal conduct begins to adversely affect either his or her performance on the job, or begins to make it impossible for him or her to carry out any one or all of his or her job duties while at work, appropriate discipline up to and including discharge may be appropriate. Off duty conduct which adversely affects the Company's legitimate business interests or your ability to perform your job will not be tolerated.

DISCLOSURE OF CONFLICTS OF INTEREST

Each employee should make prompt and full disclosure in writing to his or her immediate supervisor and, as



appropriate, the Chief Financial Officer and the Director of Internal Audit, any situation that may involve a conflict of interest. This includes, by way of example, but not as a complete list:

- Ownership of a material financial interest in any outside enterprise that does or seeks to do business with, or is a competitor of, the Company.
- Serving or performing work for an outside enterprise that does or seeks to do business with, or is a competitor of, the Company. This includes, for example, serving as an employee, partner, director, officer or consultant.
- Acting as a broker, finder or intermediary for the benefit of a third party in transactions involving the Company or its interests.
- Incurring significant personal indebtedness to any concern or business with whom US Logistics is conducting business or has the potential to conduct business, either as a vendor, customer or service provider.
- Any arrangement or circumstance, including family or other personal relationships, which might cause the employee not to act in the best interest of the Company, or that presents the appearance of a conflict of interest.
- An individual shall not vote on, influence, or make recommendations regarding a transaction or decision when an individual or a member of his or her family has a material interest in an entity or property involved in the transaction or decision, unless such interest or relationship has been properly disclosed to and approved by US Logistics.

For individuals whose duties include the purchase of goods or services for US Logistics, such individuals must seek multiple vendor bids/proposals and select a vendor that will best serve the interests of US Logistics.

If the Company has reason to believe that an individual subject to this policy has failed to disclose an actual or potential conflict of interest, it shall inform the employee of the basis for such belief and afford the individual an opportunity to explain the alleged failure to disclose. If, after hearing the response of the individual and making any further investigation the Company determines that the individual has failed to make a required disclosure, it shall take appropriate disciplinary and corrective action up to and including termination of employment.

CONFIDENTIALITY POLICY

Information about US Logistics, its employees, customers, suppliers and vendors is to be kept confidential and divulged only to individuals within the Company who have a need to know and are authorized to receive such information. This applies to all employees responsible for maintaining the integrity of information, with added emphasis for those employees working in Finance, Payroll, Human Resources, Safety, Operations, Customer Service, Shop and other departments where fiduciary, vendor and/or customer information is maintained. If in doubt as to whether information should be divulged, err in favor of not divulging information and discuss the situation with your supervisor. Nothing in this provision shall be deemed to abridge an individual's right to discuss wages, working conditions or any right guaranteed under the National Labor Relations Act, as amended, and this provision should and will be construed and interpreted to ensure that such rights remain unaffected.

All records and files maintained by the Company are confidential and remain the property of the Company. Records and



files are not to be disclosed to any outside party without the express permission of the Chief Executive Officer or an Executive Vice President. Under no circumstances may any person disclose or discuss confidential information or any information pertaining to other employees to which this person gains access as a result of his or her position and job duties, to any third-party or to any employees within the Company not otherwise allowed to gain access to such information. Confidential information includes, but is in no way limited to financial records, personnel information, medical records, customer/account information, information regarding vendors or suppliers, or any documents or information regarding Company operations, procedures or practices. Such confidential information may not be removed from the Company premises without express authorization. If violations occur, such as breach of trust from an individual with access to customer or personnel information, or the improper accessing of such information, it will result in immediate termination.

Confidential information obtained during or through employment with the Company may not be used by any employee, for the purpose of furthering current or future outside employment or for obtaining personal gain or profit. The Company reserves the right to avail itself of all legal or equitable remedies to prevent impermissible use of confidential information or to recover damages incurred as a result of such impermissible use of confidential information.

UNAUTHORIZED USE OF COMPANY PROPERTY OR SERVICES

You may not use Company property and services for your personal benefit or the benefit of others unless approved by a Vice President or Executive Vice President. You are responsible for protecting Company assets, including the Company's trade secrets, technology and other confidential or proprietary data and information.

Personal Gain. All employees should act in the best interest of the Company to the exclusion of personal advantage in their dealings with current and potential customers, suppliers, contractors and competitors.

Corporate Opportunities. Directors and employees shall not personally gain from opportunities that are discovered through the use of Company information or as a result of the director or employee's position with the Company. Furthermore, directors and employees should not compete with the Company unless such competition is disclosed to the Chief Financial Officer or Director of Internal Audit and approved or determined to be immaterial. Employees and directors have a duty to the Company to protect its legitimate business interests.

Loans or Guarantees. Directors, executive officers and other employees may not, except as permitted by law, accept loans or guarantees from the Company for themselves or their family members.

OUTSIDE EMPLOYMENT

The Company understands that occasionally an employee must obtain other employment to supplement his/her primary employment or operate his/her own business operation. Outside employment is not prohibited, but it must not conflict in any way with your responsibilities within our Company.

The policy of the Company is that no employee is permitted to have an outside interest that:

- * Conflicts with his/her work schedule, duties and responsibilities or creates a conflict of interest.
- * Impairs or has a detrimental effect on his/her work performance with the Company.



* Requires him/her to conduct work or related activities on Company property, during Company working hours or using Company facilities and/or equipment.

* Gives the impression that US Logistics sponsors, promotes or supports the outside interest, event, or Company where the individual is also employed.

For the purposes of this policy, self-employment is considered outside employment.

Outside employment related to the transportation industry, or that would have a direct impact on US Logistics, must be approved in writing by the Chief Executive Officer or an Executive Vice President.

The Company shall not provide Work Injury coverage or any other benefit for injuries occurring from or arising out of outside employment.

DRUG AND ALCOHOL POLICY

US Logistics & Consulting Corp. (“US Logistics” or “the Company”) is dedicated to the health and safety of our Drivers, employees, and the motoring public, and is committed to maintaining a workplace which is free from the use of controlled substances and the misuse of alcohol.

The serious impact of drug use and alcohol abuse has been recognized by the federal government. The Federal Motor Carrier Safety Administration (FMCSA) has issued regulations which require the Company to implement an alcohol and controlled substances testing program. The purpose of the regulations issued by the FMCSA is to establish a program designed to help prevent accidents and injuries resulting from the misuse of alcohol or use of controlled substances by Drivers of commercial motor vehicles. The Company complies with these regulations.

The Company has adopted this Drug & Alcohol Policy described herein, (the “Policy”) that meets or, in certain instances, exceeds the standards imposed by federal regulations. FMCSA regulations specifically allow company's to implement policies that exceed the standards imposed by its regulations.

US LOGISTICS IS A ZERO TOLERANCE COMPANY

US Logistics employs a zero-tolerance policy. Violation of US Logistics Policy will result in immediate termination of employment. All Drivers who operate commercial motor vehicles that require a commercial Driver’ s license under 49 CFR Part 383 are subject to the FMCSA's drug and alcohol regulations, 49 CFR Part 382.

The Federal Motor Carrier Safety Regulations (FMCSRs) set the minimum requirements for testing. The Company's Policy in certain instances may be more stringent than the FMCSRs. Any differences between the FMCSR’ s and Company policy are noted in the Policy.

US Logistics alcohol and drug program administrator, who is designated to monitor, facilitate, and answer questions pertaining to this Policy, is:

Drug & Alcohol Compliance Supervisor or “DER” 3720 NE 24th Street Renton WA, 98056



The Driver is responsible for complying with the requirements set forth in this Policy.

DEFINITIONS

When implementing and interpreting the drug and alcohol policies and procedures required by the FMCSA as well as the policies and procedures required by US Logistics, the following definitions apply:

Actual Knowledge: actual knowledge by an employer that a Driver has used Alcohol or controlled substances based on the employer's direct observation of the Driver, information provided by the Driver's previous employer(s), a traffic citation for driving a CMV while under the influence of alcohol or a controlled substance, or a Driver's admission of alcohol or controlled substance use under the provisions of Sec. 382.121. Direct observation as used in this definition means observation of alcohol or controlled substance use and does not include observation of Driver behavior or physical characteristics sufficient to warrant reasonable suspicion testing under Sec. 382.307

Alcohol: the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohols including methyl and isopropyl alcohol.

Alcohol concentration (or content): the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test.

Alcohol screening device (ASD): a breath or saliva device, other than an Evidential Breath Testing device (EBT) that is approved by the National Highway Traffic Safety Administration (NHTSA) and placed on a conforming products list (CPL) for such devices.

Alcohol use: the consumption of any beverage, liquid mixture, or preparation, including any medication, containing alcohol.

Breath Alcohol Technician (or BAT): an individual who instructs and assists individuals in the alcohol testing process, and operates an evidential breath testing device (EBT).

CFR: Code of Federal Regulations.

Collection site: a place designated by the Company, where individuals present themselves for the purpose of providing a urine or hair specimen for a drug test.

Commercial motor vehicle: a motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle:

- Has a gross combination weight rating of 26,001 or more pounds (11,794 or more kilograms) inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds (4,536 kilograms);
- Has a gross vehicle weight rating of 11,794 or more kilograms (26,001 or more pounds);
- Is designed to transport 16 or more passengers, including the Driver; or
- Is of any size and is used in the transportation of materials found to be hazardous for the purposes of the



Hazardous Materials Transportation Act and which require the motor vehicle to be placard under the Hazardous Materials Regulations (49 CFR Part 172, subpart F)

Confirmation (or confirmatory) drug test: a second analytical procedure performed on a specimen to identify and quantify the presence of a specific drug or drug metabolite.

Confirmation (or confirmatory) validity test: a second test performed on a specimen to further support the validity of a test result.

Confirmed drug test: a confirmation test result received by an MRO from a laboratory.

Consortium/Third-party administrator (C/TPA): a service agent that provides or coordinates the provision of a variety of drug and alcohol testing services for the Company. C/TPAs typically perform administrative tasks concerning the operation of the Company's drug and alcohol testing programs. This term includes, but is not limited to, groups of employers who join together to administer, as a single entity, the DOT drug and alcohol testing programs of its members. C/TPAs are not "employers."

Controlled substances: those substances identified in 49 CFR, Section 40.85.

Designated employer representative (DER): an individual identified by the employer as able to receive communications and test results from service agents and who is authorized to take immediate actions to remove Drivers from safety-sensitive duties and to make required decisions in the testing and evaluation processes. The individual must be an employee of the Company. Service agents cannot serve as DERs.

Driver: any person who operates a commercial motor vehicle. This includes, but is not limited to: full time, regularly employed Drivers; casual, intermittent or occasional Drivers; leased Drivers and independent, owner-operator contractors who are either directly employed by or under lease to an employer or who operates a commercial motor vehicle at the direction of or with the consent of an employer.

Drug: means any substance (other than alcohol) that is a controlled substance as defined in this Policy and 49 CFR Part 40 or subsequent rulemaking or legislation

Evidential breath testing device (EBT): a device approved by the National Highway Traffic Safety Administration (NHTSA) for the evidential testing of breath alcohol concentrations, placed on NHTSA's Conforming Products List (CPL) for "Evidential Breath Measurement Devices" and identified on the CPL as conforming with the model specifications available from NHTSA's Traffic Safety Program.

FMCSA: Federal Motor Carrier Safety Administration, U.S. Department of Transportation.

Licensed medical practitioner: a person who is licensed, certified, and/or registered, in accordance with applicable federal, state, local, or foreign laws and regulations, to prescribe controlled substances and other drugs.

Medical Review Officer (MRO): a person who is a licensed physician (Doctor of Medicine or Osteopathy) and who is responsible for receiving and reviewing laboratory results generated by the Company's drug testing program and evaluating medical explanations for certain drug test results.

Prescription Medications: means the use (by a Driver) of legally prescribed medications issued by a licensed health care



professional familiar with the Driver's work-related responsibilities.

Refuse to submit (to an alcohol or controlled substances test): when a Driver:

- Fails to appear for any test (except pre-employment) within a reasonable time, as determined by the Company, consistent with applicable DOT regulations, after being directed to do so by the Company. This includes the failure of a Driver (including an owner-operator) to appear for a test when called by a C/TPA;
- Fails to remain at the testing site until the testing is complete (except pre-employment if the Driver leaves before the testing process begins);
- Fails to provide a urine specimen for any DOT required drug test (except pre-employment if the Driver leaves before the testing process begins);
- In the case of a directly observed or monitored collection in a drug test, fails to permit the observation or monitoring of the Driver's provision of the specimen;
- Fails to provide a sufficient amount of urine when directed, and it has been determined, through a required medical evaluation, that there was no adequate medical explanation for the failure;
- Fails or declines to take a second test the employer or collector has directed the Driver to take, such as a hair test;
- Fails to undergo a medical examination or evaluation, as directed by the MRO as pre-employment drug test, the employee is deemed to have refused to test on this basis only if the pre-employment test is conducted following a contingent offer of employment);
- Fails to cooperate with any part of the testing process; or
- Is reported by the MRO as having a verified adulterated or substituted test result.

Safety-sensitive function: includes all time from the time a Driver begins to work or is required to be in readiness to work until the time he/she is relieved from work and all responsibility for performing work, including, but not limited to:

- All time at an employer or shipper's plant, terminal, facility, or other property, or on any public property, waiting to be dispatched, unless the Driver has been relieved from duty by the Company;
- All time inspecting equipment as required by Secs. 392.7 and 392.8 or otherwise inspecting, servicing, or conditioning any commercial motor vehicle at any time;
- All time spent at the driving controls of a commercial motor vehicle in operation;
- All time, other than driving time, in or upon any commercial motor vehicle, except time spent resting in a sleeper berth (a berth conforming to the requirements of Sec. 393.76);
- All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in



giving or receiving receipts for shipments loaded or unloaded; and

- All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.

Screening Test (or Initial Test) means:

- In drug testing, a test to eliminate “negative” specimens from further analysis or to identify a specimen that requires additional testing for the presence of drugs.
- In alcohol testing, an analytical procedure to determine whether a Driver may have a prohibited concentration of alcohol in a breath or saliva specimen.

Screening test technician (STT): a person who instructs and assists Drivers in the alcohol testing process and operates an alcohol-screening device (ASD).

Stand-down: the practice of temporarily removing a Driver from the performance of safety-sensitive functions based only on a report from a laboratory to the MRO of a confirmed positive drug test for a drug or drug metabolite, an adulterated test, or a substituted test, before the MRO has completed verification of the test results.

Substance abuse professional (SAP): a person who evaluates Drivers who have violated a DOT drug and alcohol regulation and makes recommendations concerning education, treatment, follow-up testing, and aftercare. A SAP must be:

- a licensed physician (Doctor of Medicine or Osteopathy);
- a licensed or certified social worker;
- a licensed or certified psychologist;
- a licensed or certified employee assistance professional; or
- a drug and alcohol counselor certified by the National Association of Alcoholism and Drug Abuse

Counselors Certification Commission (NAADAC) or by the International Certification Reciprocity Consortium/Alcohol and Other Drug Abuse (ICRC).

ALCOHOL PROHIBITION

US Logistics alcohol policy provides that a Driver shall not:

- Consume or be under the influence of alcohol within 12 hours of: (A) going on duty, (B) being on US Logistics property; or (C) operating, or having physical control of a motor vehicle; or
- Consume or be under the influence of alcohol while on duty, or operating, or in physical control of a motor vehicle;
- Possess any alcohol while on duty, or operating, or in physical control of a motor vehicle, other than intoxicating beverages transported under a manifest as part of a shipment. This prohibition includes



having any alcoholic beverage containers, full or empty, consumed or unconsumed, on a US Logistics truck or property at any time;

- Use alcohol within 8 hours following an accident unless the driver has first been given a post- accident test and has been released from duty; or
- Refuse to submit to a required alcohol test (whether post-accident, random, reasonable suspicion, follow up testing or pre-employment).

NOTE: US Logistics Alcohol prohibition is more stringent than that required by FMCSR 382.505.

DRUG PROHIBITION

US Logistics drug policy provides that the use, sale, purchase, transfer, possession, or presence in one's system of any controlled substance (except medically prescribed drugs that an authorized medical doctor has deemed may be safely used while performing a safety sensitive function) by any Driver while on the Company premises, engaged in Company business, operating Company equipment, or while under the authority of US Logistics is strictly prohibited.

US Logistics prohibition extends to drug paraphernalia and includes items used to defeat or tamper with Company and DOT drug tests. It also includes any substances that may impair a Driver's ability to safely operate the equipment (including but not limited to: "Fake Weed," "K-2" , "Spice" , "JWH 018" , "Bath Salts" , "Bliss" , "Ivory Snow" , "Vanilla"

The use of marijuana under any state law violates this Policy. Under federal law, the use of marijuana or any Schedule 1 drug does not have a legitimate medical use in the United States.

All Drivers shall inform his/her Driver Leader of any therapeutic drug use prior to performing a safety- sensitive function. He/she may be required to present written evidence from a health care professional which describes the effects such medications may have on the Driver' s ability to perform his/her tasks.

ALCOHOL TESTING PROCEDURES

Alcohol testing will be conducted at a collection site authorized by US Logistics by a qualified breath alcohol technician (BAT) or screening test technician (STT), according to 49 CFR Part 40 procedures.

The testing will be performed in a private setting. Only authorized personnel will have access, and are the only individuals who can see or hear the test results.

When the Driver arrives at the testing site, the BAT or STT will ask for identification. The Driver may ask the BAT or STT for identification.

When the initial test results show a reading of .02 BAC or greater, a confirmation test is necessary. Before the confirmation test, a 15-minute waiting period will be observed. The purpose of the 15-minute waiting period is to ensure that the presence of mouth alcohol from recent use of food, tobacco, or hygiene products, does not artificially raise the test results.



Refusal to complete and sign the alcohol testing form or refusal to provide breath or saliva will be considered a failed test, and the Driver will be removed from all safety-sensitive functions in accordance with US Logistics Zero Tolerance policy.

DRUG TESTING PROCEDURES

Drug testing will be conducted at a US Logistics approved collection site. Specimen collection will be conducted in accordance with 49 CFR Part 40, any applicable state law, and Company policy. Under the

FMCSR's, drug tests will be conducted via urine sample and will test for five drug types: 1) marijuana; 2) cocaine; 3) opiates; 4) amphetamines; and 5) phencyclidine (PCP). Regulated tests will also include screening for certain opioids, including: hydrocodone, hydromorphone, oxycodone, and oxymorphone. Under Company policy, drug testing may also be conducted using a hair, saliva, blood, or fingernail sample and may test for additional substances other than those enumerated in the FMCSRs.

For non-DOT regulated drug or alcohol tests conducted under this Policy, the Company will endeavor to accommodate any testing procedures that conflict with any medical condition or a sincerely held religious belief.

The collection procedures have been designed to ensure the security and integrity of the specimen provided by each Driver. The procedures will strictly follow federal chain of custody guidelines.

A drug testing custody and control form (CCF) will be used to document the chain of custody from the time the specimen is collected at the testing facility until it is tested at the laboratory.

When the Driver arrives at the collection site, the collection site employee will ask for identification. The Driver may ask the collection site person for identification.

The Driver will be asked to remove all unnecessary outer garments (coat, jacket) and secure all personal belongings. The Driver may keep his/her wallet.

If the results of the initial test are positive, a confirmation test is performed.

According to FMCSA regulation, the laboratory must report all test results directly to US Logistics medical review officer (MRO). All test results must be transmitted to the MRO in a timely manner, preferably the same day that the review by the certifying scientist is completed. All results must be reported.

The MRO is responsible for reviewing and interpreting all confirmed positive, adulterated, substituted, or invalid drug test results. The MRO must determine whether alternate medical explanations could account for the test results. The MRO must also give the Driver who has a positive, adulterated, substituted, or invalid drug test an opportunity to discuss the results prior to making a final determination. After the decision is made, the MRO must notify the Company's DER.

If the MRO, after making and documenting all reasonable efforts, is unable to contact a tested Driver, the MRO shall contact the DER instructing him/her to contact the Driver. The DER will arrange for the Driver to contact the MRO before going on duty.



The MRO may verify a positive, adulterated, substituted, or invalid drug test without having communicated with the Driver about the test results if:

- the Driver expressly declines the opportunity to discuss the results of the test;
- neither the MRO or DER has been able to make contact with the Driver for 10 days; or
- within 72 hours after a documented contact by the DER instructing the Driver to contact the MRO, the Driver has not done so.

As required by FMCSA regulations, the MRO must notify each Driver who has a positive, adulterated, substituted, or drug test result that he/she has 72 hours to request the test of the split specimen. If the Driver requests the testing of the split, the MRO must direct (in writing) the lab to provide the split specimen to another certified laboratory for analysis. The applicant or employee will pay for the testing of the split specimen.

TESTING PROGRAMS

Pre-Employment Testing

Those individuals that the Company may hire as a Driver must test for use of controlled substances prior to employment. As Company policy, any applicant whose drug test is positive will not be considered for employment and will not be eligible for rehire.

Reasonable Suspicion Testing

If the Driver's supervisor or another trained Company official designated to supervise Drivers believes a Driver is under the influence drugs or alcohol, the Driver will be required to undergo a drug and/or alcohol test.

The basis for this decision will be specific, contemporaneous, articulable observations concerning the appearance, behavior, speech, or body odors of the Driver.

The Driver's supervisor or another Company official will immediately remove the Driver from any and all safety-sensitive functions and take the Driver or make arrangements for the Driver to be taken to a testing facility.

The person who makes the determination that reasonable suspicion exists to conduct a test may not administer the test.

Per FMCSA regulation, reasonable suspicion testing is only authorized if the observations are made during, just preceding, or after the Driver is performing a safety sensitive function.

A Driver awaiting the results of a reasonable suspicion test will be suspended pending results of the test.

Random Testing

US Logistics will conduct random testing using a selection process based on a scientifically valid method, prescribed by FMCSA regulations.

The random testing will be spread reasonably throughout the calendar year. All random alcohol and drug tests will be



unannounced, with each Driver having an equal chance of being tested each time selections are made.

A Driver may only be tested while he/she is performing a safety-sensitive function, just before performing a safety-sensitive function, or just after completing a safety-sensitive function.

Once notified that he/she has been randomly selected for testing, the Driver must proceed immediately to the assigned collection site.

Post-Accident Testing

Drivers are to notify the US Logistics Claims Department as soon as possible if they are involved in an accident.

A driver will be subject to a regulated post-accident test as soon as possible following the accident, if the accident: 1) involved in a fatality; 2) resulted in bodily injury to a person who immediately receives medical treatment away from the scene; 3) if one of the involved vehicles is towed from the scene; or

4) the driver receives a citation. Additionally, a driver or individual performing a safety sensitive function and who is involved in an accident or incident resulting in any damages or injuries may be subject to a non-regulated test under Company policy if the Company reasonably believes the accident or injury occurred as the result of a violation of the Company's Drug and Alcohol policy.

The Driver will be tested for drugs and alcohol as soon as possible following the accident. The Driver must remain readily available for testing. If the Driver isn't readily available for alcohol and drug testing, such conduct may be deemed a "refusal to submit". A Driver involved in an accident may not consume alcohol for 8 hours or until testing is completed.

If the alcohol test is not administered within 2 hours following the accident, US Logistics Claims Department will prepare a report and maintain a record stating why the test was not administered within two hours.

If the alcohol test is not administered within 8 hours following the accident, all attempts to administer the test will cease. A report and record of why the test was not administered will be prepared and maintained.

The drug test must be administered within 32 hours of the accident. If the test could not be administered within 32 hours, all attempts to test the Driver will cease.

REFUSAL TO SUBMIT

According to Sec. 382.211, a Driver may not refuse to submit to a post-accident, random, reasonable suspicion, or follow-up alcohol or drug test required by the regulations. A Driver who refuses to submit to such tests may not perform or continue to perform safety-sensitive functions and must be evaluated by a substance abuse professional as if the Driver tested positive for drugs or failed an alcohol test.

Refusal to submit includes failing to provide adequate specimens for alcohol or drug testing and any conduct that obstructs the testing process, including adulteration or substitution of any specimen.

Any refusal to submit to a required DOT regulated drug or alcohol test must be considered a positive result and reported



as such according to DOT regulations.

CONSEQUENCES OF A POSITIVE ALCOHOL OR DRUG TEST

Detection levels requiring a determination of a positive result shall be at a minimum in accordance with the guidelines adopted by the FMCSA.

Upon notification that a Driver has a drug test result of positive, adulterated, substituted, or invalid, the Driver will be given the option of requesting a test of the split sample within 72 hours. If the Driver has requested a test of the split sample, the Driver will be suspended without pay until the results of a split sample test are obtained.

If the Driver doesn't request a split sample test or the split sample test confirms the initial positive, adulterated, substituted, or invalid drug test result, the Driver will be terminated.

If the split sample testing disputed the initial test results or if the initial test results are designated invalid, the Driver will be reinstated.

Upon notification that a Driver has failed an alcohol or Drug test pursuant to this Policy the Driver will be terminated.

NEGATIVE DILUTE POLICY

When the urine sample from a test is overly hydrated, the test result will be a Dilute Negative. Under Company policy, a Dilute Negative result will constitute a need for one retest because over hydration denies an accurate test result. You may be released to drive for the company prior to the receipt of the results for the retest.

ACCOMMODATION OF DRIVERS SEEKING TREATMENT/REHABILITATION

US Logistics will attempt to reasonably accommodate Drivers with chemical dependencies (alcohol or drugs), if they voluntarily wish to seek treatment and/or rehabilitation at the Driver's expense. Drivers desiring assistance should request an unpaid treatment or rehabilitation leave of absence. US Logistics support for treatment and rehabilitation does not obligate the Company to employ any person who violates the Company's drug and alcohol abuse policy or whose job performance is impaired because of substance abuse. US Logistics also not obligated to reemploy any person who has participated in treatment or rehabilitation if US Logistics believes there is a risk that the person's job performance could be impaired as a result of dependency. Drivers who are given the opportunity to seek treatment and/or rehabilitation and are involved in any further violations of this Policy may not be given a second opportunity to seek treatment or rehabilitation at the Driver's expense.

CONFIDENTIALITY/RECORD KEEPING

All Driver alcohol and controlled substance test records are considered confidential. For the purpose of this Policy, confidential record keeping is defined as records maintained in a secure manner, under lock and key, accessible only to the program administrator.

Driver alcohol and controlled substance test records will only be released in the following situations:



- to the Driver, upon his/her written request;
- upon request of a DOT agency with regulatory authority over US Logistics;
- upon request of state or local officials with regulatory authority over US Logistics;
- upon request by the United States Secretary of Transportation;
- upon request by the National Transportation Safety Board (NTSB) as part of an accident investigation;
- upon request by subsequent employers upon receipt of a written request by a covered Driver;
 - in a lawsuit, grievance, or other proceeding if it was initiated by or on behalf of the complainant and arising from results of the tests; or
 - upon written consent by the Driver authorizing the release to a specified individual or entity. All records will be retained for the time period required in Sec. 382.401.

DRIVER ASSISTANCE

All Drivers will be given information regarding the requirements of Part 382 and this Policy by their supervisor.

According to FMCSA regulation, all employees of US Logistics designated to supervise Drivers will receive training on this program. The training will include at least 60 minutes on alcohol misuse and 60 minutes on drug use. The training content will include the physical, behavioral, speech, and performance indicators of probable alcohol misuse and drug use. The training allows supervisors to determine reasonable suspicion that a Driver is under the influence of alcohol or drugs.

According to FMCSA regulation, a list of substance abuse professionals will be provided to all Drivers who fail an alcohol test or test positive for drugs.

According to FMCSA regulation, no person who has failed an alcohol or drug test, or refused to test, will be allowed to perform safety-sensitive functions until the referral, evaluation, and treatment requirements have been complied with. The following Company disciplinary measures apply to all reasonable suspicion, post-accident, and random tests

ATTENDANCE AND SERVICE FAILURES

As a Driver of US Logistics you are expected to be regular in attendance and deliver freight on time. The late delivery of freight (Service Failure) causes problems for our customers, your fellow Drivers and your Driver Leader. When you are absent, others must perform your workload, just as you must assume the workload of others who are absent. Drivers are expected to report to work as scheduled, on time and prepared to start work.

If you are unable to report for work on any particular day, you must call your Driver Leader as soon as possible before the time you are scheduled to begin working for that day. In all cases of absence or tardiness, Drivers must provide their Driver Leader with an honest reason or explanation. Drivers must so inform their Driver Leader of the expected duration of any absence. With exception to extenuating circumstances, you must call in on any day you are scheduled to work



and will not report to work. The Company will comply with applicable laws relating to time off from work, but it is the Driver's responsibility to provide sufficient information to enable the Company to determine if any such law(s) applies to the absence. Drivers should keep in touch with their Driver Leader and notify the Company of any change in their status as soon as possible. Excessive absenteeism or Service Failures may lead to disciplinary action, up to and including termination of employment. Their Driver Leader, according to the Performance Improvement Process will counsel Drivers when excessive absenteeism or service failures occur. If you fail to report for work without any notification to your Driver Leader, you may be considered to have abandoned your employment with the Company.

A service failure is defined as any occurrence in which a customer's requirements or expectations are not executed to their satisfaction. All service failures will be reviewed. Disciplinary action will be taken when service failures are attributed to driver error equivalent to the severity of the event and/or impact to the customer. Generally, the process will begin with a first formal Performance Counseling Report (PCR) when on time delivery falls below 97.5%. If the employee's conduct or job performance does not improve, the process will generally progress to more serious steps, up to and including termination of employment.

Excessive absenteeism or Service Failures may lead to disciplinary action, up to and including termination of employment. Their Driver Leader, according to the Performance Improvement Process will counsel Drivers when excessive absenteeism or service failures occur. If you fail to report for work without any notification to your Driver Leader, you may be considered to have abandoned your employment with the Company.

Customers are to be treated courteously and given proper attention at all times. Never regard a customer's question or concerns as an interruption or an annoyance. Inquiries made by the customer, whether in person or by telephone, must be addressed promptly and professionally.

All correspondence and documents, whether to customers or others, must be neatly prepared and error-free. Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business

Never argue with a customer. If a problem develops or if a customer remains dissatisfied, ask your Driver leader for assistance.

BUSINESS CONDUCT

No Driver may accept a gift or gratuity valued in excess of \$100.00 from any customer, vendor, supplier, or other person doing business with the Company. Drivers may not accept or give gifts in excess of \$20.00 to other employees when a supervisory relationship exists, or that their work directly impacts. You must obtain advance approval from your Driver Leader to accept or give a gift or gratuity of a greater value. In

the case of expenses paid by such persons for business meals or trips, please discuss this in advance with your Terminal Leader. In no event may a gift, gratuity or expense payment influence a business decision, transaction or service. Gifts of alcohol may never be accepted.

DRESS CODE

Because each Driver is a representative of the Company in the eyes of the public, it is important that each



Driver report to work properly groomed and wearing appropriate clothing that is neat, clean and in good condition. Dress guidelines include the following:

- Hygiene practices should include a daily shower and change of clothing (more often if needed).
- Generally, jeans, casual shorts and t-shirts are allowed provided they are neat, clean and in good condition.
- Dirty, damaged clothing (holes, tears, stains, faded or raveled) or excessively tight or oversized clothing is not allowed.
- Workout clothes, such as sweatshirts, sweat pants, leotards or tights are not allowed.
- Beach/picnic wear, such as shorts, thong sandals, tank tops are not allowed.
- Clothing with offensive graphics, words or sayings is not allowed (some examples may include, but are not limited to, clothing with sexual, violent or profane connotations).
- No bare midriffs are allowed.
- SHOES: Closed toe, slip resistant rubber soled shoes or boots must be worn when on duty anytime entering or exiting US Logistics equipment. No leather soled shoes, flip flops, sandals or open toed shoes are allowed.

Your Driver Leader will inform you of additional requirements regarding acceptable attire. Certain Drivers may be required to wear safety equipment or clothing. Your Driver Leader must approve any deviations from these guidelines. Terminal and Driver Leaders are responsible for enforcing this policy.

Drivers who violate the dress code will first receive an Informal (written) Performance Counseling Report (PCR) from their Terminal or Driver Leader. If the Driver violates the dress code a second time, he or she will receive a First Formal (written) Performance Counseling Report. The Driver may be relieved of duty and required to obtain appropriate clothing. During the period a Driver is not working, he or she will not be paid for the time they are away from work. Additional violations will lead to further disciplinary action, up to and including termination.

POLICY REGARDING WORKPLACE VIOLENCE

STATEMENT OF POLICY

US Logistics recognizes that violence in the workplace is a growing nationwide problem necessitating a firm, considered response by employers. The costs of workplace violence are great, both in human and financial terms. Therefore, the Company has adopted this policy regarding workplace violence.

The safety and security of US Logistics employees is of vital importance. Acts or threats of physical violence, including intimidation, harassment and/or coercion, which involve or affect the Company, or which occur on Company property, will not be tolerated.

This prohibition against threats and acts of violence applies to all persons involved in the operation of the Company, including, but not limited to, US Logistics personnel, contract and temporary workers and anyone else on US Logistics



property. Violations of this policy, by any individual, will lead to disciplinary and/or legal action as appropriate.

DEFINITIONS

Workplace violence is any conduct which is sufficiently severe, offensive or intimidating to cause an individual to reasonably fear for his or her personal safety or the safety of his or her family, friends and/or property such that employment conditions are altered or a hostile, abusive or intimidating work environment is created for one or several US Logistics employees. Examples of workplace violence include, but are not limited to, the following:

- Threats or acts of violence occurring on Company premises, regardless of the relationship between the Company and the parties involved in the incident. Threats or acts of violence occurring off Company premises involving someone who is acting in the capacity of a representative of US logistics.
- Threats or acts of violence occurring off Company premises involving an employee of the Company, if the threats or acts affect the business interests of US Logistics.
- Threats or acts of violence occurring off Company premises of which a Driver of the Company is a victim if the Company determines that the incident may lead to an incident of violence on Company premises.
- Threats or acts resulting in the conviction of a Driver or agent of US Logistics, or of an individual performing services for US Logistics on a contract or temporary basis, under any criminal code provision relating to violence or threats of violence which adversely affect the legitimate business interests of US Logistics.

Specific examples of conduct that may be considered threats or acts of violence under this policy include, but are not limited to the following:

- Threatening physical or aggressive contact directed toward another individual.
- Threatening an individual or his or her family, friends, associates or property with physical harm.
- The intentional destruction or threat of destruction of Company property or another's property.
- Harassing or threatening phone calls, letters, or Qualcomm, e-mail or intranet messages.
- Surveillance.
- Stalking.
- Veiled threats of physical harm or like intimidation.

ENFORCEMENT



Drivers who believe threats or acts of violence have been made against them or others should report the details of the incident(s) as soon as possible to a Human Resources representative, their Driver Leader or the Security department. All incidents of violence and threats of violence that are reported will be investigated and may be reported to law enforcement for criminal prosecution.

Any person who engages in a threat or violent action on Company property may be removed from the premises as quickly as safety permits and may be required, at the Company's discretion, to remain off Company premises pending the outcome of an investigation into the incident.

When threats are made or a Company employee commits acts of violence, a judgment will be made by the Company as to what actions are appropriate, including possible disciplinary action.

Once a threat has been substantiated, it is US Logistics policy to put the threat maker on notice that he or she will be held accountable for his or her actions and then follow through with the implementation of a decisive and appropriate response.

Under this policy, decisions may be needed to prevent a threat from being carried out, a violent act from occurring or a life-threatening situation from developing. No existing Company policy or procedure should be interpreted in a manner that prevents the above from occurring.

Important Note: US Logistics will make the sole determination of whether, and to what extent, the Company will act upon threats or acts of violence. In making this determination, the Company may undertake a case-by-case analysis in order to ascertain whether there is a reasonable basis to believe that workplace violence has occurred. No provision of this policy shall alter the at-will nature of employment at US Logistics.

DRIVER BENEFITS

ELIGIBILITY AND ENROLLMENT

All new hires and rehires classified as full-time and working 30 hours or more per week are eligible to enroll in company benefits after their 90 probationary period. You will receive specific instructions

about how and when to enroll during your orientation and in your new hire benefits packet which will be mailed to you once you are hired.

You can enroll as early as one week after your hire or rehire date. You must enroll before your benefits eligibility date. Your eligibility date is based upon your status at the time of your hire or rehire date.

Eligibility dates:

- Trainee Drivers is the 1st of the month after 90 days of continuous full-time employment. You are considered a trainee driver if you have less than 6 months of verifiable, professional truck driving experience at the time of your hire or rehire.



- Experienced Drivers is the 1st of the month after 90 days of continuous full-time employment.

REINSTATEMENT OF BENEFITS AFTER REHIRE

If you are rehired, you will need to re-enroll in benefits and satisfy a new waiting period. Enroll online or by phone prior to your new eligibility date. You will receive an enrollment packet that explains how and when to re-enroll in the mail. If you are rehired after 13 weeks of your date of separation, you' ll need to satisfy a new waiting period for all plans.

If you are rehired within 13 weeks of your date of separation, you' ll be eligible for the medical plan with an effective date of the 1st of the month following your rehire date. Your eligibility for all other benefit plans will follow the eligibility dates for your job class as stated above.

Please note that some individual insurance policies may require you to re-enroll by contacting the insurance company directly.

Remember, if you want Company benefits it is your responsibility to enroll before your eligibility date. If you do not enroll during your new hire/rehire enrollment period, you must wait until the next Benefits Annual Enrollment. Benefits Annual Enrollment is held only once each year, generally in October or November.

DIRECT BILL POLICY

All employees that participate in company sponsored benefit plans are required to make timely premium payments to retain eligibility and coverage. The Company will withhold premiums from your paycheck to the extent possible. The policy describes how premiums will be invoiced (i.e., billed) if the Company is unable to withhold from your paycheck premiums for one or more of the company sponsored benefit plans you elected. As described below, invoiced premiums must be received and processed by the Company within 30 days of the invoice date to maintain coverage. Any unpaid/underpaid invoices will result in a retroactive cancellation of benefits back to the invoice date.

WHEN WILL I GET AN INVOICE?

You'll get an invoice if:

- Your pay is not sufficient for the Company to deduct your premium from your payroll check.
- Your existing premium increases (or you have a new premium) because of a permitted midyear enrollment. For example, within 31 days of the birth of your child, you add your newborn child to your existing medical coverage (or you newly elect coverage for both yourself and your newborn). You will be invoiced for any shortfall in premium until the new premiums are withheld from your paycheck.

The invoice will list each type of coverage for which you owe premiums. However, you will not get an invoice for premiums for supplemental coverage you elect (such as supplemental group accident, supplemental hospital/medical, critical illness, and permanent life) which must be paid directly to the insurance carrier who insures the benefit. Rather, if you want to keep that coverage, it is your responsibility to ensure that you timely pay those premiums directly to the insurance carrier.



HOW MUCH WILL I OWE?

You will owe the amount shown on the invoice which will equal the amount of premium that was unable to be withheld from your payroll check.

WHAT ARE ACCEPTABLE METHODS OF PAYMENT?

Online payments via credit card or PayPal, cashier's check and money orders are acceptable forms of payment. The invoice will provide complete details and instruction.

WHEN WILL PAYMENT BE DUE?

Payment will be due on the date of the invoice, but you will be treated as having made a timely payment if payment is received and processed within 30 days after the date of the invoice. Allow 5-7 days for processing time.

ARE PARTIAL PAYMENTS OF AN AMOUNT INVOICED FOR A BENEFIT ALLOWED?

No. Any partial payment of an amount invoiced for a benefit will be returned to you and that coverage will be cancelled as described below. Please note that an invoice may include amounts owed for more than one benefit (such as medical and dental). In that case, you can choose to pay the invoiced amount for one benefit (e.g., medical) and not pay the invoiced amount for the other benefit (e.g., dental), in which you did not pay the full invoiced amount (e.g., dental) will be cancelled. It is your responsibility to indicate on the invoice the benefit(s) to which your payment should be applied. If you fail to do so, your payment will be applied as determined by the Company in its discretion.

WILL COVERAGE BE CANCELLED IF PAYMENT IS NOT TIMELY MADE?

Yes. If you do not pay the entire amount due for a benefit within 30 days of the date of the invoice, (or if your payment does not clear or is otherwise not honored by your bank), coverage will be cancelled retroactively as of the date of the invoice. This means that you (and, if applicable, your dependents) will not have coverage on or after the date of the invoice. If your (or your and your dependents') coverage is retroactively cancelled as described above, any premiums that you paid for that coverage after the effective date of cancellation will be refunded to you. Remember, if you want to avoid cancellation of your (or your and your dependents') coverage, it is your responsibility to make sure that payment is both timely made and actually received. Allow 5-7 days for processing time.

CAN I USE A PREMIUM REFUND TO REDUCE THE AMOUNT OWED?

No. A premium refund through payroll cannot be used to reduce the amount owed on an invoice. Rather, you must separately pay the invoiced amount.

IF A QUALIFIED MEDICAL CHILD SUPPORT ORDER REQUIRES DEPENDENT COVERAGE, WILL COVERAGE STILL BE CANCELLED DUE TO NONPAYMENT?

Yes. You are responsible for paying the cost of your dependent's coverage, even if that coverage is required by a qualified medical child support order. This means that, if you receive an invoice and you do not pay the entire amount due within 30 days of the invoice, your dependent's coverage will be cancelled, even if that coverage is required by a



qualified medical child support order.

HOW WILL A CANCELLATION OF COVERAGE AFFECT MY FLEXIBLE SPENDING ACCOUNT?

If your health care and/or dependent care spending account coverage is cancelled because you do not timely pay an invoice for that coverage, any expenses you incur on or after the effective date of cancellation cannot be reimbursed from your account(s).

WILL I BE ELIGIBLE FOR COBRA COVERAGE IF MY COVERAGE IS CANCELLED?

No. A cancellation of coverage due to failure to pay premiums is not a COBRA qualifying event.

CAN I RE-ENROLL IN REGULAR (I.E., NON-COBRA) COVERAGE IF MY COVERAGE IS CANCELLED?

Yes, but you will not be able to re-enroll until the next open enrollment period occurs for the coverage that was cancelled (unless reinstatement of coverage occurs pursuant to the Company's rehire policy or as required by law). The Company reserves the right to change its rehire policy at any time without prior notice.

By law, if group health care coverage (for example, medical, dental, vision or health care spending account) is cancelled due to nonpayment of premiums during an approved FMLA or military leave of absence, the cancelled coverage will be reinstated when you return to work, but you will not have coverage on or after the effective date of cancellation and prior to your return to work.

PROTECTED HEALTH INFORMATION

In compliance with the Health Insurance Portability and Accountability Act (HIPAA), US Logistics has policies and procedures in place to safeguard the maintenance, storage and handling of Protected Health Information (PHI). This data may include reports of diagnosis and treatments submitted on a benefit claim form, records related to enrollment eligibility, and statements generated by a health insurance company reflecting payment for specific medical care. PHI does not include health information created or received by US Logistics for employment related purposes.

US Logistics policy includes provisions that employees authorized to receive or manage PHI are trained on all responsibilities related to compliance with this data.

BENEFITS FRAUD STATEMENT

US Logistics counts on each of you to be honest and accurate with your benefit enrollment. If US Logistics discovers that you have committed insurance fraud and/or have enrolled someone who is not your legal spouse or dependent, you will be subject to disciplinary action up to and including termination of employment. US Logistics reserves the right to request documentation and to investigate such matters at any time.

DISABILITY INSURANCE

If you are employed in a state in which State Disability Insurance (SDI) covers you, SDI may be payable when you cannot work because of illness or injury not caused by employment at the Company or when you are entitled to temporary Work Injury at a rate less than the daily disability benefit amount.



WORK INJURY

At no cost to you, you are protected by Worker Injury Insurance while employed as a Driver at the Company. The policy covers you in case of occupational injury or illness by providing, among other things, medical care, compensation and vocational rehabilitation, in accordance with state law.

To ensure that you receive any worker injury benefits to which you may be entitled, you will need to:

- Report any work-related injury to the Work Injury department within 24-48 hours of occurrence.
- Seek medical treatment for any life threatening injuries immediately.
- Comply with all treatment and reporting requirements including authorized third party requests.

The Company is required by law to notify the Worker Injury Insurance Company of any concerns of false or fraudulent claims. Any person who makes, or causes to be made any knowingly false or fraudulent material statement or material misrepresentation for the purpose of obtaining or denying Workers' Injury benefits or payments may be guilty of a felony.

A violation of this law may be punishable by imprisonment or by a fine, or both. Additional civil penalties may also be assessed.

WORK INJURY FRAUD POLICY

In addition to potential criminal charges listed above, US Logistics maintains a policy in regard to work injury fraud, whereby an employee willfully or intentionally makes a false statement or representation in order to obtain or defeat any benefit payment. US Logistics and its affiliates may investigate any allegations of work injury fraud. For this purpose, all company activities, records, property or other relevant items are subject to review during the investigation of the alleged fraud.

US Logistics General Counsel or legal representative may provide guidance to designated personnel in enforcing this policy. Examples of work injury fraud include, but are not limited to:

- Making a false or misleading statement to receive work injury benefits. (Example: reporting an injury that does not exist)
- Misrepresenting or concealing a material fact to receive work injury benefits. (Example: reporting an off-duty injury as a work related injury)
- Fabricating, altering, concealing or destroying a document to receive work injury benefits. (Example: withholding a doctor's release form authorizing return to work)
- Acting outside the course and scope of any limitations related to work injury. (Example: lifting heavy objects when restrictions prohibit lifting in excess of listed limit)



- Conspiring to commit an act described above. (Example: helping another employee stage or fake a work related injury)

Employees who are determined to have violated this policy will be subject to disciplinary action up to or including termination of employment. Furthermore, US Logistics will cooperate fully with federal, state, and local law officials to identify and prosecute any employee who commits work injury fraud

Any employee who suspects work injury fraud must notify the Work Injury Unit immediately.

BEREAVEMENT LEAVE

The Company will provide time off in the event of death of the following family members: Spouse, Child, Stepchild, Sibling, Parent, Parent-in-law, Grandparent or Grandchild.

The Driver and his or her Driver Leader will determine the amount of time the employee will be absent from work. The maximum unpaid leave is three (3) days.

Leave for attendance at the funeral of non-immediate family members or persons with some especially close relationship may be granted without pay. The Driver's Driver Leader will make this determination after consultation with the Human Resource Department.

LEAVES OF ABSENCE GENERAL PROVISIONS

US Logistics may grant a leave of absence in certain circumstances. It is important to request any leave in writing as far in advance as possible, to keep in touch with your Driver Leader during your leave, and to give prompt notice if there is any change in your return date.

Accepting or continuing other employment while on leave that is contrary to the restrictions indicated on any doctor's certification for leave, or filing for unemployment insurance benefits while you are on leave of absence, may be treated as a voluntary resignation from employment with US Logistics.

Vacation and other benefits will not accrue while you are on a leave of absence unless otherwise required by law. Upon return from a leave of absence, you will be credited with the full employment status that existed prior to the start of the leave of absence. While you will retain your original date of hire, you will not receive length of service credit for the time you were on leave, unless otherwise required by law.

FAMILY MEDICAL LEAVE

The Company will grant Family Medical Leave in accordance with the requirements of applicable state and federal law in effect at the time the leave is granted. No greater or lesser leave benefits will be granted than those set forth in such state or federal laws. In certain situations, the federal law requires that provisions of state law apply. In any case, Drivers will be eligible for the most generous benefits available under either law.

Please contact your Driver Leader or a Benefits representative as soon as you become aware of the need for a family medical leave. The following is a summary of the relevant provisions.



DRIVER ELIGIBILITY

To be eligible for Family Medical Leave Act benefits, you must:

1. Have worked for the Company for at least 12 months prior to taking the unpaid leave;
2. Have worked for the Company at least 1,250 hours during the twelve months immediately preceding the leave;

LEAVE AVAILABLE

If you are eligible, you may receive up to a total of 12 (or 26) work weeks (depending on the circumstances discussed below) of unpaid leave during a 12-month period. For bonding leave, family care leave, an employee's own medical condition, and qualifying exigency leave, US Logistics measures FMLA on a 12 month rolling calendar. Accordingly the 12-month period begins on the date of your first use of Family Medical Leave. Successive 12-month periods commence on the date of your first use of such leave after the preceding 12 month period has ended. For military personnel or veteran care leave, US Logistics measures FMLA on a "single 12 month period" basis. Accordingly, a single 12-month period begins on the first date of your first use of the military personnel or veteran care leave and ends 12 months after that date.

Leave may be used for one or more of the following reasons: (1) for the birth or placement of a child for adoption or foster care within first year of birth or placement; (2) to care for an immediate family member (spouse, child, or parent) with a serious health condition; (3) to take medical leave when you are unable to work because of a serious health condition; or (4) for immediate family members (spouse, child or parent) of soldiers, reservists, and members of the National Guard who have a "qualifying exigency."

Employees who provide care to wounded U.S. military personnel or veterans may receive up to 26 weeks of unpaid leave. The service member must have a "serious illness or injury" incurred while on active duty that may render the member unable to perform the duties of his or her office, grade or rank and must be a spouse, son, daughter, parent or next of kin of the care giver.

Under some circumstances, you may take Family Medical Leave intermittently — which means taking leave in blocks of time, or by reducing your normal weekly or daily work schedule.

If you are pregnant, you may have the right to take a pregnancy disability leave in some states in addition to a Family Medical Leave. Certain restrictions on these benefits may apply.

NOTICE AND CERTIFICATION

Drivers seeking to use Family Medical Leave are required to provide ALL the following:

- 30-day advance notice when the need for the leave is foreseeable; complete and submit the FMLA request form.
- Forms are available on the Informer Kiosk, Driver Website or can be obtained from the Benefits department.
- Certification of Health Care Provider within 15 days of the request for leave, and a physician's release for reinstatement. Forms can be obtained from the Benefits department.



- Periodic re-certification; and
- Periodic reports to their Driver Leader during the leave.

When leave is needed to care for an immediate family member or your own serious health condition, and is for planned medical treatment, you must try to schedule treatment so as not to unduly disrupt the Company's operation. Employees are expected to cooperate with the Company, in obtaining additional medical opinions the Company may require.

COMPENSATION DURING LEAVE

Family Medical Leave is unpaid.

JOB REINSTATEMENT

Under most circumstances, upon return from Family Medical Leave, you will be reinstated to the same position held at the time of the leave or to an equivalent position with equivalent pay, benefits, and other employment

terms and conditions. However, you have no greater right to reinstatement than if you had been continuously employed rather than on leave. For example, if you would have been laid off had you not gone on leave, or if your position has been eliminated during the leave, then you will not be entitled to reinstatement.

PREGNANCY DISABILITY, MATERNITY, OR PATERNITY LEAVE

In some states, employees may be eligible for unpaid pregnancy disability, maternity, or paternity leaves of absence. Contact a Benefits representative for more information regarding the type of leave available in the state where you work. In most circumstances, leave taken as a pregnancy disability, maternity, or paternity leave runs concurrently with Family Medical Leave under federal law. Furthermore, such a leave may also run concurrently with Family Medical Leave under state law.

NOTICE AND CERTIFICATION REQUIREMENTS

If you need to take a pregnancy disability leave, you must provide the Company with reasonable advance notice. In addition, you must provide the Company with a health-care provider's statement certifying the last day you can work and the expected date of return.

COMPENSATION DURING LEAVE

Pregnancy disability, maternity or paternity leave is without pay.

WORK INJURY DISABILITY LEAVE

The Company will grant a Work Injury Disability Leave if you have an occupational illness or injury in accordance with state law. In order to qualify for leave the injured employee is required to provide supporting



medical documentation to the Work Injury Department and any authorized third parties for review. As an alternative, the Company may offer you modified work. Leave taken under the Work Injury disability policy runs concurrently with Family Medical Leave and/or Personal Leave of Absence under both federal and state law.

NOTICE AND CERTIFICATION REQUIREMENTS

You must report to the Claims department all workplace accidents, injuries and illnesses no matter how minor. In addition, you must have a health care provider furnish the Company with a certification of your workplace injury or illness, your inability to work, and/or your work restrictions, and the expected duration of your restrictions and/or inability to work, from a health-care provider.

COMPENSATION DURING LEAVE

Work Injury Disability Leaves are without pay.

JOB REINSTATEMENT

Upon the submission of a medical certification that you are able to return to work, you will be reinstated in accordance with applicable law. If you are disabled due to an industrial injury, the Company will attempt to accommodate you. If you are returning from a Work Injury Disability Leave that runs concurrently with a Family Medical Leave, then the provisions of the Family Medical Leave policy will also apply.

PERSONAL LEAVE

US Logistics may grant an unpaid personal leave of absence for up to 30 days per 12 month period for certain circumstances. Drivers are eligible for unpaid personal leave after 6 months of continuous full-time employment. You are required to submit a Request for Personal Leave form 30 days in advance, when foreseeable, stating the reasons for the leave (serious medical condition, family emergency, etc.) for approval or disapproval from your Driver Leader, Terminal Manager and a designated Benefits representative. If the Leave is disapproved, the Driver may appeal the decision with the VP of Human Resources. It is important to keep in touch with your Driver Leader during your leave, and to give prompt notice if there is any change to your return date. If you do not return to work on your scheduled return date, you will be considered as having voluntarily resigned your position with the Company.

COMPENSATION WHILE ON LEAVE

Personal Leaves are without pay.

MILITARY LEAVE (ACTIVE AND RESERVE SERVICE)

Leave without pay is provided to you when you enter military service of the Armed Forces of the United States or are in the Armed Forces Reserves. You are afforded reemployment rights and retain full non discretionary seniority benefits for all prior service upon reemployment in accordance with the Uniformed Services Employment and Reemployment Rights Act and applicable state laws. You need to communicate your military service orders to your Driver Leader or a Benefits representative for review prior to commencement of the leave.



COMPENSATION WHILE ON LEAVE

Military Leaves are without pay

BENEFITS DURING LEAVES OF ABSENCE

If you take a leave of absence, the Company will maintain your insurance benefits on the same terms as if you had continued to work if such insurance was provided before the leave was taken. For example, if

you elect to continue dental insurance coverage while on leave you must pay the premium for this coverage under the same terms as if you were working. Failure to pay the Premiums will result in cancellation of the benefit. You will be reinstated in these benefits upon your return to active full-time status if required by law. Please see the Direct Bill Policy for more information.

LIMIT-ON-CONTINUOUS ABSENCE

An Employee's length of continuous absence, except for Military Leave, may not exceed twelve months. Except where prohibited by federal or state law, if an Employee's absence exceeds that limit for any reason, or combination of reasons, the Employee's employment shall terminate. These length of service limitations do not restrict the Company's right to terminate Employees for other reasons, where appropriate.

FACILITIES USE OF EQUIPMENT

All US Logistics property—including tractors and trailers, Omnitracs, Qualcomm, desks, storage areas, work areas, lockers, file cabinets, credenza, computer systems, office telephones, cellular telephones, modems, facsimile machines and duplicating machines—must be used properly and maintained in good working order. Drivers who lose, steal or misuse US Logistics property may be personally liable for replacing or fixing the item and may be subject to discipline, up to and including termination of employment.

US Logistics reserves the right, at all times and without prior notice, to inspect and search all Company property for the purpose of determining whether this policy or any other policy of US Logistics has been violated, or when an inspection and investigation is necessary for purposes of promoting safety in the workplace or compliance with state and federal laws. These inspections may be conducted during or outside of business hours and in the presence or absence of the Driver.

In addition, in order to ensure the safety and security of Drivers and customers, and to protect US Logistics legitimate business interests, US Logistics reserves the right to question and inspect or search any Driver or other individual entering onto or leaving US Logistics premises. The inspection or search may include any packages or items that the individual may be carrying, including briefcases, handbags, knapsacks, shopping bags, etc. These items are subject to inspection and search at any time, with or without prior notice. US Logistics also may require Drivers while on the job or on US Logistics premises to agree to reasonable inspection of their personal property and/or persons. The individual may be requested to self-inspect his or her personal property or person by displaying the contents of any packages and/or turning out his or her pockets, etc., in the presence of a representative of US Logistics, typically a management employee of the same gender. US Logistics will not tolerate any Driver's refusal to submit to a search.



US Logistics technical resources, such as its computer system, Omnitracs, Qualcomm, voice mail system, and e-mail, are provided for use in the pursuit of US Logistics business and are to be reviewed, monitored, and used only in that pursuit, except as provided in this policy. As a result, Omnitracs and Qualcomm messages, computer data, voice mail messages, and e-mail transmissions are readily available to numerous persons. If, during the course of your employment, you perform or transmit work on US Logistics Omnitracs, Qualcomm, computer systems or other technical resources, your work may be subject to the investigation, search, and review of others in accordance with this policy. In addition, any electronically stored communications that you either send to or receive from others may be retrieved and reviewed when doing so serves the legitimate business interests and obligations of US Logistics.

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Drivers are not otherwise permitted to use US Logistics equipment for non-work purposes with permission from their Driver Leader. Nevertheless, Drivers have no right of privacy as to any information or file maintained in or on US Logistics property or transmitted or stored through US Logistics Omnitracs, Qualcomm, computer systems, voice mail, e-mail, or other technical resources. All bills and other documentation related to the use of US Logistics equipment or property is the property of US Logistics and may be reviewed and used for purposes that US Logistics considers appropriate.

Drivers may access only files or programs, whether computerized or not, that they have permission to enter. Computer software is protected from unauthorized copying and use by federal and state law; unauthorized copying or use of computer software exposes both US Logistics and the individual Driver to substantial fines and/or imprisonment. Therefore, Drivers may not load personal software onto US Logistics computer system, and may not copy software from US Logistics for personal use.

All Drivers must contact the Information Technology department to install any software on US Logistics computer system. Unauthorized review, duplication, dissemination, removal, installation, damage, or alteration of files, passwords, computer systems or programs, or other property of US Logistics, or improper use of information obtained by unauthorized means, may be grounds for disciplinary action up to and including discharge.

Messages stored and/or transmitted by Omnitracs, Qualcomm, voice mail or e-mail must not contain content that may reasonably be considered offensive or disruptive to any employee. Offensive content would include, but not be limited to, sexual comments or images, racial slurs, gender-specific comments or any comments or images that would offend someone on the basis of his or her age, sexual orientation, religious or political beliefs, national origin or disability.

OMNITRACS, QUALCOMM AND VOICE MAIL

Omnitracs, Qualcomm and Voice Mail have been provided to Company Drivers for the benefit of the Company and its



customers, vendors and suppliers. This access enables Drivers to remain in contact with their Driver Leader and other departments and Drivers of the Company at all times. All Drivers are required to maintain and enhance the Company's public image, and to use this resource in a productive manner in accordance with the following guidelines. Qualcomm will be used only for business purposes or on limited occasions for emergency personal matters only. The use of profane, offensive, harassing, insulting, rude or threatening language is prohibited.

INTERNET AND E-MAIL USE

Internet, Intranet, and e-mail access has been provided to Company employees for the benefit of the Company and its customers, vendors and suppliers. This access enables employees to connect to information and other resources around the world. All employees are required to maintain and enhance the Company's public image, and to use these resources in a productive manner in accordance with the following guidelines.

ACCEPTABLE USES OF THE INTERNET

Employees accessing the Internet, and/or the Company's own Intranet are representing the Company when doing so. Accordingly, all such communications should be for professional, business reasons and should not be for personal use.

Each employee is responsible for ensuring that they use their Internet access privilege in an effective, ethical and lawful manner. "Chat rooms" may be used to conduct official Company business, or to gain technical or analytical advice. E-mail may be used for non-confidential business contacts. Blogging or social networking websites such as Twitter, Facebook, YouTube or subsequent generations of similar websites or features are prohibited.

UNACCEPTABLE USE OF THE INTERNET

The Internet, and/or the Company's Intranet should not be used for personal gain or advancement of individual views. Solicitation of non-Company business, or any use of the Internet for personal gain, is strictly prohibited. Use of the Internet must not disrupt the operation of the Company network or the networks of other users, and must not interfere with an employee's productivity. Copyrighted materials belonging to entities other than employees on the Internet may not transmit to this Company. One copy of copyrighted material may be downloaded for an employee's personal use in research if pre-approved by the employee's leader. Employees are not permitted to copy, transfer, rename, add or delete information or programs belonging to other users unless given express permission to do so by the owner of such information or programs. Failure to observe copyright or license agreements may result in disciplinary action from the Company or legal action by the copyright owner.

Employees should be aware that harassment of any kind is prohibited. No messages with derogatory or inflammatory remarks about an individual or group's age, disability, gender, race, religion, national origin, physical attributes, sexual orientation or any other classification protected by federal, state or local law will be transmitted.

COMPUTER AND SYSTEM SECURITY

All computers and the data stored on them are, and remain at all times the property of the Company. As such, all messages created, sent or retrieved over the Internet or the Company's e-mail systems are the property of the Company, and should be considered public information. The Company reserves the right to retrieve and read any



message composed, sent, or received on the Company's computer equipment and e-mail system. Employees should be aware that, even when a message is deleted or erased, it is still possible to recreate the message; therefore, ultimate privacy of a message cannot be ensured to anyone. Accordingly, Internet and e-mail messages are public communication and are not private. Furthermore, all communications including text and images can be disclosed to law enforcement or other third parties without prior consent of the sender or the receiver.

VIOLATIONS

Violations of any guidelines listed above may result in disciplinary action up to and including termination.

In addition, the Company may advise appropriate legal officials of any illegal violations. This policy is in no way intended to modify the at-will nature of employment with the Company.

DRIVER PROPERTY

Drivers are urged not to keep valuables in their truck. If necessary to do so, all valuables should be secured. The Company assumes no responsibility for the loss, theft or damage of any Driver personal property, such as, but not limited to CB radios, refrigerators, TV's. This includes periods of time when the truck has been turned over to the maintenance department for repairs or periodic preventative service.

SECURITY

Security of Company facilities as well as the welfare of our Drivers and customers requires that every individual be constantly alert to security risks. In this regard please note the following:

- Immediately notify your Driver Leader of suspicious persons, or persons acting in a suspicious manner, in or around the facility.
- Immediately notify a Driver Leader of the loss of keys, security passes or identification badges.
- Do not lend keys, security passes, or identification badges to anyone who is not authorized to possess them.
- Do not disclose any other security access information to anyone who is not authorized to have that information.

RULES REGARDING SOLICITATION, DISTRIBUTION OF LITERATURE & POLITICAL ADVOCACY

The Company has established rules applicable to all employees and non-employees which govern solicitation, distribution of written material, political advocacy and access to Company property. Strict compliance with these rules is required.

- Employees are prohibited from engaging in solicitation during their working time or during the working time of the employees at whom such activity is directed.
- Employees are prohibited from distributing or circulating written or printed material in work areas



at any time, or during their working time or during the working time of the employee or employees

at whom such activity as directed.

- Employees are prohibited from engaging in political advocacy on a subject over which the Company has no control in a manner that is disruptive to Company operations.
- Off duty employees are not permitted in the interior of the Company’s facilities or in working area.
- Non-employees are not permitted on Company property at any time, except when on official Company business.

As used in this policy, “working time,” does not include break periods, meal periods, or periods in which an employee is not scheduled to be performing for the Company.

BULLETIN BOARDS

Bulletin boards are reserved for the exclusive use of the Company for posting work-related notices or notices which must be posted pursuant to local, state and federal law. From time to time, special notices and information for employees will be posted by the Company on the bulletin boards. Please check the boards regularly for such notices. Employee postings are not permitted.

This section is a summary of the important employment policies and procedures of the Company. We know that one of the most important aspects of any employment relationship is the communication between the employer and the employee. These policies and procedures lets you know what you can expect from the Company and what we expects in return. If you have questions regarding our employment policies, contact your supervisor.

SMOKING

The Company maintains a smoke-free working environment. This includes electronic, steam-based, or any device that simulates smoke or smoking. Smoking is not allowed in any buildings or near trucks and trailers as stated in the safety portion of the handbook.

AUTHORIZED PASSENGERS – SPOUSE, CHILD, ROOMMATES & D.O.T. EMERGENCY

Unless specifically authorized in writing by US Logistics, or only in an emergency situation as described in FMCSR 392 no Driver shall transport any person or permit any person to be transported in any Company vehicle nor shall they be permitted to board the vehicle pursuant to the rules & regulations of the FMCSR 392 and Company policy. To the extent FMCSR 392 and/or Company policy permits another individual on the vehicle, a Driver may only have one rider on his/her truck at any time. Only “full-time” US Logistics Drivers and US Logistics office casual Drivers (not local or other casual Drivers) may participate in the Permitted Rider Program.

Passenger Identification and Proof of Eligibility Requirements

1. All Passengers: must provide a copy of Driver License or State ID except children.
2. Children: Driver must provide all of the information specified in Special Requirements With Respect To Children, as



well as evidence that the child resides with the driver, or in the event the child does not reside with the driver, evidence satisfactory to US Logistics that the Driver has the authorization to transport the child, such as a letter from the custodial parent, etc. The paper must be notarized.

Special Requirements with Respect to Children ages 12 thru 18

1. All children must be the natural, adopted, or stepchildren of the Driver or the Driver (or his/her spouse) must be legally appointed guardian of the child.
2. The driver must submit a copy of the child's birth certificate, adoption papers and/or court documents designating the Driver as the parent or guardian of the child. In the event the child is a stepchild, the Driver must furnish a copy of his marriage certificate as well as the child's birth certificate or other proof the driver's spouse is the natural or adoptive parent or legal guardian of the child.
3. Children may ride on the vehicle only during scheduled school vacation periods.

_____ This child resides with me and I am authorized to make the decision for this child to travel with me on a US Logistics vehicle.

_____ This child does not reside with me, however, I have been granted permission by (name or legal guardian)(relationship to child) to allow this child to travel with me on a US Logistics vehicle. Written authorization is attached and includes the address and a contact number.

GENERAL REQUIREMENTS

The Driver must have an application approved by an employee of US Logistics before allowing a Rider on his/her truck. The Driver will be responsible for paying any and all costs associated with rider authorization fees and insurance coverage for the rider. Permitted Rider authorization coverage will be deducted from your payroll or settlement check on a monthly basis.

US Logistics shall not bear any responsibility for injury to any Rider and all riders travel in US Logistics equipment at their risk. Both the Driver and the Rider must execute the Release and Indemnification Agreement releasing US Logistics from all liability before a rider is allowed to ride in US Logistics owned or leased equipment.

US Logistics, in its sole discretion, may deny or revoke the Permitted Rider Authorization at any time.

Each Rider, or his/her legal guardian, must complete the Indemnification Agreement and Rider Information and Authorization.

INDEMNIFICATION AGREEMENT

(Must be completed for each rider - make additional copies if needed)

Rider release. The undersigned, being of lawful age, and with the knowledge of the hazard involved in the transportation industry, hereby voluntarily agrees to the following:



1. I will abide by all policies and procedures as outlined in the Driver Manual related to the Permitted Rider Program titled "Authorized Passengers" and any policy and procedure clarification subsequently issued.
2. In exchange for free transportation on a Company-owned vehicle or a vehicle leased to US Logistics & Consulting Corp, I agree to indemnify, defend and hold harmless US Logistics & Consulting Corp its affiliates, subsidiaries, officers, employees, independent contractors and agents (collectively "US Logistics"), from any and all loss, damage, fines, expense, actions and claims (including reasonable attorney's fees) for bodily injury (including injury resulting in death) and damage to property in any way resulting from or arising out of my participation in the Permitted Rider Program, to the fullest extent permitted under Washington law.

PROHIBITED CONDUCT

The following are additional conditions for participation in the Permitted Rider Program. Drugs and Alcohol: US Logistics is a zero tolerance company.

1. Drugs: US Logistics drug policy prohibits the use, sale, purchase, transfer, possession, or mere presence in a person's body of any controlled substance (except physician prescribed medications) by any driver or permitted rider under this Program, either on US Logistics or customer premises, or while driver is engaged in US Logistics business, or while riding in US Logistics controlled motor vehicle equipment, or even while in the presence of a US Logistics driver who has current control or authority over a US Logistics motor vehicle is absolutely prohibited.
2. Alcohol: A driver or permitted rider may not consume or be under the influence of alcohol within 12 hours before riding or while riding in US Logistics equipment.
3. Neither the driver nor the rider under this Program may possess any alcoholic beverage while riding in US Logistics motor vehicle equipment.

General Policies for Permitted Riders in the Program:

The following conduct is prohibited and will not be tolerated; any such conduct will lead to the immediate and permanent revocation of rider authorization, at the sole discretion of the Safety Department. Besides the following, there may be other conduct, in US Logistics sole discretion, that may be deemed hazardous or detrimental to security, safety, employee welfare or US Logistics interests and will also be prohibited, leading to the immediate and permanent revocation of rider authorization.

1. The rider is prohibited from operating the Company equipment under any circumstances, or performing any driver work or assisting in any driver-related functions.
2. The destruction, abuse, misuse, theft, or unauthorized removal, or improper use or possession of property belonging to US Logistics, its agents, employees, vendor or customers is prohibited.(Individuals engaging in such conduct may be subject to criminal prosecution.)
3. Interference or tampering with the operation of any motor vehicle equipment.
4. Failure to cooperate with a US Logistics representative.



5. Disclosure of US Logistics confidential information.
6. Destruction of US Logistics equipment or property. (Individuals engaging in such conduct may be subject to criminal prosecution.)
7. Disregard for the safety of anyone, including himself, or committing or permitting the commission of unsafe acts.
8. The use of any language or communication which could be construed as a threat, coercion, insult, abusive behavior or improper conduct toward any person. (Individuals engaging in such conduct may be subject to criminal prosecution.)
9. Having, carrying or otherwise possessing any weapons or explosive devices which could cause bodily injury or property damage while in the presence of a US Logistics employee under this Program. (Individuals engaging in such conduct may be subject to criminal prosecution.)
10. Posting notices, signs or writing in any form on US Logistics, agent, customer or vendor property.
11. Offering to sell, selling, offering to buy or buying anything which could be construed as either stolen, misappropriated or contraband material or merchandise; or, attempting to remove or removing, anything being transported. (Individuals engaging in such conduct may be subject to criminal prosecution.)
12. Unauthorized physical contact or threats against any person or organization, including any US Logistics employee, agent, customer, vendor or any person or organization, including any US Logistics employee, agent, customer, vendor or any member of the motoring public; any assault, battery, violence or threats of violence against anyone, including one's self. (Individuals engaging in such conduct may be subject to criminal prosecution.)

Physical & Medical Requirements

1. Permitted riders must be in good physical condition. The Company reserves the right to deny rider authority based on any medical conditions which could interfere with the operation of US Logistics
2. Riders must understand and demonstrate the ability to get into and out of the Truck using the three-point technique and hereby agree to use the three-point technique when entering or exiting the vehicle.
3. Riders must have valid identification with them at all times under the Program, including but not limited to a state driver's license or state-issued identification card, or birth certificate for minors.
4. Riders may not have in their possession under the Program any medication unless properly prescribed by a physician and contained within labeled containers.

PET RIDER PROGRAM/CLEANLINESS OF EQUIPMENT

Pet Rider Program

US Logistics policy is that no pets or animals are allowed inside Company owned vehicles; unless a Driver meets certain requirements.

Driver Requirements:



1. Full-time Company Driver hired prior to September 17, 2007 and had previously obtained pet authorization.
2. Local and casual Drivers, as well as office personnel are not entitled to participate in the pet rider program.
3. Drivers released from student to solo status who was hired prior to September 17, 2007 and had previously obtained pet authorization.
4. Trainers are not entitled to participate in the pet rider program while training.

Pet Requirements:

1. Pet must be a domestic animal. One (1) pet only per truck and must be a cat or dog. Contact the Safety Compliance Department with questions
2. Pet should be current with all vaccinations. Proof of Vaccinations must be supplied. Two copies of the proof of vaccinations are needed. One copy for the file and one to be kept with the truck.
3. Completion of the "Pet Authorization Information Sheet."
4. Completion of the "Pet Acknowledgement and Waiver" form.
5. Driver must post a \$500.00 security deposit.

+ \$250.00 of the security deposit is non-refundable

+ Once approval has been given, the deposit is due in advance, if the Driver does not have cash "up front the deposit will be payroll deducted on a weekly basis at a minimum of \$100.00 per week.

6. Driver must have the designated individual, at their home terminal, visually inspect their pet and have a photograph taken for the pet rider file.
7. Driver Mentors are not permitted to participate in the Pet Rider Program while training.
8. NOTE: ONLY ONE PET MAY BE AUTHORIZED TO RIDE ON A COMPANY OWNED TRUCK.
9. Reimbursement for \$250.00 of deposit with tractor check-in sheet stating truck is clean inside.

Please contact the Safety Department for further information

LOSS OF DRIVERS LICENSE

Drivers are required to notify US Logistics when there is a change in the status of their Commercial Driver's License (CDL).

Immediately upon first notice that your license has been suspended, withdrawn, revoked or otherwise denied, you are required to report the fact to the Safety Department by calling 800-842-6005, option #2.



REGULATIONS FOR DISQUALIFICATION

391.15 Disqualification of drivers

(a) General. A driver who is disqualified shall not drive a commercial motor vehicle. A motor carrier shall not require or permit a driver who is disqualified to drive a commercial motor vehicle.

(b) Disqualification for loss of driving privileges.

(b)(1) A driver is disqualified for the duration of the driver's loss of his/her privilege to operate a commercial motor vehicle on public highways, either temporarily or permanently, by reason of the revocation, suspension, withdrawal, or denial of an operator's license, permit, or privilege, until that operator's license, permit, or privilege is restored by the authority that revoked, suspended, withdrew or denied it.

(b)(2) A driver who receives a notice that his/her license, permit or privilege to operate a commercial motor vehicle has been revoked, suspended or withdrawn shall notify the motor carrier that employs him/her of the contents of the notice before the end of the business day following the day the driver received it.

(c) Disqualification for criminal and other offenses.

(c)(1) General rule. A driver who is convicted of (or forfeits bond or collateral) upon charge of a disqualifying offense specified in paragraph (c) (2) of this section is disqualified for the period of time specified in paragraph (c)(3) of this section, if -

(c)(1)(i) The offense was committed during on duty time as defined in 395.2(a) of this subchapter or as otherwise specified and

(c)(1)(ii) The driver is employed by a motor carrier or is engaged in activities that are in furtherance of a commercial enterprise in interstate, intrastate or foreign commerce;

(c)(2) Disqualifying offenses. The following offenses are disqualifying offenses:

(c)(2)(i) Driving a commercial motor vehicle while under the influence of alcohol. This shall

include:

(c)(2)(i)(A) Driving a commercial motor vehicle while the person's alcohol concentration is 0.04% or more;

(c)(2)(i)(B) Driving under the influence of alcohol, as prescribed by State law; or

(c)(2)(i)(C) Refusal to undergo such testing as is required by any State or jurisdiction in the enforcement of 391.15(c)(2)(i)(A) or (B), or 392.5(a)(2).

(c)(2)(ii) Driving a commercial motor vehicle under the influence of a 21 CFR 1308.11



Schedule I identified controlled substance, an amphetamine, a narcotic drug, a formulation of an amphetamine or derivative of a narcotic drug.(c)(2)(iii) Transportation, possession, or unlawful use of 21 CFR 1308.11 Schedule 1 identified controlled substance, amphetamines, narcotic drugs, formulations of an amphetamine, or derivatives of narcotic drugs while the driver is on duty, as the term on-duty time is defined in 395.2 of this subchapter;

(c)(2)(iv) Leaving the scene of an accident while operating a commercial motor vehicle; or

(c)(2)(v) A felony involving the use of a commercial motor vehicle.

DRIVER DISQUALIFICATIONS AND PENALTIES

383.51 Disqualification of drivers

(a) General.

(a)(1) A driver or holder of a CDL who is disqualified must not drive a CMV

(a)(2) An employer must not knowingly allow, require, permit or authorize a driver who is disqualified from driving a CMV.

(a)(3) A driver is subject to disqualification sanctions designated in paragraphs (b) and (c) of this section, if the holder of a CDL drives a CMV or non-CMV and is convicted of the violations.

(a)(4) Determining first and subsequent violations. For purposes of determining first and subsequent violation of the offenses specified in this subpart, each conviction for any offense listed in

Tables 1 through 4 of this section resulting from a separate incident, whether committed in a CMV or non-CMV must be counted.

(a)(5) Reinstatement after lifetime disqualifications. A State may reinstate any driver disqualified for life for offenses described in paragraphs (b)(1) through (b)(8) of this section (Table 1 to 383.51) after 10 years if that person has voluntarily entered and successfully completed an appropriate rehabilitation program approved by the State. Any person who has been reinstated in accordance with this provision and who is subsequently convicted of a disqualifying offense described in paragraphs

(b)(1) through (b)(8) of this section. (Table 1 to 383.51) must not be reinstated.

(c) Disqualification for serious traffic violations. Table 2 to 383.51 contains a list of the offenses and the periods for which a driver must be disqualified, depending upon the type of vehicle the driver is operating at the time of the violation, as follows:

Table 2 to 383.51

1 Any individual who provides proof to the enforcement authority that issued the citation, by the date the individual must appear in court or pay any fine for such a violation, that the individual held a valid CDL on the date the citation was issued, shall not be guilty of this offense.



(d) Disqualification for railroad-highway grade crossing offenses. Table 3 to 383.51 contains a list of the offenses and the periods for which a driver must be disqualified, when the driver is operating a CMV at the time of the violation, as follows:

Table 3 to 383.51

(e) Disqualification for violating out-of-service orders. Table 4 to 383.51 contains a list of the offenses and periods for which a driver must be disqualified when the driver is operating a CMV at the time of the violation, as follows: Table 4 to 383.51

Should a Driver receive a citation and/or be arrested for the use of alcohol; the Driver shall be terminated until the disposition of their case in court. If the charge is dismissed, the Driver will be eligible for rehire.

The purpose is to stress the importance of notifying US Logistics immediately when there has been a change in status of a Driver's license. For Drivers to understand the importance of following all DOT rules & regulations and Company policies while operating a commercial vehicle.

DRIVERS LICENSE USE

A Driver of US Logistics & Consulting Corp., must have a Commercial Driver's License (CDL), Class A and authorization to operate a commercial vehicle owned or leased by US Logistics. Additional endorsements may be required.

No person shall operate a Company commercial vehicle, owned or leased, without Company permission and a valid CDL, which authorizes them to operate the type of vehicle used in their work. Operation of a Company vehicle without proper authorization and a CDL will result in disciplinary action. Safety is our top priority, and we make no compromise when it comes to the safety and well-being of our Drivers, customers and general public.

The loss, cancellation or revocation of Driver's CDL must be reported immediately to the Safety Department. No Driver (Driver) shall knowingly let any other Driver, a non-US Logistics employee or other individual operate a Company b) Disqualification for major offenses. Table 1 to 383.51 contains a list of the offenses and periods for which a driver must be disqualified, depending upon the type of vehicle the driver is operating at the time of the violation, as follows:

See Tables Below



Table A

If a driver operates a motor vehicle and is convicted of:	For a first conviction or refusal to be tested while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for:	For a first conviction or refusal to be tested while operating a non-CMV, a CDL holder must be disqualified from operating a CMV for:	For a first conviction or refusal to be tested while operating a CMV transporting hazardous materials required to be placard under the Hazardous Materials Regulations (40 CFP part 172, subpart F), a person required to have a CDL and CDL holder must be disqualified from operating a CMV for...	For a second conviction or refusal to be tested in a separate incident of any combination of offenses in this Table while operating a CMV, a person required to have a CDL and CDL holder must be disqualified from operating a CMV for	For a second conviction or refusal to be tested in a separate incident of any combination of offenses in this Table while operating a non-CMV, a CDL holder must be disqualified from operating a CMV for....
(1) Being under the influence of alcohol as prescribed by State law	1 year	1 year	3 years	Life	Life
(2) Being under the influence of a controlled substance	1 year	1 year	3 years	Life	Life
(3) Having an alcohol concentration of 0.04 or greater while operating a CMV	1 year	Not Applicable	3 years	Life	Not Applicable
(4) Refusing to take an alcohol test as required by a State or jurisdiction under its implied consent laws or regulations as defined in 383.72 of this part	1 year	1 year	3 years	Life	Life
(5) Leaving the scene of an accident	1 year	1 year	3 years	Life	Life
(6) Using the vehicle to commit a felony other than a felony described in paragraph (b) (9) of this table	1 year	1 year	3 years	Life	Life



Table A continued

(7) Driving a CMV when, as a result of prior violations committed operating a CMV, the driver's CDL is revoked, suspended, or cancelled or the driver is disqualified from operating a CMV	1 year	1 year	3 years	Life	Life
(8) causing a fatality through the negligent operation of a CMV, including but not limited to the crimes of motor vehicle manslaughter, homicide by motor vehicle and negligent homicide.	1 year	Not Applicable	3 years	Life	Not Applicable
(9) Using the vehicle in the commission of a felony involving manufacturing, distribution or dispensing a controlled substance	Life-not eligible for 10-year reinstatement.	Life-not eligible for 10-year reinstatement.	Life-not eligible for 10-year reinstatement.	Life-not eligible for 10-year reinstatement.	Life-not eligible for 10-year reinstatement.



Table B

If a driver operates a motor vehicle and is convicted of:	For a second conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for....	For a second conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a non-CMV, a CDL holder must be disqualified from operating a CMV, if the conviction results in the revocation, cancellation, or suspension of the CDL holder's license or non-CMV driving privileges, for...	For a third or subsequent conviction of any combination of offenses in this Table in a separate incident within a 3-year period while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for...	For a third subsequent conviction of any combination of offenses in this Table in a separate incident within a 3 year period while operating a non- CMV, a CDL holder must be disqualified from operating a CMV, if the conviction results in the revocation, cancellation, or suspension of the CDL holder's license or non-CMV driving privileges, for...
(1) Speeding excessively, involving any speed of 24.1 kmph (15 mph) or more above the posted speed limit.	60 days	60 days	120 days	120 days
(2) Driving recklessly, as defined by State or local law or regulation, including but not limited to, offenses of driving a motor vehicle in willful or wanton disregard for the safety of persons or property.	60 days	60 days	120 days	120 days
(3) Making improper or erratic traffic lane changes.	60 days	60 days	120 days	120 days
(4) Following the vehicle ahead too closely.	60 days	60 days	120 days	120 days



Table B Continued

(5) Violating State or local law relating to motor vehicle traffic control (other than a parking violation) arising in connection with a fatal accident.	60 days	60 days	120 days	120 days
(6) Driving a CMV without obtaining a CDL	60 days	Not applicable	120 days	Not applicable
(7) Driving a CMV without a CDL in the driver's possession. ¹	60 days	Not applicable	120 days	Not applicable
(8) Driving a CMV without the proper class of CDL and/or endorsements for the specific vehicle group being operated or for the passengers or type of cargo being transported.	60 days	Not applicable	120 days	Not applicable

Table C

If a driver is convicted of operating a CMV in violation of a Federal, State or local law because....	For a first conviction a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for..	For a second conviction of any combination of offenses in this Table in a separate incident within a 3 year period a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for....	For a third or subsequent conviction of any combination of offenses in this Table in a separate incident within a 3 year period a person required to have a CDL and a CDL holder must be disqualified from
(1) The driver is not required to always stop, but fails to slow down and check that tracks are clear of an approaching train.	No less than 60 days	No less than 120 days	No less than 1 year
(2) The driver is not required to always stop, but fails to stop before reaching the crossing, if the tracks are not clear.	No less than 60 days	No less than 120 days	No less than 1 year
(3) The driver is always required to stop, but fails to stop before driving onto the crossing.	No less than 60 days	No less than 120 days	No less than 1 year
(4) The driver fails to have sufficient space to drive completely through the crossing without stopping.	No less than 60 days	No less than 120 days	No less than 1 year
(5) The driver fails to obey the traffic control device or the directions of an enforcement official at the crossing	No less than 60 days	No less than 120 days	No less than 1 year
(6) The driver fails to negotiate a crossing because of insufficient undercarriage clearance.	No less than 60 days	No less than 120 days	No less than 1 year



Table D

If a driver operates a CMV and is convicted of...	For a first conviction while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for..	For a second conviction in a separate incident within a 10 year period while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for...	For a third or subsequent conviction in a separate incident within a 10 year period while operating a CMV, a person required to have a CDL and a CDL holder must be disqualified from operating a CMV for..
(1) Violating a driver or vehicle out-of-service order while transporting nonhazardous materials.	No less than 90 day or more than 1 year.	No less than 1 year or more than 5 years.	No less than 3 years or more than 5 years.
(2) Violating a driver or vehicle outof- service order while transporting hazardous materials required to be placard under part 172, subpart F of this title, or while operating a vehicle designed to transport 16 or more passengers, including the driver.	No less than 180 days or more than 2 years	No less than 3 years or more than 5 years.	No less than 3 years or more than 5 years.

DEDUCTIONS

US Logistics reserves the right under certain circumstances to deduct all or part of the expense caused by the Driver in performing his/her duties as a Driver for US Logistics.

A loss (expense) caused by the Driver resulting in:

1. product damage, shortage or theft,
2. equipment or property damage
3. equipment abandonment
4. unauthorized “dead head” ,
5. unauthorized use of Company trailers

These items will be charged against the Driver in a payroll deduction.

A Driver is responsible for the proper loading, tie-down, protection, and safety of the load. The Driver is responsible for asking the Dispatcher or Driver Leader whether this load is a “Driver Load and Count” or a “Shipper Load and Driver Count” or a “Shipper Load and Shipper Count” . The Driver is responsible for the safe operation of the vehicle so that there is no loss (expense) incurred from damage to property or equipment. If a Driver terminates his/her employment, it is his/her responsibility to return US Logistics equipment to the nearest terminal. Should the Driver abandon US Logistics equipment elsewhere, any expenses incurred to retrieve the equipment will be deducted from the Drive's final paycheck.

A rate of \$1.00 per mile will be deducted for unauthorized “deadhead” or a rate of \$100.00 for



unauthorized use of Company trailers. Authorization for use of Company equipment must be made prior to use and authorized by US Logistics management.

UNAUTHORIZED EQUIPMENT/RADAR DETECTOR

The Federal Highway Administration has issued a final ruling banning use of radar detectors in all commercial motor vehicles (CMV) traveling interstate. The ruling was published in the Federal Register (pg. 67370).

If a Driver Leader or any State Enforcement Official finds a radar detector and/or jamming device in any Company-owned vehicle, it will be considered a violation of Federal and Company policy and the Driver will be subject to disciplinary action.

Radar detectors and/or jamming devices are considered to be an admission of speeding when used in

Company vehicles; as well as a violation of the Federal Highway Administration's ruling (390.5 & FMCSR pg. 67370). Safety is our top priority, and we make no compromise when it comes to the safety and well being of our Drivers, customers and general public.

It is prohibited to install an inverter in Company or IEL leased tractors with the following exceptions. IEL purchased/leased equipment may have an inverter installed by the manufacturer or an authorized representative only to prevent voiding warranties. Drivers operating Company trucks may have an inverter installed only with the permission of the Director of Safety.

Drivers are responsible for complying the Federal Highway Administration's ruling (390.5 & FMCSR pg. 67370) related to banning use of radar detectors and/or jamming devices on all commercial vehicles. Steering wheel mounted spinner knobs are not permitted to be installed on any equipment operated under US Logistics operating authority.

KEYS

US Logistics & Consulting Corp., retains full ownership of all equipment and the right to assign equipment for use by its Drivers as it sees fit. The Driver shall at all times respect US Logistics property as if it were their own.

Under no circumstances shall Company Drivers loan or permit duplication of any keys belonging to the Company without the express permission of Driver Leader personnel. Truck keys shall remain in the Driver's possession at all times unless otherwise instructed by his Driver Leader.

Drivers are required to notify their Driver Leader if they should ever lose their keys. The Driver Leaders are responsible for filling out a shop order request for duplication of keys.

YEARLY VIOLATIONS STATEMENT

The DOT requires that "Yearly Violation Statement" be filled out by every new-hire, rehire or current Driver once a year.

Drivers are required to submit yearly a DOT prescribed form listing all of your traffic convictions, regardless of type, with the exception of parking violations, setting forth your date of conviction, the offense, location, and type of vehicle you



were operating at the time of the offense. Drivers are required by DOT to prepare this document by submitting information upon request by completing and sending Macro 58 even if they have no convictions during the time period.

The purpose of this policy is to fulfill this DOT requirement by the Driver and Company and to note any violations that have occurred in the past year that may have an effect on one's employment with the Company. All are required to submit this form once a year. Failure to do so could affect employment status.

MEDICAL EXAMINATION

All applicants rehire, and current Drivers must meet DOT Rules and Regulations pertaining to health requirements to drive or continue to drive a commercial vehicle. A DOT Physical and Drug Screen will be administered to each applicant who has received a conditional offer of employment, rehires and current Driver.

- All US Logistics Drivers must meet DOT Rules and Regulations (see Section 391) to be hired and continue driving for the Company.
- All US Logistics Drivers are required to have a valid medical certificate, not over two years old since it was issued, with them at all times while operating Company equipment.
- Company drivers must use a US Logistics Clinic or a US Logistics approve clinic. List of US Logistics approved clinics is

located on the US Logistics Driver Portal. If a non-US Logistics clinic is used, US Logistics will not reimburse the cost of the exam.

The purpose of this policy is to meet all DOT Rules and Regulations pertaining to health requirements so that a Driver is DOT certified.

Drivers are responsible for recertification of their medical card every two years or as required by the examining physician. Compliance will send the Driver's Driver Leader a reminder requiring renewal of the medical card prior to expiration.

MEDICAL DISQUALIFICATION

DOT Rules and Regulations state that a Driver's medical card may be revoked, suspended or reevaluated for medical reasons.

Even though a Driver may have a valid medical card, if the Driver's ability to perform his/her normal duties have been impaired by a physical or mental injury or disease, the Driver is required to get a new medical examination in accordance with Part 391.45 (FMCSR) and approval from the by the Safety Compliance Department.

This will ensure that every Driver meets all DOT health requirements even after that Driver has a medical card. The Driver is responsible for contacting the Safety Department and Human Resources whenever the Driver cannot perform his/her normal duties.



LOG RULES & REGULATIONS

Violations found to be Flagrant or Willful may result in immediate termination of employment or placed out of service.

Hours of service regulations apply to all carriers and Drivers involved in transportation of property or passengers while conducting interstate or foreign commerce. Hours of service are regulated to ensure safer trucking operations. To ensure that each Driver understands daily log rules and regulations. See Driver Operations Manual and Logging Instructional Manual for "how to's" . To ensure that each Driver understands the disciplinary action taken if a violation occurs.

The Driver must follow all FMCSR rules and regulations pertaining to hours of service. The Dispatcher, Driver Leader and Operations Representative must ensure that the Driver is complying with the hours of service rules and regulations.

FULL-TIME, CASUAL, AND/OR LOCAL DRIVERS

Should you receive a citation, FOR ANY REASON, you must note that citation on the Vehicle Inspection Report of your logs. Any citation received must be remitted to the Licensing & Permits Department for payment by US Logistics. Should it be determined that the citation fine is the responsibility of the Driver, a payroll deduction will be made until such fine amount has been paid back. Also, you must contact the Safety Compliance Department so that the citation may be entered into your Driver file.

You must report ANY citation: DWI, DUI, Suspensions, Revoked, Moving Violations, Equipment, etc.

FAILURE TO REPORT

Failure to report citations or violation as required by DOT Regulations may result in immediate termination of employment.

CITATIONS

Should a driver receive a citation that is determined to be driver responsibility he or she will be subject to disciplinary action including but not limited to termination. Part 396.9(d)(1) requires driver to submit all inspection forms to the motor carrier upon arrival at the next terminal or facility or within 24 hours it needs to be mailed to the motor carrier. Driver's that fail to submit their inspection or citation forms will be subject to disciplinary action including but not limited to termination.

396.9 Inspection of motor vehicles in operation.

(a) Personnel authorized to perform inspections - Every special agent of the FMCSA is authorized to

enter upon and perform inspections of motor carrier's vehicles in operation.

(b) Prescribed inspection report - The Driver Vehicle Examination Report shall be used to record results of motor vehicle inspections conducted by authorized FMCSA personnel.

(c) Motor vehicles declared "out of service (c)(1) Authorized personnel shall declare and mark "out of service" any



motor vehicle which by reason of its mechanical condition or loading would likely cause an accident or a breakdown. An “Out of Service Vehicle” sticker shall be used to mark vehicles “out of service

(c)(2) No motor carrier shall require or permit any person to operate nor shall any person operate any motor vehicle declared and marked “out of service” until all repairs required by the “out of service notice” have been satisfactorily completed. The term “operate” as used in this section shall include towing the vehicle, except vehicles marked “out of service” may be towed away by means of a vehicle using a crane or hoist. A vehicle combination consisting of an emergency towing vehicle and an “out of service” vehicle shall not be operated unless such combination meets the performance requirements of this subchapter except for those conditions noted on the Driver Vehicle Examination Report.

(c)(3) No person shall remove the “out of service vehicle” sticker from any motor vehicle prior to completion of all repairs, required by the “out of service notice” .

(d) Motor carrier disposition.

(d)(1) The driver of any motor vehicle receiving an inspection report shall deliver it to the motor carrier operating the vehicle upon his/her arrival at the next terminal or facility. If the driver is not scheduled to arrive at a terminal or facility of the motor carrier operating the vehicle within 24 hours, the driver shall immediately mail the report to the motor carrier.

(d)(2) Motor carriers shall examine the report. Violations or defects noted thereon shall be corrected.

(d)(3) Within 15 days following the date of the inspection, the motor carrier shall -

(d)(3)(i) Certify that all violations noted have been corrected by completing the “Signature of Carrier Official Title and Date Signed” portions of the form; and

(d)(3)(ii) Return the completed roadside inspection form to the issuing agency at the address indicated on the form and retain a copy at the motor carrier’s principal place of business or where the vehicle is housed for 12 months from the date of the inspection.

CITATION/OOS POLICY

The purpose is to reduce the number of citations and violations that our drivers receive while operating US Logistics equipment.

All inspections and citations must be sent to the Safety group in Renton Washing A record of the violation(s) will be entered into the Driver Performance area of the US Logistics.

The following corrective action process has been established to hold the driver accountable for his/her failure to submit roadside inspection reports and citations within the 24 hour period as prescribed by federal regulation. If a driver should receive a violation or citation while employed by US Logistics & Consulting Crop.: a. All inspections and citations are entered into a database as they are received from drivers. In addition, the monthly MCMIS information is loaded into



the same database where both lists will be cross checked and duplicates will be removed. The level of discipline will be based on a rolling 12-month cycle.

- b. Drivers who receive a combination of three or more Driver and Equipment OOS Violations in a single inspection will be elevated 2 levels within the process regardless of where they are currently in the process; i.e., 0-2, 1-3, 2-4.
- c. Drivers who are convicted of offenses listed in FMCSR 383.51 (found in tables B, C and D found in the Driver Handbook) will be elevated 2 levels within the process regardless of where they are currently in the process; i.e., 0-2, 1-3, 2-4.
- d. Drivers who receive Tier II Driver Violations (see the Tier II list below) will be elevated 2 levels within the process regardless of where they are currently in the process; i.e., 0-2, 1-3, 2-4. *Exception: Drug/Alcohol use or possession will result in immediate termination under US Logistics zero tolerance policy.

UPDATE 5/2019: Those violations outlined in the “**Tier II Escalated Violations/Citations” matrix below will result in a Final Performance Counseling Report (PCR) for the first Tier II Escalated violation and termination of employment or contract for the second Tier II Escalated violation within

a twelve month period.

- e. Drivers who receive three or more equipment violations in a single inspection will be escalated 1 level.
- f. Drivers who receive two or more OOS equipment violation in a single inspection will escalate 1 level.

Safety Performance Review: consists of a review of a driver’s entire safety performance including the length of service, accidents/incidents, road reports, citations/violations, and log violations. The findings of the review will result in further disciplinary action which may consist of any of the following: suspension, probation, PCR, suspension of mentor status or termination of employment or contract.

Violations / Citations Disciplinary Process				
Level 1	Level 2	Level 3	Level 4	Level 5
PCR/Written Warning	- PCR/Written Warning - Remedial Training	- Performance Review - PCR/Written Warning - Remedial Training 3 day suspension	- Performance Review - PCR/Written Warning - Probation 5 day suspension *Termination possible	Up to and including Termination
	- Performance Review - Mentor Status Suspension 30days	- Termination Mentor - Status Suspension 60 days	- Termination Mentor - Status Terminated for 1 year	



Tier II Violations / Citations	
Reckless / Careless / Negligent Driving	Failure to keep in proper lane
Drug / Alcohol / use or possession	Improper passing
Failure to yield right of way	Improper lane change
Too fast for conditions	Improper turn
Hours of service violation	False log book or E-logs
Reckless / Careless / Negligence	No log book or E-logs
	Failure to keep in proper lane

**Tier II Escalated Violations / Citations	
Speeding > 10 MPH	Speeding in Construction Zone
Failure to obey traffic control device	Texting / Handheld phone use while driving

RESTRICTED USE OF THE TOP BUNK

The top bunk is never to be used when the truck is in motion. The top bunk may only be used when the truck is parked. This restriction is necessary to control the risk of serious injuries resulting from the

occupant being ejected from the bunk during hard braking or other driving maneuvers. Drivers running team must rotate sleeper berth periods with the use of the lower bunk. Should the team not want to share the bedding on the lower bunk sleeping bags may be used to make bedding personal.

CONCLUSION

Many Company policies and Driver benefits have been treated only briefly in this Driver Handbook. If you have any questions or want more information, your Driver Leader will be glad to fill in the details for you. The Director of Human Resources or Director of Safety will also be happy to help you with questions or problems.



ALCOHOL AND DRUG TESTING POLICY AND PROCEDURES

US Logistics and Consulting Crop.:

I certify that I have received a copy of and have read US Logistics policy regarding Alcohol and Drug Testing Procedures. I understand that as a condition of employment as a driver, I must comply with these guidelines, and do agree that I will remain medically qualified by following these procedures. If I develop a problem with alcohol or drug abuse during my employment with the Company, I will seek assistance through the current alcohol and drug testing program administrator.

Employee' s Name (Printed)_____

Employee Signature:_____ Date_____



EMPLOYEE EMERGENCY CONTACT FORM

Name _____

Department _____

Personal Contact Info:

Home Address _____

City, State, ZIP _____

Home Telephone # _____ Cell # _____

Emergency Contact Info:

(1) Name _____ Relationship _____

Address _____

City, State, ZIP _____

Home Telephone # _____ Cell # _____

Work Telephone # _____ Employer _____

(2) Name _____ Relationship _____

Address _____

City, State, ZIP _____

Home Telephone # _____ Cell # _____

Work Telephone # _____ Employer _____

Medical Contact Info:

Doctor Name. _____ Phone # _____

Dentist Name _____ Phone # _____

I have voluntarily provided the above contact information and authorize US Logistics and its representatives to contact any of the above on my behalf in the event of an emergency.

Employee Signatutre _____ Date _____