

# TOTAL QUALITY LOGISTICS, LLC

# BROKER/CARRIER AGREEMENT

## INTERNATIONAL TERMS ADDENDUM

This INTERNATIONAL TERMS ADDENDUM (“International Terms”) to the BROKER/CARRIER AGREEMENT (collectively the “Agreement”) is made by and between Total Quality Logistics, LLC (“BROKER”) and the motor carrier identified in the signature block at the end of the Agreement (“CARRIER”), and provides additional terms to the BROKER/CARRIER AGREEMENT to govern loads related to the Parties involving transport outside the United States (“U.S.”). Defined terms in the BROKER/CARRIER AGREEMENT maintain their meaning in this International Terms unless redefined here.

### 1. CARRIER REPRESENTATIONS AND WARRANTIES

CARRIER represents and warrants that it:

- (a) Is a registered motor carrier legally authorized with Operating Authority to provide transportation of property under contracts with shippers, receivers, and/or brokers of general commodities and is fully authorized to transport freight under all applicable Laws of the country in and/or through which it transports shipments, including, but not limited to:
  - (i) *for all transportation in Canada*: holding a National Safety Code (NSC) number and Safety Fitness Certificate, in each province it traverses; and
  - (ii) *for all transportation in Mexico*: providing federal motor carrier transportation service as a permit holder under Mexico’s Federal Roads, Bridges and Motor Carrier Act (*Ley de Caminos, Puentes y Autotransporte Federal*) published in the Federal Gazette of the Federation dated December 22, 1993, as amended and the related Mexican Federal Motor Carrier Transportation and Auxiliary Services Regulations (*Reglamento de Autotransporte Federal y Servicios Auxiliares de México*) and must be and remain duly authorized under such Laws and any other applicable regulatory authority, including without limitation, permits and authorizations issued by the Department of Communications and Transport (*Secretaría de Comunicaciones y Transportes*), for the transport of freight and goods, including the transportation of hazardous materials and/or products.
- (b) Currently is and at all times while performing Services will be in compliance with any and all Laws in any country in which CARRIER transports shipments, including Laws related to the transportation of HAZMAT, dangerous or hazardous goods, waste, or oversize/overweight loads.
- (c) Currently has and at all times while performing Services will maintain:
  - (i) *for all transportation in Canada*: a Carrier Safety Rating (“CSR”) issued by the Ontario Ministry of Transportation of “Satisfactory – Unaudited” or better, and/or a “Satisfactory” Safety Rating (“SR”) issued by the applicable provincial regulatory authority if the CARRIER engages in Extra-provincial Truck Undertaking as defined under the Motor Vehicle Transport Act; and
  - (ii) *for all transportation in Mexico*: if providing ground transportation for the movement of freight between Mexico and the U.S. border zone, CARRIER must be and remain authorized to transport goods into the U.S. border zone, must hold a valid Mexican Certificate of Registration for Foreign Motor Carriers and Foreign Motor Private Carriers under 49 U.S.C. § 13902 issued by the U.S. Department of Transportation and must remain duly registered and in good standing. If providing ground transportation for the movement of freight between the U.S. and Mexico, CARRIER must have and maintain a permit to render motor carrier cross-border services of international cargo in Mexico.
- (d) Will notify BROKER immediately if CARRIER’s Operating Authority, licensure, or safety rating is threatened to be or is revoked, under investigation, suspended, or rendered inactive for any reason.
- (e) Will notify BROKER immediately if CARRIER is sold, its assets assigned or otherwise transferred, or if there is a change in control/ownership of CARRIER and/or if the insurance required by this Agreement is threatened to be or is terminated, cancelled, suspended, or revoked for any reason.
- (f) Will, when transporting shipments between different countries, hold bonded carrier status and be duly licensed and qualified under all necessary customs and border security Laws of each country, and be experienced with customs clearance procedures and customs requirements including, without limitation, identifying manifests, commercial invoices, and customs documents necessary for shipments moving between countries.
- (g) Will utilize only competent, able, and legally licensed personnel in the performance of the Services as determined by the Laws of the country in which CARRIER transports shipments. CARRIER’s drivers shall have valid licenses issued by competent authorities necessary to provide the Services, including the permit to transport hazardous materials and/or products, being CARRIER exclusively responsible for all employment obligations under its command in accordance with the applicable Laws, including without limitation labor and social security Laws.
- (h) Currently is and at all times while performing Services will be in compliance with any and all privacy and data protection Laws in any country in which CARRIER transports shipments. (*For all transportation in Mexico*: CARRIER represents and warrants compliance with the Federal Law for the Protection of Personal Data in Possession of Private Parties (*Ley Federal de Protección de Datos Personales en Posesión de Particulares*). This obligation will survive even after termination of this Agreement and any relationship between the parties.)

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- (i) *For all transportation in Mexico:* the vehicles must be registered under the applicable transportation permit, have license plates, circulation cards, bonds, insurance, verifications and be in compliance with all applicable legal provisions, as well as be in excellent functional, hygienic and sanitary conditions. Furthermore, CARRIER shall at all times comply with the weight, size, packaging, speed restrictions and requirements and all federal, state and municipal transportation, security and environmental Laws, regulations and Mexican Official Norms (“NOMS”), including those applicable to hazardous materials and/or products, to provide in a competent, efficient and responsible manner such Services in Mexico.

## 2. TAX AND LABOR RESPONSIBILITIES

- (a) CARRIER will be responsible and liable for all of its employees, agents, and independent contractors providing services to BROKER. CARRIER will pay and accept full and exclusive liability for the assessments or contributions imposed on CARRIER by workers' insurance, safety, and pension Laws, or similar Laws or regulations in the country in which CARRIER transports shipments (*for all transportation in Canada* this includes, without limitation, the Unemployment Insurance Act, Canada Pension Act, Income Tax Act, Social Security Law, and any applicable local Laws). CARRIER, its employees, agents, and/or independent contractors, or subcontractors are not entitled to receive from BROKER, any regular pay, vacation pay, overtime pay, severance pay or any workers' compensation, unemployment benefits, or any other benefits of any kind which may be expected in an employer-employee relationship. CARRIER will furnish to BROKER, immediately upon request, proof of compliance with any workers' compensation, unemployment, or other employee related Laws of the country in which CARRIER transports shipments.

*For all transportation in Mexico:* CARRIER shall be exclusively responsible for the employment responsibilities and obligations including social security, commercial, tax, civil, and criminal liabilities related to its operations and Services provided to the BROKER in Mexico. CARRIER and all its employees, drivers, agents, representatives, subcontractors, and any other personnel, as well as those of its subcontractors that provide, directly or indirectly Transportation Services in Mexico, shall be duly registered in the Mexican Social Security Institute (*Instituto Mexicano del Seguro Social - “IMSS”*). The CARRIER will provide to BROKER, upon request, evidence of the registries and of being current with all labor and social security obligations with the IMSS or any other authority.

- (b) Additionally, CARRIER shall be exclusively responsible for any and all obligations under the applicable Mexican Labor Law and other applicable Mexican Laws, including payments to the IMSS, the National Workers' Housing Fund Institute (*Instituto del Fondo Nacional de la Vivienda para los Trabajadores - “INFONAVIT”*), the Retirement Fund System (*Sistema de Ahorro para el Retiro - “SAR”*) and any other applicable taxes or contributions with respect to any employees, drivers, agents, representatives, subcontractors or any other personnel it may utilize, employ or contract for the provision of the Services, including payroll taxes. Therefore, CARRIER shall hold BROKER completely harmless from any claims, complaints, actions, lawsuits, and/or proceedings, asserted by CARRIER'S employees and/or CARRIER'S contractors' employees and shall reimburse BROKER for any costs and expenses incurred (including but not limiting to attorneys' fees) deriving from the foregoing.
- (c) If the payments made by BROKER to CARRIER are subject to a U.S. withholding income tax, or similar levy, or to any tax or levy of any type in the country in which the CARRIER transports shipments, BROKER may withhold from payment to CARRIER the amount of such taxes or levies and may pay the same to the applicable taxing authority. If BROKER fails to withhold at the time payment is made, and an obligation to withhold is later discovered, CARRIER will reimburse BROKER, via offset or otherwise, for the payment made by BROKER to the taxing authority on CARRIER'S behalf. For the portions of the Services rendered in Mexico, all considerations will include the Mexican Value Added Tax.

## 3. SHIPMENTS TRANSPORTED IN THE UNITED STATES

During transport of shipments in the U.S., the following terms apply.

- (a) CARRIER will comply with any and all Laws and will be solely liable for freight loss, freight damage, and delay claims as well as personal injury/death and property damage claims.
- (b) CARRIER will pay the full, or mutually acceptable compromised amount, or deny any freight loss and damage claims within 90 days from date of receipt of a claim from BROKER or its CUSTOMER(S), or be conclusively presumed liable for such claims if no payment, compromise, or denial is received within 90 days, and will at all times exercise its best efforts to salvage rejected or damaged cargo.
- (c) CARRIER'S liability for any freight damage, loss, delay, and/or theft (regardless of the type of Operating Authority it has) will be determined under the Carmack Amendment (49 U.S.C. §14706 et seq).
- (d) CARRIER will be liable for special damages if such damages are reasonably foreseeable or if CARRIER is made aware of the possibility or existence of being assessed special damages.
- (e) CARRIER will issue a bill of lading which complies with the Federal Bill of Lading Act (49 U.S.C. §80101 et seq) for the property it receives for transportation under this Agreement.

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- (f) CARRIER assumes all risk of loss and will defend, indemnify, reimburse, and hold BROKER and its CUSTOMER(S) harmless from and against any and all claims or liability, arising out of or in any way related to the CARRIER's negligence, willful misconduct, acts, omissions, performance, or breach of the terms of this Agreement, including, without limitation, claims or liability for cargo loss or damage, theft, delay, damage to property, bodily injury and/or death, consequential damages, costs, expenses, and reasonable attorney or legal fees. If BROKER offsets against CARRIER, then CARRIER agrees to BROKER's reasonable estimate of the value of the claim.

#### 4. SHIPMENTS TRANSPORTED OUTSIDE THE UNITED STATES

During transport of shipments outside the U.S., the following terms apply.

- (a) CARRIER will comply with any and all Laws and will be solely liable for freight loss, freight damage, and delay claims as well as personal injury/death and property damage claims.
- (i) *For all transportation in Mexico*, and for purposes of this provision, the terms "freight loss", "freight damage" and "delay claims" shall mean, the invoice price of the products being shipped plus all incidental expenses and applicable Value Added Tax, if any. Such liability will exist from the time of the receipt of any shipment until proper delivery is made. CARRIER expressly waives the opportunity to deny claims on the grounds of "uncertain amounts" as well as defenses of Acts of God and force majeure.
- (ii) CARRIER further expressly waives the provisions of Articles 66, Section V, and 67 of the Federal Roads, Bridges and Motor Carrier Act with respect to Services in Mexico, as well as Section 592 of the Mexican Commerce Code, being therefore liable in the case of partial or total loss or damage of or to the products shipped for the full invoice value.
- (b) Unless otherwise agreed in writing, with respect to cargo damage claims, CARRIER will be liable for the declared value of the freight, as it appears in the bill of lading, or any other shipping document related to the shipment, and not to "released rates," and/or "limited liability" rates. Any attempt to limit damages will be void. If no shipping documents state a declared value, the statutory limit of the country in which the shipment originated will apply. (*For all transportation in Mexico*: the responsibility of the CARRIER will be limited to the amount equivalent to the declared value of the shipment, so CARRIER expressly and irrevocably waives its rights under Articles 66, section V, and 67 of the Federal Roads, Bridges and Motor Carrier Act.)
- (c) CARRIER will issue a uniform standard bill of lading with the information prescribed by the Laws for each shipment tendered for transportation and the services related to the transportation under this Agreement, and will be liable to the person entitled to recover under the bill of lading. CARRIER's liability will be the same as that of a motor carrier in accordance with Laws in effect at the place of origin in the absence of same with applicable common law.
- (d) CARRIER assumes all risk of loss and will defend, indemnify, reimburse, and hold BROKER and its CUSTOMER(S) harmless from and against any and all claims or liability, arising out of or in any way related to the CARRIER's negligence, willful misconduct, acts, omissions, performance, or breach of the terms of this Agreement, including, without limitation, claims or liability for cargo loss or damage, theft, delay, damage to property, bodily injury and/or death, consequential damages, costs, expenses, and reasonable attorney or legal fees. Therefore, CARRIER shall assure that the products are properly loaded and secured for transit, and that the products are promptly and safely loaded, transported, unloaded and delivered to their destination in a secure and proper manner given the nature and condition of the products. If BROKER offsets against CARRIER, then CARRIER agrees to BROKER's reasonable estimate of the value of the claim.
- (i) *For all transportation in Mexico*: In case of Services of hazardous materials or products of those classified as such by the applicable Mexican Laws and international treaties, the necessary permits, authorizations, license, insurance and bonds shall be obtained by CARRIER in compliance with and adherence to the applicable Mexican Laws and administrative provisions that apply directly or indirectly to the provision of services for the transportation of materials and/or hazardous materials or products.
- (ii) *For all transportation in Mexico*: Each shipment shall be documented and evidenced by a receipt in the form specified by BROKER, which shall be signed by CARRIER upon receipt of the products and show, inter alia, the description, weight, measures, value and quantity of the products received by CARRIER at the origin, in compliance with all Mexican Laws and regulations, provided however, that the absence, misplacement or loss of any such receipt shall not relieve CARRIER of any of its obligations and responsibilities under the Agreement. Furthermore, every shipment will be documented, as appropriate, with the import entries, invoice, shipping invoice, delivery invoice, letter of transmittal, freight, shipping or delivery, and in all cases, the bill of lading approved by the parties and a copy of the Agreement. CARRIER must have

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all supporting documentation necessary mentioned above to provide the Services and shall be solely and exclusively responsible for the sanctions, penalties, fines, violations, losses and damages caused to the BROKER and/or its corporate subsidiaries, affiliates and entities, or any third party for failure to transport the products with the documentation referred to herein or any other documentation required by applicable Mexican Laws and regulations. Therefore, CARRIER shall indemnify, defend and hold harmless the BROKER from any demand, sanction, claim, legal action, penalties, losses, fines or damages caused directly or indirectly to the BROKER and/or its corporate subsidiaries, affiliates and entities, including expenses and attorney's fees.

**5. INSURANCE** CARRIER will, at all times, comply with the insurance requirements set forth in the Agreement, and to the extent that any Laws require additional insurance coverage (*for all transportation in Canada* this includes, without limitation, insurance for Extra-provincial Truck Undertaking pursuant to s. 7 of the Motor Vehicle Transport Act), CARRIER will be required to strictly adhere to these Laws.

- (a) *For all transportation in Mexico*, CARRIER shall assume the obligation obtain, pay and maintain insurance policies with the insurance requirements set forth in the Agreement and in the Federal Roads, Bridges and Motor Carrier Act, same that shall cover all cargo and Services carried out in the Mexican territory. Also, all insurance policies providing the coverage in the Mexican territory shall be issued by insurance institutions duly authorized to operate in Mexico and with known creditworthiness. Finally, if the BROKER and/or CUSTOMER(S) wish to acquire any other additional insurance in Mexico, they shall obtain and maintain the same, but they shall pay the respective premiums for such additional insurance.

## 6. WORKERS' COMPENSATION

- (a) CARRIER agrees to be exclusively responsible for any applicable statutory workers' compensation insurance, and any other applicable federal, state, provincial or local workplace safety and insurance compensation of its employees, and to indemnify, defend, reimburse, and hold harmless the BROKER and its CUSTOMER(S) against any related claims, legal actions, or decisions. If any direct claim for workers' compensation benefits or awards or any other claims arising from employment are asserted against the BROKER by any of CARRIER's employees or, in the event of death, by their personal representatives, then CARRIER will indemnify, defend, reimburse, and hold the BROKER harmless from and against any such claim(s) to the extent of all benefits and awards, costs of litigation, disbursements, and reasonable attorney and/or legal fees the BROKER may incur.
- (b) *For all transportation in Canada*, CARRIER will comply with the Workplace Safety and Insurance Act or other applicable provincial workers' compensation legislation and will provide BROKER with a copy of a Workplace Safety and Insurance Board (or other Board's) Clearance Certificate upon demand.
- (c) *For all transportation in Mexico*, CARRIER has sole responsibility and liability in relation to labor issues, compensation, complaints or claims related to employment, including all those obligations under the Federal Labor Law, Social Security Law, INFONAVIT Law, Income Tax Law, state and federal Laws on payroll taxes, health Laws, environmental Laws, and any other applicable legislation or regulations in force in Mexico. CARRIER's obligations shall extend to any subcontractor hired by the CARRIER to provide all or part of the Services and shall survive termination of the Agreement. The CARRIER shall defend, indemnify and hold harmless the BROKER and CUSTOMER of any claim or lawsuit filed against the BROKER or CUSTOMER, including those claims or demands relating to the determination of the BROKER as substitute employer attempted by CARRIER'S personnel, the union or any governmental entity or of any other nature.

**7. ENTIRE AGREEMENT / GOVERNING LAW / JURISDICTION / VENUE** This Agreement supersedes any and all prior or contemporaneous understandings and agreements between the Parties with respect to the subject matter of this Agreement and is, along with the BROKER/CARRIER AGREEMENT, which is expressly incorporated, the complete and exclusive agreement between the Parties. Unless preempted by any treaties, conventions, or agreements between the U.S. and the country in which or through which the shipment is transported, the terms and conditions related to governing law, jurisdiction, and venue in the BROKER/CARRIER AGREEMENT apply to any dispute between the Parties. The Parties, through their duly authorized representatives, agree that this Agreement may be signed by electronic means, and by their electronic endorsement through BROKER's designated system or their physical signature below, the Parties intend to sign this Agreement and acknowledge that they have read this International Terms in its entirety; understand the terms and conditions of this International Terms; have had the opportunity to consult with legal counsel regarding terms and conditions of this International Terms; and knowingly, voluntarily, and willfully enter into this International Terms, without any duress or coercion of any kind.