



**HOURS OF SERVICE  
COMPLIANCE POLICY**

## Hours of Service Compliance Policy

Suddath Relocation Systems (“Suddath”) is committed to complying with all applicable federal Department of Transportation (DOT) regulations for property-carrying vehicles. Part 395 of the Federal Motor Carrier Safety Regulations (FMCSR) outlines the DOT rules governing drivers’ hours of service and record of duty status. This Hours of Service Compliance Policy (the “Policy”) outlines Suddath’s requirements for compliance with FMCSR hours of service regulations and record of duty status. For purposes of this Policy, “his” and “he” refers to both male and female.

### I. Roles and Responsibility

A. **Operations Manager:** The operations manager is the branch safety leader. He directs and controls all activities of the branch’s safety function and is responsible for:

- i. knowing and complying with the FMCSR hours of service and record of duty status regulations and Suddath’s policies;
- ii. ensuring branch compliance with DOT and FMCSR rules, as well as, Suddath policies and procedures including driver qualification, vehicle inspections, accident investigation/prevention, hours of service, and van operators’ daily logs;
- iii. ensuring all personnel associated with hours of service regulations (planners, dispatchers, Agency Safety Representative (ASR), log audit coordinators, etc.) are properly trained (including refresher training) on both the FMCSR and Suddath policies and procedures;
- iv. ensuring that driver and operations personnel are subject to disciplinary action for violations of FMCSR and Suddath safety policies and procedures;
- v. ensuring that the branch has sufficient staff to review hours of service data for all drivers;
- vi. establishing a communication channel and escalation procedure to address conflicts between scheduling and hours of service regulations; and
- vii. evaluating planners, dispatchers, ASR, and log audit coordinator to ensure that they are applying performance standards fairly, consistently, and equitably.
- viii. reviewing to ensure daily driving logs are not altered, once submitted by the driver.

B. **Dispatcher:** The dispatcher is responsible for:

- i. knowing and complying with the FMCSR hours of service and record of duty status regulations and Suddath policies;
- ii. reviewing dispatches to ensure loading and delivery schedules can be completed in compliance with FMCSR regulations and Suddath safety policies and procedures;
- iii. monitoring and recording drivers’ daily and weekly available hours of service based on daily phone conversations with drivers, including checking the prior seven (7) day duty statement for intermittent drivers and drivers alternating between long distance dispatch and local dispatch;
- iv. completing a “fit for duty” discussion with drivers while discussing available hours of service, and recording drivers’ response; and
- v. not dispatching a shipment unless he/she has mapped the route and confirmed that the driver has sufficient hours of services available to safely complete the shipment.
- vi. reviewing to ensure daily driving logs are not altered, once submitted by the driver.

C. **Drivers:** A driver shall not operate illegally under any circumstances. A driver is responsible for:

- i. knowing and complying with the FMCSR hours of service and record of duty status regulations and Suddath’s policies;

- ii. monitoring his/her on-duty/off-duty time and knowing his/her availability pursuant to the hours of service regulations;
- iii. planning routes effectively to ensure that he/she can complete the run in compliance with hours of services rules;
- iv. calling his dispatcher and reviewing “fit for duty status” before starting a run;
- v. advising his dispatcher as to the number of hours he has available and if he is ill or fatigued;
- vi. contacting his dispatcher immediately if he is unable to legally and safely complete an assigned dispatch, including if he is feeling ill or fatigued, adverse conditions, etc.;
- vii. keeping and submitting accurate logs; and
- viii. using his best judgment to find a safe haven to stop and rest if he is feeling ill or fatigued, even if he has hours available under the rules.
- ix. knowing and complying with FMCSR regulations governing unsafe driving and vehicle maintenance requirements, State and local laws and Company Policies.

D. **Agency Safety Representative (ASR)**: The ASR assists the operations manager with safety related functions and Suddath’s safety policies and procedures. The ASR is responsible for:

- i. knowing and complying with the FMCSR hours of service and record of duty status regulations and Suddath’s policies;
- ii. overseeing the day to day activities of driver qualifications, log compliance, and driver performance, and assists with driver and employee safety recognition;
- iii. working with the log audit coordinator to investigate all log falsification investigations/audits;
- iv. training new log audit coordinators (if applicable), and new qualification and remedial training for drivers;
- v. monitoring log infractions on VTOP, Vigillo, and CSA website to achieve branch SPR goals;
- vi. conferring with the operations manager when drivers enter into Phase 2 or Phase 3 corrective action pursuant to Suddath’s Log Auditing Policy; and
- vii. if the branch does not have a log audit coordinator, the ASR is also responsible for the log audit coordinator’s duties and responsibilities.
- viii. reviewing to ensure daily driving logs are not altered, once submitted by the driver.

E. **Log Audit Coordinator**: The log audit coordinator is responsible for:

- i. knowing and complying with the FMCSR hours of service and record of duty status regulations and Suddath policies;
- ii. receiving and reviewing logs for form and manner violations, falsifications, and supporting documents;
- iii. checking the prior seven (7) day logs for intermittent drivers;
- iv. utilizing Rapidlog software to audit logs for hours of service violations and related log compliance processing activities;
- v. retaining and storing logs for a minimum of six (6) months; and
- vi. reporting all log compliance findings to the ASR or operations manager, as applicable.
- viii. reviewing to ensure daily driving logs are not altered, once submitted by the driver.

## II. Qualification, Hiring and Training Procedures

A. Recruiting: Suddath actively participates in job fairs and industry associations, as well as, works with local driving schools, universities, and consultants, to find quality candidates for driver, dispatcher, planner, ASR, log audit coordinator, and operations manager positions.

B. Qualification: Suddath qualifies its drivers pursuant to United Van Lines, LLC driver qualification procedures.

C. Hiring: All planners and dispatcher applicants for employment shall have a minimum of a high school diploma or a GED and shall receive a passing grade for Suddath's general math test. All planners and dispatchers shall also have good verbal communication skills.

D. Training:

i. Prior to receiving a driver identification number, all drivers (both employees and owner operators) must take and pass online training as outlined by Suddath's Driver Qualification Process. Drivers shall also familiarize themselves with related company-specific policies that are in addition to these rules.

ii. All dispatchers, planners, ASRs, log audit coordinators, and operations managers must take and pass online training as outlined by Suddath's Driver Qualification Process. These courses must be taken during the first five business (5) days after being hired by Suddath. They shall also familiarize themselves with related company-specific policies that are in addition to these rules.

iii. All drivers (both employees and owner operators), dispatchers, planners, ASRs, log auditors, and operations managers shall retake hours of service and any other safety related courses prescribed by Suddath's corporate safety director every two (2) years. This shall be part of such individual's job requirements (for employees) and applicable company policies for independent contractors. Failure to comply with this policy shall result in disciplinary action, up to and including termination for employees, and termination of the driver's contract for independent contractors.

iv. The operations manager and ASR shall hold a monthly safety meeting with all local drivers, planners, dispatchers, and log audit coordinators to review a relevant safety topic including, but not limited to hours of service, pre and post trip inspections, the importance of planning a route to ensure the driver has enough hours of service available to complete his/her run safely, out of service orders, driver and dispatcher obligations for driver fatigue and illness while under dispatch, and the importance of proper rest between shifts. The operations manager and/or the ASR shall send an e-mail recap of the safety meeting topics and a safety tip to any qualified Driver and/or planner, dispatcher, or log audit coordinators unable to attend the monthly safety meeting. If the individual does not have an e-mail, the documentation will be provided via letter enclosed in the individual's payroll / settlement statement.

v. The operations manager and ASR shall also communicate United Van Lines's (UVL) HOS Compliance percentile to all planners, dispatchers, drivers, and log coordinators during the monthly safety meeting, and explain how they can have a positive impact on the score.

vi. The ASR shall keep accurate written/electronic records of all safety training needs and completed training and shall ensure that all personnel complete the initial required hours of service courses and take refresher courses as mandated by this Policy.

vii. If a driver, dispatcher, planner, or log audit coordinator, has a question about hours of service rules or Suddath policies, they should contact their ASR, operations manager, or the Suddath corporate safety director for further guidance.

**III. Hours of Service Procedures** - The following procedures outline the FMCSR's hours of service regulations for property carrying vehicles.

A. No operations manager, planner, dispatcher, ASR, or log audit coordinator shall authorize or knowingly permit a driver to:

- i. violate the hours-of-service rules (including out of service orders) and/or Suddath policies; or
- ii. operate a commercial motor vehicle if he or she is ill or fatigued, despite having available hours of service.
- iii. alter log hour records or grid.

B. A driver shall:

- i. call dispatch and review his “fit for duty status” before starting a run;
- ii. advise dispatch as to the number of hours available and if he/she is ill or fatigued;
- iii. contact dispatch immediately if unable to legally and safely complete an assigned dispatch, including if he/she is feeling ill or fatigued, adverse conditions, etc.;
- iv. monitor on-duty/off-duty time and know his availability pursuant to the hours of service regulations;
- v. plan routes effectively to ensure that he can complete his run in compliance with hours of services rules; and
- vi. use his best judgment to find a safe haven to stop and rest if he is feeling ill or fatigued, even if he has hours available under the rules.

C. 11-Hour Driving Rule (Section 395.3(a)(3)(i)) - A driver shall not drive for more than 11 hours following 10 consecutive hours off duty. All time spent at the driving controls of a commercial motor vehicle is considered driving time.

D. 14-Hour On-Duty Rule (Section 395.3(a)(2)) - A driver shall not drive after the 14th consecutive hour after coming on duty. After the 14th hour, a driver cannot drive again until he has 10 consecutive hours of rest.

E. Rest-Break Rule (Section 395.3(a)(3)(ii)) - A driver cannot drive if more than 8 hours have passed since the end of the driver's last off-duty or sleeper-berth period of at least 30 minutes.

F. Adverse Driving Conditions/Emergency Conditions (Section 395.1(b))

- i. A driver who encounters adverse driving conditions and, because of those conditions, cannot safely complete his run within the 11-hour maximum driving time, may drive for an additional 2 hours to complete the run.
- ii. “Adverse driving conditions” means snow, sleet, fog, or unusual road and traffic conditions which were not apparent to the person dispatching the run at the time it started.
- iii. **NOTE:** Adverse driving conditions do not include loading or unloading delays or conditions that were apparent before the run was dispatched.
- iv. In case of an emergency, a driver may complete his run if such run reasonably could have been completed absent the emergency.

G. Sleeper Berth (Section 395.1(g))

- i. The sleeper berth can be used to accumulate required off-duty time, as long as the driver follows the hours of service rules. A driver can accumulate the required 10 hours of off-duty time by either:
  - a. Spending 10 consecutive hours in the sleeper berth;
  - b. Combining time in the sleeper berth with other off-duty time to get 10 hours off, as long as all 10 hours are consecutive; or
  - c. Obtaining 10 non-consecutive hours off duty using two separate rest periods, with one being at least 8 consecutive hours in the sleeper berth and the other being at least 2 consecutive hours either off duty, in the sleeper berth, or any combination of the two.
- ii. If a driver elects to obtain the 10 non-consecutive hours off duty using two separate rest periods, once he has obtained the two required rest periods, he does NOT have 11 and 14 hours

available. Available hours are calculated by counting forward from the end of the first rest period and subtracting driving time from 11 and all time (excluding any 8-hour sleeper-berth periods) from 14.

iii. The following example describes how the sleeper berth can be used effectively by a driving team:

a. Driver A is behind the wheel for 8 hours, then goes into the sleeper berth for 8 hours, while Driver B (who has been in the sleeper berth) gets behind the wheel. After 8 hours in the sleeper berth, Driver A drives for another 3 hours then goes back into the sleeper berth for 3 hours. At that point, Driver A's 10-hour off-duty requirement has been satisfied in two blocks of time and he/she can return to driving for 8 hours.

b. This method can be used continually as long as the driver has driving time available under the 70-hour rule.

iv. Drivers can also log "off duty" for up to 2 hours while riding in a passenger seat on a moving property-carrying vehicle immediately before or after spending at least 8 consecutive hours in a sleeper berth. This off-duty time, along with the sleeper-berth time, can be excluded from the 14-hour calculation.

H. 70-hour/8-day limit (Section 395.3(d))

i. Suddath follows the 70-hour/8-day schedule. A driver cannot drive after having been on-duty for 70 hours in any 8 consecutive days.

ii. 34-Hour Restart: Any period of 8 consecutive days will end with the beginning of an off-duty period of 34 or more consecutive hours

I. On-Duty Time: All time from the time a driver begins to work or is required to be in readiness to work until the time he is relieved from work and all work responsibility is considered on-duty time. Work for any entity, regardless of whether the employer is a carrier, is considered on-duty time. (Section 395.2).

On-Duty Time includes the following:

i. All time at a plant, terminal, facility, or other property, of a motor carrier or shipper, or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the motor carrier;

ii. All time inspecting, servicing, or conditioning any commercial motor vehicle at any time;

iii. All driving time;

iv. All time, other than driving time, in or upon any commercial motor vehicle except time spent resting in a sleeper berth, time spent resting in or on a parked vehicle, and up to 2 hours spent riding in the passenger seat of a moving property-carrying vehicle immediately before or after spending at least 8 consecutive hours in a sleeper berth;

v. All time loading or unloading a commercial motor vehicle, supervising, or assisting in the loading or unloading, attending a commercial motor vehicle being loaded or unloaded, remaining in readiness to operate the commercial motor vehicle, or in giving or receiving receipts for shipments loaded or unloaded;

vi. All time repairing, obtaining assistance, or remaining in attendance upon a disabled commercial motor vehicle;

vii. All time spent providing a breath sample or urine specimen, including travel time to and from the collection site, in order to comply with alcohol and drug testing requirements;

viii. Performing any other work in the capacity, employ or service of a motor carrier;

ix. Performing any compensated work for a person who is not a motor carrier.

J. Fatigued Drivers: A driver shall not operate a commercial motor vehicle if he is ill or fatigued, even if he has available hours under the hours-of-service rules. In a case of grave emergency where the hazard to occupants of the commercial motor vehicle or other users of the highway would be

increased by compliance with this section, the driver may continue to operate the commercial motor vehicle to the nearest place at which that hazard is removed. Section 392.3.

K. Hours-of Service Out of Service Order

i. Any driver who has been placed out of service in conjunction with a roadside inspection by a state or federal official for violating the hours-of-service regulations must report the incident immediately by calling his dispatcher and/or his branch ASR before returning to duty.

ii. A driver must also email or fax a legible copy of the roadside inspection document to the branch ASR within 24 hours and ensure that the original document is received by the branch ASR within 7 days.

iii. A driver shall not violate an out of service order under any circumstances.

**IV. Driver Logs Procedures**

A. Van Operator's Daily Log Form: Suddath requires drivers to use the "Van Operator's Daily Log" form. A sample of the log form to be used is attached to this policy. Drivers should not use any other form. The approved log form is in duplicate as required by Section 395.8(a)(1).

B. Using the Log Grid: There are four (4) different types of duty status that should be entered on the log grid. (Section 395.8 of the FMCSR).

i. Off Duty: A driver may log off duty when he is relieved of all responsibility for his job and the commercial motor vehicle. Example: days off, company authorized meal stops. Off Duty time must be logged on line 1.

ii. Sleeper Berth: A driver may log time on this line when he is in a sleeper berth which meets the requirements of Section 393.76 of the FMCSR. Sleeper berth time must be logged on line 2.

iii. Driving: A driver must log on this line all time spent at the "driving controls of a commercial motor vehicle in operation" (Sec. 395.2). Driving time must be logged in line 3.

iv. On Duty (Not Driving): All other time when the driver is working or is in the vehicle and not in the sleeper or driving. On Duty time must be logged on line 4.

C. On Duty Time Includes:

i. All time at a plant, terminal, facility, or other property, of a motor carrier or shipper or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the motor carrier;

ii. All time inspecting, servicing, or conditioning any commercial motor vehicle at any time;

iii. All driving time as defined in the term "driving time";

iv. All time, other than driving time, in or upon any commercial motor vehicle except time spent resting in a sleeper berth, time spent resting in or on a parked vehicle, and up to 2 hours spent riding in the passenger seat of a moving property-carrying vehicle immediately before or after spending at least 8 consecutive hours in a sleeper berth;

v. All time loading or unloading a commercial motor vehicle, supervising, or assisting in the loading or unloading, attending a commercial motor vehicle being loaded or unloaded, remaining in readiness to operate the commercial motor vehicle, or in giving or receiving receipts for shipments loaded or unloaded;

vi. All time repairing, obtaining assistance, or remaining in attendance upon a disabled commercial motor vehicle;

vii. All time spent providing a breath sample or urine specimen, including travel time to and from the collection site, in order to comply with the random, reasonable suspicion, post-accident, or follow-up testing required by Part 382 of this subchapter, when directed by a motor carrier;

- viii. Performing any other work in the capacity, employ, or service of a motor carrier; and
  - ix. Performing any compensated work for a person who is not a motor carrier.
- (Section 395.2)

D. Additional Required Information for Each Log: A driver must ensure that the following fourteen (14) items appear on each log. Section 395.8(d).

- i. The date of the log including the month, day, and year;
- ii. The total miles driving during the 24-hour period covered by the log;
- iii. The truck or tractor and trailer numbers;
- iv. The name of the carrier;
- v. Driver's signature/certification;
- vi. The 24-hour period's starting time (most commonly midnight or noon, but any other time can be chosen by the carrier for a particular terminal to use on their logs);
- vii. The carrier's main office address;
- viii. Remarks;
- ix. The name of the co-driver (if applicable);
- x. The total hours (at the end of the grid); and
- xi. The shipping document number or name of shipper and commodity;
- xii. Driver's agency number;
- xiii. Driver's van operator ID; and
- xiv. Driver's printed name

E. When the 14 Required Items Must be Entered on the Log:

- i. At the start of each run, some of the required 14 items must be entered immediately, with the rest being filled in as your day progresses. To begin, fill in the following:
  - a. driver's printed name;
  - b. the date of the log including the month, day and year (example: 04/01/13);
  - c. the carrier's full name (if it is not already preprinted on the log form);
  - d. the carrier's main office address (if it is not already preprinted on the log form). If not, the city name must be written out in full, but the state can be abbreviated;
  - e. the driver's Agency Number (enter your Agent # with leading zeros, if applicable);
  - f. the driver's Van Operator ID Number (enter your ID # with leading zeros as indicated, leaving the last block blank [example: Agent #282, Driver ID # 02, 028202]);
  - g. the truck or tractor number (enter your Unit # [3 digits/alpha characters] first, followed by a zero, then your three digit Agency Number [example: Unit # 32A, Agent #282, Log Unit # 32A0282])
  - h. the trailer number (enter your Unit # [3 digits/alpha characters] first, followed by a zero, then your three digit Agency Number [example: Unit # 32A, Agent #282, Log Unit # 32A0282]).
  - i. the co-driver's name, if applicable
  - j. the shipping document numbers or the name of the shipper and commodity (generally located in the Remarks section of the form.)
- ii. At the end of the day, the driver shall also fill in the following:
  - a. total miles driving during the 24-hour period covered by the log;
  - b. total number of hours;

- c. driver's signature; and
- d. ensure the remarks section and the graph grid are complete.

F. Completing the Graph Grid and Remarks:

- i. At the start of each log, a driver shall enter his duty status on the graph grid and the full name of the city and abbreviated state name in the remarks section.
- ii. A driver shall record each change of duty status on his log and keep the duty status current.
- iii. For each change of duty status, the name of the city, town or village, with the state abbreviation must be recorded. If a change of duty status occurs at a location other than a city, town or village, show one of the following:
  - a. the highway number and nearest milepost followed by the nearest city, town or village and state abbreviation;
  - b. the highway number and the name of the service plaza followed by the name of the nearest, city, town or village and state abbreviation; or
  - c. the highway numbers of the nearest two (2) intersecting roadways followed by the name of the nearest city, town or village and the state abbreviation.
- iv. A driver shall record his duty status using straight lines without any hash marks because logs are read by an electronic scanner.

G. Additional Responsibilities: A driver must also comply with the following requirements to ensure that their logs are accurate and in compliance with the FMCSR:

- i. Entries must be current to the last change of duty status;
- ii. Entries must be legible and in the driver's own handwriting;
- iii. Entries should include all of the required 14 items as described elsewhere in this procedure;
- iv. All entries on the log should be made using the time standard in effect at the driver's home terminal;
- v. Entries for multiple days off or vacations can be consolidated onto a single log form, as long as the inclusive dates are clearly shown;
- vi. Entries must be done in duplicate, according to the regulations;
- viii. A driver should always double check his calculations and math before signing a log and submitting it;
- ix. After a driver has completed his log, he must submit the original daily log, as well as the supportive documentation (i.e. fuel receipts, toll receipts, etc.) directly, or forward it via mail, to his operation's manager or, if applicable, ASR:
  - a. at the end of the work day if he is operating in Suddath's Local Fleet; or
  - b. within 7 days of the log date if he is operating in Suddath's Regional or Long Distance Fleet
  - c. daily logs must be received by United/Mayflower within 13 days of completion.
  - d. Any corrections to the log before submission must be made by the driver only.
- x. Once submitted by the driver, log hour records or grids are not to be altered.
- xi. A driver must always keep the current day's log (current through the last change of duty status), plus a copy of the logs for the previous 7 consecutive days in his possession while on duty. Section 395.8 (k)(2). He shall produce these documents if requested to do so by a law enforcement official or DOT inspector.

H. Electronic Logging Devices (ELDs): For drivers who are recording hours of service using an ELD:

- i. Electronic logs will be certified daily, by the driver, for the previous day's driving duties.
- ii. A driver's failure to certify logs, greater than 3 days prior, will result in corrective action listed in section VI.A.iii.b(9) of this document.
- iii. Due to the proactive warnings issued by ELDs regarding upcoming HOS violation thresholds, and in the absence of any extenuating or mitigating circumstances, HOS violations occurring while using ELDs will be deemed intentional and will result in Phase 2 corrective action status as outlined in Section VI of this policy.

I. Retention:

- i. Logs will be retained (along with all supporting documents) at the driver's assigned branch office for a minimum of six (6) months from the date of receipt. The branch log audit coordinator is responsible for properly identifying and storing these records for future review.
- ii. Roadside inspections and day pages will be retained for six (6) months. The branch safety administrator is responsible for properly storing these records for use in the Bi-weekly Audit (see Article V, Section B below) and future review.

J. Consequences of Failure to Follow this Policy:

- i. Violation of this Policy by an independent contractor will result in corrective actions up to and including termination of qualification.
- ii. Violation of this Policy by an employee will result in corrective actions up to and including termination.

V. **Log Audit Procedures** - Suddath's log auditing policy consists of the following steps:

A. Auditing – General Overview:

- i. After submission by drivers, logs will be forwarded to the branch ASR or, if applicable, the log auditing coordinator for audit.
- ii. All logs will be audited using Rapidlog hours of service auditing software.
- iii. Logs will also be audited for form and manner violations, hours of service violations, grid and recap violations, and log falsification.
  - a. Each driver daily log audited will be compared with the calendar day documented on the driver daily log and the driver's corresponding scheduled activity for the same calendar day.
  - b. All bill of lading numbers on the driver daily logs will be verified.
  - c. Supportive documentation, such as scale tickets, toll receipts, loading and unloading times as noted on shipping papers, GPS data (if applicable), etc. will be compared to the driver daily log; and
  - d. The location and hours of service will be compared to the scheduled location for each particular job documented on the driver daily log, as well as, daily check in calls to the dispatcher by the driver.
- iii. The ASR/log audit coordinator shall retain all drivers' logs will be retained by Suddath for a minimum period of 6 months (Sec. 395.8(k)). The logs will be stored in a filing cabinet near the ASR/log coordinator's work station.
- iv. The ASR/log audit coordinator shall notify the operations manager immediately if there are any indications of falsification or other serious log violation is found.

B. Biweekly Audit: On a bi-weekly basis, the ASR/log audit coordinator, will randomly select 10% of the branch's fleet, and audit seven (7) days worth of logs per selected driver for log falsification. The audit will use supportive documentation (toll receipts, fuel receipts, bills of lading, etc.), as well as Skybitz and other GPS data (when available).

C. The ASR/log audit coordinator will meet with the operations manager at least once per week to review log audit findings, examine trends to determine if there is a systemic problem, and discuss recommended corrective action.

D. The ASR/log audit coordinator shall periodically observe dispatch operations to ensure that drivers and dispatchers are regularly communicating about hours of service availability and driver fatigue. The observations resulting from this process will be documented and records retained for six (6) months.

E. All fatigue related non-compliance with the FMCSR or Suddath policies shall be documented in writing and reported to the ASR and operations manager.

**VI. Feedback/Corrective Action/Recognition:** The branch operations manager and/or the ASR will provide drivers with feedback and/or corrective action based on results of log audits.

A. Drivers:

i. The operations manager and the ASR shall notify the driver about any log violations as soon as possible. They shall review and explain the violations and discuss how to prevent a reoccurrence.

ii. The driver can request, and/or the operations manager and ASR may recommend, hours-of-service and logging remedial training at any time. Drivers in need of additional hours-of-service or logging training will be referred to Suddath's corporate Safety Department for scheduling.

iii. Drivers with repeated or excessive log violations (inclusive of late logs) will be subject to the following corrective action schedule. However, Suddath reserves the right to impose more stringent consequences based on circumstances and the severity of violations. Situations will be judged on a case by case basis before the phased corrective action described below is initiated.

a. **Phase 1:** Drivers will be placed into a Phase 1 corrective action status when any of the criteria listed below are met:

1. Three or more "Late Log" violations within a calendar month, when driver is using daily log form and grid.

2. Three or more "Form and Manner" violations are discovered within a calendar month, when driver is using daily log form and grid.

3. One or more "Hours of Service" violations are discovered within a calendar month, when driver is using daily log form and grid.

4. One or more "Log Falsifications" are discovered within a calendar month, when driver is using daily log form and grid.

5. One or more violations of local, state or federal regulations discovered within a calendar month. (Unsafe driving, vehicle inspection failures, etc...).

6. Any of the previously mentioned violations are discovered within a calendar month.

Drivers being placed into Phase 1 corrective action status will be issued a verbal warning by the Operations Manager and/or ASR and placed on probation for a 30 day period from the date of the verbal warning. Drivers in the Phase 1

corrective action program who continue to submit logs with violations will be placed into the Phase 2 corrective action program.

A driver will be taken off Phase 1 status after the probationary period has expired and the improper behavior has been corrected. All verbal warnings shall be documented and a written record placed in the driver's file. All verbal warnings shall be documented in writing and include the date and time issued the operations' manager's signature.

b. **Phase 2:** Drivers will be placed into Phase 2 corrective action status when any of the criteria listed below are met:

1. One or more "Late Log" violations while in Phase 1 probationary status.
2. One or more "Form and Manner" violations are discovered while in Phase 1 probationary status.
3. One or more "Hours of Service" violations are discovered while in Phase 1 probationary status.
4. One or more "Log Falsifications" are discovered while in Phase 1 probationary status.
5. One or more violations of local, state or federal regulations discovered within a calendar month. (Unsafe driving, vehicle inspection failures, etc...)
6. Any combination of the previously mentioned violations are discovered while in Phase 1 probationary status.
7. One or more instance of failing to certify an ELD log while in Phase 1 probationary status.
8. One or more "Hours of Service" violations are discovered while using an ELD.
9. One or more instances of failing to certify an ELD log, greater than 3 days prior.

Drivers being placed into Phase 2 corrective action status will be issued a written warning letter by the operations manager, placed on probation for a 90 day period from the date of the written warning letter, and scheduled for mandatory remedial hours-of-service and logging training. Drivers in the Phase 2 corrective action program who continue to submit logs with violations will be placed into the Phase 3 corrective action program.

A copy of the written warning and record of remedial training shall be placed in the driver's file. All written warning entries shall include the date and time issued and the signatures of the driver and operations manager. The driver will be taken off Phase 2 status after the probationary period has expired and the improper logging behavior has been corrected.

c. **Phase 3:** Drivers will be placed into Phase 3 corrective action status when any of the criteria listed below are met:

1. One or more "Late Log" violations while in Phase 2 probationary status.
2. One or more "Form and Manner" violations are discovered while in Phase 2 probationary status.
3. One or more "Hours of Service" violations are discovered while in Phase 2 probationary status.

4. One or more "Log Falsifications" are discovered while in Phase 2 probationary status.

5. One or more violations of local, state or federal regulations discovered within a calendar month. (Unsafe driving, vehicle inspection failures, etc...)

6. Any combination of the previously mentioned violations are discovered while in Phase 2 probationary status.

7. One or more instance of failing to certify an ELD log while in Phase 2 probationary status.

8. One or more "Hours of Service" violations are discovered while using an ELD in Phase 2 probationary status.

Drivers being placed into Phase 3 corrective action status will be issued a final written warning letter by the operations manager, placed on probation for a 180-day period from the date of the final written warning letter, scheduled for mandatory remedial hours-of-service and logging training and a mandatory 7 business day driving suspension. A driver who receives any log violation during the Phase 3 corrective action period will have his/her driver qualification status terminated.

Phase 3 is the final stage of Suddath's corrective action program. A copy of the final written warning will be placed in the driver's file. All final written warning entries must include the date and time issued and the signatures of the driver and operations manager. A driver who receives any log violation during the Phase 3 corrective action period will have his/her driver qualification status terminated.

Appeals of termination and recommendations for requalification eligibility associated with this phased discipline policy will be submitted to the Suddath Safety Review Committee. The Safety Review Committee will be chaired by the Director of Safety. Appeals or petitions for requalification will be presented to the Safety Review Committee by the impacted Operations Manager or General Manager. Safety Review committee members will include:

- Director of Safety
- VP of Operations
- SVP of the petitioning OM/GM's area
- Division Safety Manager
- One at-large committee member from Legal, HR or Risk.

B. Any hours of service violations resulting from a misunderstanding of the rules by a operations manager, dispatcher, planner, log auditor, or ASR requires mandatory refresher retraining. Such refresher training shall be completed within two (2) business days.

C. Violation of this Policy by an operations manager, dispatcher, planner, log auditor, or ASR will result in disciplinary action up to and including termination.

D. Any driver who fails to notify the branch operations manager or ASR of an out of service order as required by this Policy shall be subject to a 30-day suspension.

E. If a driver leaves before the designated time period specified in the out-of-service order (i.e. "jumping" the OOS order), he will be subject to immediate disciplinary action, up to and including permanent disqualification and either termination of employment or termination of the ICOA, as applicable.

F. If a dispatcher, planner, or operations manager, dispatch a driver who has been placed out of service before the out of service order has been lifted, he shall be subject to discipline up to and including termination.

G. Recognition – Drivers and operations personnel who support Suddath's commitment to safety shall be recognized.

i. The branch operations manager and ASR shall verbally congratulate drivers and operations with zero log violations and zero late logs, and recognize them at monthly meetings, as well as, post recognition on the drivers' portal.

ii. All drivers (both employees and owner operators) participate in an annual safety bonus program (including hours of service compliance) where they receive both verbal and financial recognition.