

CONFIDENTIAL TRANSPORTATION SERVICES AGREEMENT

THIS CONFIDENTIAL TRANSPORTATION SERVICES AGREEMENT (the “Agreement”) is made and entered into as of _____, 20__~~15~~ (the "Effective Date") by and between **SPS Companies, Inc** a Kansas corporation whose principal place of business is located at 555 Poyntz Avenue, Manhattan, Kansas 66502 (“SPS”) and _____ a (State)_____ corporation whose principal place of business is located at _____(the “Carrier”).

RECITALS:

WHEREAS, SPS requires the services of a for-hire motor carrier for the transport of its shipments of commodities, including but not limited to Steel products and certain items listed in Schedule A from time to time (collectively, the “Commodities”);

WHEREAS, the Carrier is a for-hire motor carrier and desires to provide its transportation services to SPS in accordance with the terms and conditions of this Agreement;

WHEREAS, Carrier and SPS both understand that this Agreement does not bind the respective parties to mutually exclusive services to each other, and that SPS may enter into similar contracts with other motor carriers, and Carrier may enter into similar contracts with other shippers and/or receivers;

NOW THEREFORE, that in consideration of the covenants and agreements described in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. TERM. The initial term of this Agreement shall commence on the Effective Date and be in effect until September 30, 2016 unless terminated sooner as provided herein. After the initial term, this Agreement shall continue in full force and effect unless terminated at any time by either party by giving the other party thirty (30) days written notice in advance of such termination date.

2. TRANSPORTATION SERVICES. SPS agrees to tender to Carrier for highway transportation, in a timely manner, shipments of Commodities from origin to destination as specified in the Schedules attached hereto and incorporated herein by reference, and to allow reasonable access to SPS premises in common with others for the purpose of delivery and pick up of SPS Commodities. Carrier agrees to provide transportation services to SPS for the carriage of its Commodities in accordance with the terms and conditions of this Agreement, including but not limited to:

- (i) to transport SPS’s Commodities from the points of origin to destinations located at such premises as are set out in Schedule F to this Agreement;
- (ii) to transport SPS’s Commodities at such rates and charges as are set out in Schedule B to this Agreement;

- (iii) to transport SPS's Commodities in accordance with the quality service standards as are set out in Schedule C to this Agreement.

This Agreement does not grant Carrier an exclusive right to perform transportation services for SPS, and SPS does not guarantee any specific amount or number of shipments, tonnage or revenue to Carrier. Carrier understands and agrees in performing services under this Agreement that time is of the essence in the pickup, transportation and delivery of individual shipments and agrees to use all reasonable means to meet all agreed prearranged pickup and delivery times.

3. PERSONNEL REQUIREMENTS.

(a) Carrier shall furnish only orderly, safe and competent personnel to perform the agreed services noted herein. Truck drivers must be aged of at least 21 years old, have a valid driver's license, be properly trained with respect to the safe handling and transport of Commodities and dangerous goods, wear a clean good condition clothing that covers appropriately at all times, and abide by any additional personal protective equipment specific to each location.. Carrier warrants that all of its personnel handling Commodities shall be equipped with the appropriate personal safety equipment (boots, goggles, gloves, clothing, etc.). Carrier warrants that all personnel shall be fully trained in the proper and safe handling of Commodities, and shall be properly and adequately supervised at all times. In the event any of Carrier's personnel are, in SPS's opinion, objectionable, deemed unsafe or disorderly in performing the services, upon receipt of SPS's complaint, Carrier shall immediately investigate and if SPS's complaint is verified, such personnel shall be forthwith removed from active participation in the performance of services and shall not be allowed to return without SPS's prior written consent.

(b) Carrier personnel shall at all times be in compliance with rules, regulations and standard operating procedures in force at premises located at origin and destination points. The Carrier hereby acknowledges that in the event that Carrier or Carrier personnel fails to follow any of the rules, regulations and standard operating procedures currently in place at a SPS facility, SPS will to take any or all actions available to it required to ensure compliance, acting reasonably and lawfully, including without limitation charging the Carrier penalties and fines, escorting driver off property, serving notice of default under this agreement or immediately terminating this Agreement.

(c) Prior to commencing any services under this Agreement, Carrier shall have adopted and thereafter shall maintain and enforce a comprehensive substance abuse program, to ensure that Carrier's employees do not present any substance abuse related risks. If requested carrier shall provide SPS with a certificate establishing the existence of its substance abuse program and its compliance with applicable laws.

(d) Carrier shall maintain, and cause its personnel to maintain, the highest standards of professionalism in the performance of the services to be provided to SPS. Neither Carrier nor any of its personnel shall take any action that adversely affects the public image, good will or reputation of SPS.

4. OPERATING LICENSES AND PERMITS. Carrier shall be responsible for obtaining and maintaining all licenses, registrations and permits required under any applicable federal, provincial, municipal, and foreign laws, regulations, ordinances, by-laws and codes in order to lawfully provide its transportation services and the related services contemplated by this

Agreement to SPS. Carrier warrants that it is in compliance with respect to all such licenses, registrations and permits and that it shall maintain in good standing at all times all such licenses, registration and permit requirements during the term of this Agreement. Carrier shall at all times during the term of this Agreement maintain a transportation safety rating of "SATISFACTORY". Any change in the Carrier's safety rating to other than "SATISFACTORY" shall be grounds for SPS to immediately terminate this Agreement by written notice to Carrier. Carrier shall provide SPS prior to the Effective Date of this Agreement and upon request from time to time the following documents:

- All operating licenses required in order to provide transportation services in the jurisdictions covered by this Agreement;
- All certificates of insurance policies required in order to provide the transportation services under this Agreement;
- All safety records indicating the Carrier's safety rating in the jurisdictions covered by this Agreement; and
- All in-house safety programs.

Carrier shall provide the aforementioned documents listed hereinabove to SPS each time any such document is amended or modified. Carrier shall provide competent and fully trained drivers possessing a valid Commercial Driver's License. Carrier must ensure that all drivers are properly trained with respect to motor carrier operations, motor carrier safety, gasoline and diesel handling and fueling of motor transport vehicles, and cargo claim prevention and procedures.

5. EQUIPMENT. Carrier shall only use suitable and adequate motor transport vehicles and equipment for the transport of shipments under this Agreement in good, clean and safe operating condition. Carrier shall also operate and maintain the motor transport vehicles in good working condition and in compliance with all applicable laws and regulations. All motor transport vehicles used by Carrier shall be under the exclusive control of Carrier. In this Agreement, supply of "suitable and adequate motor transport vehicles" shall be interpreted to mean the supply of equipment that is safe, clean and free from defect and in conformity with all applicable federal, provincial and applicable foreign laws and regulations. Carrier shall strictly comply with SPS's and consignee's terminal rules and operating practices. Carrier must have an in-house maintenance and safety program which meets the requirements of all applicable laws and regulations.

6. INSURANCE. Carrier shall at all times during the term of this Agreement shall obtain, carry and maintain, with a reputable insurance company or companies, policies of insurance acceptable to SPS, with the following limits of not less than indicated for the respective items:

- (a) where required by laws pertaining to Workers' Compensation, register for coverage and maintain all contributions and assessments required on an up-to-date basis, paying all of them as required;
- (b) normal and customary Carrier's comprehensive general liability insurance covering the Carrier's legal liability, in the amount of at least \$2,000,000.00 per occurrence;

- (c) automobile liability insurance, covering equipment owned, operated or leased by the Carrier, used in connection with the Services and providing at least \$2,000,000.00 in coverage for injury, death or property damage from each accident; and
- (d) Cargo liability insurance covering the loss of or damage to cargo in the amount of at least \$100,000.00 per occurrence.

Carrier agrees to name SPS as “an additional insured party” in the Carrier’s above referenced insurance policies, except for the Carrier’s Workers’ Compensation insurance policy. Carrier shall include in such insurance policies a provision requiring the insurer to notify SPS of the cancellation or modification of any such insurance policy at least THIRTY (30) DAYS prior to such cancellation or modification date.

7. SAFETY. Carrier warrants that it maintains and enforces safety prevention programs in compliance with all applicable laws and regulations. Carrier will immediately notify SPS if (i) Carrier is served with notice of violation of any law, regulation, permit or license which relates to the services; (ii) proceedings are commenced which could lead to revocation of permits or licenses which relate to the services; (iii) any permit, license or other government authorization relating to the services is revoked or suspended or any process has been initiated for a revocation or suspension; or (iv) Carrier becomes aware that any motor carrier vehicles or equipment which are used or proposed to be used in connection with the services are not in compliance, or may fail to comply in the future with applicable laws or regulations. Upon notification, SPS may, notwithstanding anything contained in this Agreement to the contrary, immediately terminate this Agreement or, at SPS’s sole option, suspend the Agreement until the time as the situation referenced in the notice has been remedied.

8. WORKERS’ COMPENSATION. Carrier shall be responsible for Worker’s Compensation Insurance of its employees. If any claims for Worker’s Compensation benefits are asserted against SPS by any of Carrier’s employees or, in the event of death, by their personal representative(s), Carrier shall indemnify and hold SPS harmless from any claim(s) to the extent of all benefits, awards, costs of litigation, disbursements and attorney’s fees against such claim(s) that SPS incurs. Carrier shall provide evidence of compliance with Worker’s Compensation laws and regulations. SPS may withhold any payment due to the Carrier if it becomes aware that the Carrier has failed to pay Worker’s Compensation dues.

9. LIABILITY AND CLAIMS.

(a) Carrier, in performing freight transportation services pursuant to this Agreement, shall be liable to SPS as an interstate motor carrier pursuant to 49 U.S.C., §14706 (the Carmack Amendment) and federal common law applicable to common carriers for the full value of any loss of, or damage to Commodities occurring while in the possession of Carrier or any of its subcontractors or agents, or under Carrier’s care, custody or control, or resulting from Carrier’s performance of or failure to perform the services provided herein. Carrier agrees that any cargo loss or damage in connection with the transport of Commodities under this Agreement shall not be subject to any limitation of liability and shall be in addition to any other liability arising under other provisions of this Agreement. For purposes of this section, “full value” shall mean the invoice value of the Commodities at the place and time of shipment but in no event shall the "full value" exceed the sum of \$100,000.00.

(b) In the case of loss of Commodities, SPS must submit a written notice of claim to the Carrier within nine (9) months from the date of shipment.

(c) In the case of damages to Commodities, SPS must submit a written notice of claim to the Carrier within nine (9) months from the date of delivery of the shipment.

(d) Carrier shall acknowledge receipt of notice of claim within seventy-two (72) hours of the date of the notice of claim. Carrier shall provide SPS with a copy of the relevant signed bill of lading, the SPS Receiving Report, the Return Authorization Number, if applicable, and any other document attesting what was done with the damaged Commodities, within fourteen (14) days of the date of the notice of claim. Carrier's failure to provide the aforementioned documents within fourteen (14) days of the date of the notice of claim will result in the claim being deducted by SPS from Carrier's invoices for movement of freight without Carrier recourse.

(e) SPS shall have two (2) years and 1 day from the date of Carrier's written denial of a claim in which to bring a lawsuit against Carrier on such claim. Carrier shall submit payment of claim or contest claim within sixty (60) days of the date of the final written claim. Carrier's failure to pay or contest claim within sixty (60) days of the date of the final written claim will result in the claim being deducted by SPS from Carrier's invoices for movement of freight without Carrier recourse.

(f) In the event that damaged Commodities are refused by the consignee, Carrier shall be responsible for ensuring that the consignee clearly indicate the damaged Commodities on the Bill of Lading, and shall return the damaged Commodities to the Vendor without charge. In addition, Carrier shall immediately contact the Vendor via email or fax for a Return Authorization (RA) Number, quote that RA# on the Bill of Lading, and make an appointment in order to return the shipment at origin. The Carrier shall also obtain a Return Authorization (RA) Number prior to returning overages. The Carrier shall provide a copy of the Proof of Delivery with each request for a Return Authorization Number.

(g) In the case of overages of pieces, the Carrier shall be responsible for the return of the pieces to the point of origin at the Carrier's cost except if the overages were duly noted on the bill of lading and signed for. For vendors where the Carrier is only required to count and sign for number of pieces, the Carrier shall not be responsible for returning the excess cases to the point of origin.

(h) Carrier shall be responsible to determine the exact count of the Commodities at the point of origin of the shipment when picking up Commodities from the vendors listed in Schedule D.

(i) For shipments originating from the abovementioned vendors, Carrier agrees that each and every shipment of Commodities shall require a driver count and shipper load, and not a shipper load and count. Carrier shall deliver freight in full quantity as per the Bill of Lading and shall not allow deliver partial shipment unless prior authorization is received from SPS. In the event of shortages, a warehouse count shall be made in order to verify the findings of the consignee as per the Proof of Delivery. If the warehouse count confirms that the shortage was caused by shipping error at origin, the Carrier shall not be liable for such shortage. If the warehouse count

confirms that shipment count at origin was accurate, the parties agree that it shall be presumed that Carrier lost products entrusted in its care. In the event that the Commodities are subsequently found, Carrier shall be responsible for their return and for the payment of return freight charges. For all other vendors, Carrier shall count the number of pieces and note the piece count on the Bill of Lading.

(j) In the event that the vendor substitutes Commodities within a shipment, the consignee may refuse the substituted Commodities if the consignee does not carry such Commodities. Carrier shall return substituted Commodities to vendor at vendor's expense. However, when the Carrier is only required to count pieces, the Carrier shall not be required to return substituted Commodities to the vendor.

(k) Carrier shall not, at any time, deliver freight in excess of the quantity specified on the Bill of Lading. Carrier shall verify and identify all overages with the Shipper.

10. SALVAGE. Carrier has no right to salvage or to dispose of Commodities except, in each case, with the prior written consent of SPS, which consent may be granted or withheld in SPS's sole discretion. Where SPS withholds consent to Carrier's salvage of Commodities that have been contaminated or otherwise damaged, Carrier will dispose of the Commodities as directed by SPS in writing. SPS specifically prohibits the unauthorized resale, transportation or disposal of its Commodities. Carrier warrants that notwithstanding any rule, regulation, or customer usage otherwise applicable, it shall ensure that no underlying carrier retained by it resells or otherwise disposes of shipment(s) in its custody without the express written consent of SPS.

11. INDEMNIFICATION. Except to the extent caused or contributed to by any Indemnitee, Carrier agrees that it will protect, defend, indemnify, and hold SPS, any corporation affiliated with SPS (collectively each a "SPS Affiliate"), and any owner of real property leased, licensed or otherwise occupied by a SPS Affiliate at which Commodities are stored, delivered or picked up by Carrier, and their respective officers, directors, employees and agents (collectively, "Indemnitees") harmless from and against any and all losses, liabilities, costs, demands, claims, suits, actions, proceedings, fines, penalties, causes of action and governmental orders (collectively, "Claims") which may at any time be brought against any Indemnitee, including without limitation death of or injury to any person or damage to or loss of any property, which in any manner may arise from, or out of, or occur in connection with:

- (a) negligent acts or omissions of Carrier, its agents, subcontractors, employees or other parties for which Carrier is legally responsible both in providing transportation services or otherwise performing its obligations under this Agreement;
- (b) any breach of this Agreement by Carrier, its agents, subcontractors, employees or other parties for which Carrier is legally responsible including improper or inadequate maintenance, use or operation of motor vehicles or other equipment used by Carrier in performing its obligations under this Agreement; and
- (c) any spill, leakage, overflow or similar event involving gasoline, diesel fuel or other hydrocarbon product resulting from the actions or omissions of Carrier on or about the property of any Indemnitee.

The indemnification herein provided for shall include, but shall not be limited to, all costs, expenses, and attorneys' and accounting fees and costs incurred or payable by any Indemnitee in defending or settling such Claims or in investigating same.

12. TAXES. Carrier shall pay all taxes, assessments, excises, impositions, licenses, and fees (including interest or penalties, if any) levied, assessed, or imposed upon or on account of the execution of the services under this Agreement or its receipts therefrom or on the materials therefore. When required to do so by law, SPS shall have the right to withhold provincial or federal taxes and pay such taxes to the province, or to delay payment hereunder up to the amount of the tax in cases where SPS is required to obtain clearance from the province that Carrier has satisfied its tax liability to that province before SPS may make final payment to Carrier. Carrier hereby accepts exclusive liability for any and all federal and state taxes relating to the provision of transportation services and in connection with unemployment compensation laws, as well as all interest and penalties provided for in such laws, or in any similar laws which may hereafter be enacted, with respect to the wages and salaries paid to Carrier's employees for services performed in connection with this Agreement. Carrier shall indemnify SPS from any responsibility for these obligations should Carrier fail to make payment.

13. WEIGHT OF SHIPMENTS. Loads are intended to be no more than legal maximum highway weight limit. SPS shall not be responsible for any overweight charges, fines, penalties, damages and/or judgments occasioned by overweight shipments and Carrier shall indemnify and hold SPS harmless therefrom. Carrier shall be responsible for verifying any load weight in question and the payment of any overweight charges, fines, penalties, damages and/or judgments occasioned by overweight shipments and shall indemnify and hold SPS harmless therefrom. Any load in question by Carrier should be weighed at the closest certified scale. Any load that has scaled over the legal limit should return to shipper's facility for correction with a signed scale ticket validating weight.

14. MILEAGE OF SHIPMENTS. All load miles will be calculated and paid off of **HERE MAPS** mileage calculator.

15. BILL OF LADING. Carrier and SPS recognize and acknowledge that an accepted practice of the transportation industry is the preparation of bills of lading by companies tendering goods for transportation by carriers, and the tender of bills of lading to carriers at points of origin of shipments. Each shipment shall be evidenced by a bill of lading or other receipt ("Bill of Lading"). Such Bill of Lading or receipt is to be signed by Carrier and will show the kind, condition and quantity of Commodities received and delivered by Carrier at the loading and unloading points. A Bill of Lading shall be evidence of receipt of the Commodities by Carrier in good order and condition or as may be otherwise noted on the face of such receipt. In the event and to the extent of a conflict between the provisions of this Agreement and the terms, conditions, and provisions of a Bill of Lading, the terms, conditions and provisions of this Agreement shall prevail and govern for all purposes.

16. DEFAULT. Except as otherwise specifically provided herein, if any Party defaults in any material covenant, condition, or obligation of this Agreement, which is not excused in writing and continues for a period of thirty (30) days following a written notice to the defaulting Party, the non-defaulting Party may, without prejudice to its other rights and recourses, as foreseen under this Agreement, terminate the Agreement. **All sections of this Agreement and attached**

schedules are material covenants. If Carrier should be adjudged bankrupt or is caused to make a general assignment for benefit of creditors; or, if a receiver is appointed, or if the Carrier defaults upon any of its financial obligations, SPS may, without prejudice, terminate the Agreement by giving Carrier, or receiver; or the trustee written notice, terminating the Agreement effective upon the date specified in the notice.

17. CONFIDENTIALITY. Carrier recognizes that it may be exposed to or generate confidential information otherwise not publicly known, which relates to SPS or its affiliates' affairs. Carrier agrees not to disclose to any outside source, nor use for its own benefit, directly or indirectly, any such confidential information unless specifically authorized in writing by SPS. Without limiting the generality of the foregoing, Carrier agrees such confidential data may include, but not be limited to, information regarding Customer Lists and Information, Financial Information or computer security passwords. All such data and SPS property shall be returned to SPS when this Agreement or Carrier's services are terminated.

18. SPS AFFILIATED COMPANIES. The present Agreement shall be applicable to any SPS Affiliate provided that SPS notifies the Carrier in writing of the decision of a SPS Affiliate to tender shipments to Carrier under the terms and conditions of this Agreement.

19. COMPLIANCE WITH THE LAW. Carrier shall comply at all times with all applicable federal, state, and foreign laws, regulations, ordinances, by-laws, codes and "best practice" industry standards in its provision of transportation services and any other activities required under the terms and conditions of this Agreement including but not limited to transportation operations, highway and load safety standards, fuel handling and dispensing, and the transport of dangerous goods.

20. FORCE MAJEURE. Parties to this Agreement shall not be liable for failure when performance is prevented, or delayed, by any cause, or condition, of Force Majeure not directly within control of the Party affected. The term "Force Majeure" shall include, but shall not be limited to, act of God, act of public enemy, war, insurrection, authority of law, lock-out, strike, plant shutdown either total or partial, or other labor disputes, market downturn or other causes not within the control of the Party affected. A shortage of equipment by the Carrier shall not, however, constitute Force Majeure. The Party affected by Force Majeure shall notify the other Party of the nature of the said Force Majeure within twenty-four (24) hours, of its occurrence, excluding weekends and holidays, following invocation of Force Majeure. A Force Majeure shall not extend the initial term or any subsequent renewal term of this Agreement.

21. NON-ASSIGNMENT. This Agreement shall ensure to the benefit of and bind Parties and their assigns hereto but shall not be assigned in whole or part by any Party without prior written consent of the other Party.

22. INDEPENDENT CONTRACTOR. The Parties mutually acknowledge that the Carrier is an independent contractor for SPS. It is mutually agreed between Carrier and SPS that under no circumstances shall an employee hired by the Carrier be considered an employee or agent of SPS. Neither Party shall have any authority to create any obligation, expressed or implied, on behalf of the other. The Carrier shall, at all times, be responsible for paying the wages of its employees.

23. PAYMENT TERMS. Payment of freight charges shall be due and payable net thirty (30) days of receipt of invoice.

Carrier must allow the interchange of information on bills of lading, invoice activities, load status updates and delivery time tracking. From bill of lading information, Carrier will be responsible for pick-up and delivery appointments, mode selection, pooling, and interchange carrier notification, as well as advising SPS's warehouse of loading priorities.

24. SUBCONTRACTING OR BROKERAGE OF LOADS.

(a) Carrier actually shall provide the full and complete transportation service for all shipments tendered by SPS to Carrier. Carrier agrees not to subcontract any shipment or use any broker to arrange for transport of any shipment covered by this Agreement unless SPS expressly authorizes it in advance in writing. If Carrier affects pickup, transportation or delivery of any shipment hereunder through the use of any other transportation carrier or broker, such use shall be for Carrier's convenience only and shall not affect Carrier's obligations with respect to such shipments as set forth in this Agreement. Nothing herein shall permit Carrier to utilize the service of any other transportation carrier or broker for the performance of its services hereunder, except as specifically provided for herein. Carrier will be solely and directly liable for payments due to transportation companies utilized by it to provide any services hereunder. Any broker involved with any shipment covered by this Agreement will be deemed as the agent or mandatory of the Carrier and shall be authorized to collect freight charges only on behalf of the Carrier. SPS shall not be liable to paying freight rates a second time if the broker doesn't pay the Carrier. In the event the Carrier subcontracts or uses a broker without receiving in advance the above-mentioned authorization, SPS shall not be liable for any freight charges, claim, or damage deriving from such movements. The Carrier, however, is not prohibited from renting outside equipment and/or hiring qualified drivers from recognized hiring agencies. Carrier and SPS agree that double subcontracting or brokering is prohibited under this Agreement. Carrier shall be responsible for prohibiting any and all of its subcontractors or brokers from subcontracting or brokering any load.

(b) Carrier shall ensure, and bear sole responsibility for ensuring, that any broker or subcontractor used to provide services under this Agreement has adequate personnel and equipment needed to perform the services required by SPS. In addition, Carrier warrants that any such broker and subcontractor shall: (i) maintain all licenses and permits required by all applicable governmental authorities; (ii) perform the services in a professional, timely and efficient manner in compliance with the requirements set forth in this Agreement; and (iii) maintain the minimum insurance coverages set forth in this Agreement. Carrier hereby warrants that it shall ensure that all approved subcontractors used by Carrier are subject to the same terms, conditions and obligations as are applicable to Carrier under this Agreement. Upon ten (10) days' notice by SPS, Carrier shall not use any broker or subcontractor that SPS determines to be not qualified to provide services or to which SPS otherwise objects. Carrier shall defend, indemnify and hold harmless SPS and its officers, directors, employees, contractors and agents against any expense, loss, damage or claim that may arise from or in connection with Carrier's breach of any warranty contained herein, and such obligation shall survive the expiration or termination of this Agreement.

25. GOVERNING LAW. This Agreement shall be construed in accordance with the laws of Kansas and applicable laws of the United States, without regards to conflict of laws.

26. FREIGHT BILLS. SPS and Carrier shall ensure the accuracy of all freight charge billings tendered by Carrier to SPS for the transportation service performed by Carrier pursuant to this Agreement. SPS shall have the right to audit any and all freight charge billings by Carrier, and Carrier shall cooperate fully with such audits. Any claim of a previous billing error non-contested by the Carrier shall be paid within thirty (30) days, failing which SPS may deduct from current billings.

27. WAIVER. Failure by the SPS to enforce its rights under this Agreement shall not constitute a waiver of such rights by SPS.

28. HEADINGS. The headings and marginal descriptions of all Articles herein are inserted for convenience and reference only and shall not affect the construction or interpretation of this Agreement.

29. ENTIRE AGREEMENT. This Agreement, and the Schedules hereto, and the appended RFP and charts, constitute the entire Agreement between the Parties and except as herein stated and in the instruments and documents to be executed and delivered pursuant hereto contains all of the representations of the respective Parties and supersedes and cancels any and all prior agreements between SPS and the Carrier relating to the provision of services to SPS by the Carrier. There are no verbal statements, representations, warranties, undertakings or agreements between the parties. This Agreement and the Schedules, and appended RFQ and charts thereto may not be amended or modified in any respect, except by written instrument executed by the Parties hereto.

30. NOTICE. All notices required or contemplated to be given under this Agreement and all of the communications required or permitted by this Agreement to be given by one Party to the other shall be in writing and shall be either delivered personally, by certified mail, express courier or by facsimile transmission to the receiving Party at the following addresses:
If to SPS:

SPS Companies, Inc
555 Poyntz Avenue
Manhattan, KS 66502
Attention: Director of Transportation
Facsimile No.: 785-_____

If to Carrier:

Attention:
Facsimile No:

Any Party may, from time to time, by notice delivered in accordance with this Section, change its address or number for notices herein. Communications given personally or, by certified mail or, express courier shall be deemed to have been given by the addresser and received by the addressee on the date of delivery. Communications given by telecopier shall be deemed to have been given by the addresser and received by the addressee on the date they were received by the addressee if

such day is a business day or, if it is not a business day, on the first business day following the date of reception.

31. NO LIENS; WAIVER OF CARRIER'S LIEN. Carrier shall neither have, nor claim nor permit any lien or other encumbrance to be placed against the Commodities while they are in Carrier's possession or under its care, custody and control. Carrier shall not withhold any Commodities on account of any dispute as to the rates, or any alleged failure of SPS to pay charges incurred under this Agreement. Carrier is relying on the general credit of SPS, and hereby waives and releases all liens that Carrier might otherwise have to any Commodities in the possession or control of Carrier.

32. VALIDITY. Should any paragraph, section, clause or phrase of this Agreement be held to be illegal, such determination of illegality as to such paragraph, section, sentence, clause or phrase shall not affect the validity or binding force and effect of the remaining portions of this Agreement.

33. OFF SETTING ACCOUNTS. The Parties agree that SPS may at any time set off any sum owing by it hereunder to the payment in whole or in part of any sum owing by Carrier to SPS, whether under this Agreement or otherwise.

34. AUTHORIZED OFFICERS. The parties' signatories below hereby declare that they are authorized signing officers of their respective corporations and have full and binding authority to enter into this Agreement on behalf of their respective corporations.

IN WITNESS WHEREOF, the Parties, individually or by duly authorized representative, have executed this Agreement as of the Effective Date.

SPS COMPANIES, INC.

By: _____
Print Name: _____
Title: _____

"SPS"

(Carrier).

By: _____
Print Name: _____
Title: _____

"CARRIER"

SCHEDULE - A
TRANSPORT AND COMMODITY PARTICULARS

1. **TERMINAL LOCATIONS**

Carrier shall provide SPS with a listing of all of its Terminal Locations; the area served by each location, and the names of all interlining carriers, and shall promptly notify SPS of any changes to such listing.

2. **TRANSPORTATION DOCUMENTATION**

- A. List and attach copies of Carrier's licenses, permits, and registration certificates;
- B. List and attach copies of Carrier's safety rating;
- C. Attach copies of insurance certificates;

3. **DESCRIPTION OF COMMODITIES**

FREIGHT ALL KINDS

4. **CUSTOMS**

Carrier must confirm to SPS that the vendor at origin has duly prepared the Canadian or Mexican customs documentation in time for pick-up. Carrier must ensure that the proper Canadian or Mexican customs documentation is duly completed and sent by fax to SPS's customs broker a minimum of at least three (3) hours prior to the shipment's arrival at the border crossing. Carrier agrees that SPS shall not be responsible for any border detention time. SPS shall be responsible for inspection charges at the border.

5. **EQUIPMENT TYPE**

The Carrier agrees to supply the following types of motor carrier equipment in order to service SPS:

- * 48 feet flatbed trailers;
- * 53 feet flatbed trailers;

SPS shall notify Carrier of the required equipment on its tender document for pick-up.

6. **SAFETY AND ENVIRONMENT**

Carrier shall adhere at all times with the following safety requirements:

- A. At loading point arrival, Carrier's drivers must wear clean and trim clothes that cover the whole body, as well as steel toed shoes, and any other safety equipment required at a point of origin location.

- B. Carrier's drivers must not smoke, eat or, drink at the work sites except where there are designated areas for such purposes. Carrier's drivers must at all times exhibit well-conducted hygienic behavior and use proper sanitary infrastructure.
- C. Carrier's drivers must at all times comply with speed limitations in force at any location, and not obstruct any road or entrance.
- D. In the event of accidental product damage, Carrier's drivers shall have to immediately notify the person in charge of the relevant department, and clean up any spillage in compliance with the directions of the person in question.
- E. Carrier's drivers shall not clean or wash any trailer or unit on SPS's or any of its vendor's sites except with the express consent of the site supervisor.
- F. Carrier's drivers shall comply at all times with plant fire alarm instructions.
- G. Carrier's drivers shall not enter any plant departments that are unrelated to loading and unloading operations.
- H. Carrier's drivers shall not be accompanied in their vehicle by any non-essential person(s), minor(s), or animal(s).
- I. Carrier's drivers shall not take any photographs.
- J. Carrier's drivers shall not collect and spread non-official published information regarding SPS and the vendors' activities.
- K. In the event that a vehicle needs to be disconnected, the Carrier's driver shall have to place props in front of the trailer with wedges on the rear wheels.

SCHEDULE – B
RATES AND CHARGES

1. RATES AND CHARGES

- A. As full compensation for services provided by Carrier in this Agreement, SPS agrees to pay Carrier in accordance with mutually agreed rates, charges and provisions set forth in this Agreement. These rates are agreed to be strictly confidential by both Parties.
- B. Carrier will honor the rates set forth in this Agreement for the entire duration of this Agreement.
- C. All rates shown herein include pick-up and delivery service at all points within the cities, towns, and other points from and to which rates apply.
- D. SPS shall not be responsible for any charges which are not specifically mentioned in this Agreement. Carrier shall not apply any charges against SPS for night time, weekend or holiday deliveries, unless such delivery times are requested by SPS.
- E. SPS Fuel Program is calculated as follows:

Fuel Surcharge = (# of Miles) × (Weekly FCA Fuel Price - Base Fuel Price)

Those terms capitalized in Section 1(E) to Schedule B are defined as follows:

- # of miles: Actual route miles calculated from software program “HERE MAPS”.
 - Weekly Fuel Price: Weekly price per gallon is published by the Department of Energy and updated every Monday.
Fuel rates are applicable to the date of transportation, not the day of tender or tender acceptance.
 - Fuel Surcharge cannot be applied against detention and stop charges.
- F. Loads are intended to be no more than legal maximum highway weight limit.
- G. Mileage will be calculated using HERE MAPS.
- H. Carrier agrees that SPS shall not be responsible if vehicles are delayed or detained at the premises of pickup. Loading will commence in conformance with a prearranged schedule arranged by Carrier and SPS or consignee.

SCHEDULE – C

TRANSPORTATION SERVICES QUALITY STANDARDS

1. EQUIPMENT

- A. Carrier shall at all times use suitable and adequate motor transport vehicles in good clean and safe operating condition. Carrier shall also operate and maintain the motor transport vehicles in good working condition and in compliance with all applicable laws and regulations. All motor transport vehicles used by Carrier shall be under the exclusive control of Carrier.
- B. Carrier shall at all times maintain sufficient tractors and trailers to be able to provide prompt and efficient motor carrier transportation services to SPS.
- C. In this Agreement, supply of “suitable and adequate motor transport vehicles” shall be interpreted to mean the supply of equipment that is safe, clean and free from defect and in conformity with all applicable federal and state regulations. The Carrier shall equally comply with SPS’s and consignee’s terminal rules and operating practices.

2. RECORDS

- A. Carrier agrees to maintain full, complete, and accurate records and documents of shipments moved (including signed Bills of Lading) under this Agreement for verifying deliveries. These records shall be provided to SPS on demand in support of all freight bills and bills of lading.

3. PICK-UP SCHEDULE

- A. Carrier shall have to pick up the Commodities on time as per the appointment date and time set out in SPS’s tender document.
- B. With respect to inbound shipments, Carrier shall arrange for delivering the Commodities as per the applicable delivery procedures.
- C. SPS locations are first come first served facilities, and carriers will be loaded in order as long as the required bays become available to load out material. Trucks will be moved around to the proper bays that allow the loading of required material. This could cause one truck to pull ahead of another because the bay his material pulls from is open, while the first truck has to wait due to the bay where his material is located is occupied.
- D. Prior to loading, Carrier drivers must present a trailer that is empty and suitable to load Commodities in accordance with SPS specifications.

- E. SPS shall not pay for any attempted pick-up or detention charges from the origin shipping location. In the event of extreme detention at origin, loading will be paid where proven by documentation from the origin. **Driver's trip sheets shall not be accepted as sufficient documentation justifying payment.**
- F. Carrier's driver must make appropriate notations on bills of lading including but not limited to grounds for refusing the loading of Commodities. Carrier shall be responsible at its cost for the stability of the load and its proper securement within the trailer before departure.
- G. Carrier shall only pick up Purchase Orders that are listed on SPS's tender document. Carrier shall refuse to load any Commodities that are substitutions or additions except with SPS's prior express written approval.
- H. Carrier's drivers shall verify that each Purchase Order has its own corresponding individual bill of lading with DC name, number of piece count and weight of shipment.
- I. Carrier's drivers shall have to count the number of pieces received, note the number of pieces received on the bill of lading, and sign the bill of lading.
- J. Carrier shall be responsible for any piece discrepancy.
- K. In the event that truck drivers are not allowed on the loading dock, or if a load is a "piece count", the Carrier's driver shall have the vendor at origin sign the bill of lading and shall also note on the bill of lading the words "said to contain".

4. DELIVERY SCHEDULE

- A. Carrier agrees that shipments shall not be received at destination without a delivery appointment unless a drop trailer arrangement has been previously agreed upon.
- B. Carrier shall deliver Commodities at destination on time as per delivery appointment date/time. Carrier shall have to arrive at destination 15-30 minutes before the appointment time in order to ensure an efficient process.
- C. In the event that Carrier is not able to meet the delivery date/time, Carrier must immediately notify SPS or else Carrier may be subject to a fine.
- D. Carrier must deliver the bill of lading/Purchase Order document issued at origin with the shipment at the destination point.
- E. Carrier acknowledges that consignees shall only accept Purchase Orders that are listed on the tender document or that have been approved by SPS as an addition.
- F. Carrier shall have to contact SPS to rebook another delivery appointment for all late loads and no shows. Carrier shall have to state the grounds for service failure.
- G. Unless previously agreed by the parties, a minimum of one driver is required per load-NO SHUNTING.

5. EQUIPMENT SUPPLY

- A. In the event of non-supply of requested equipment, SPS retains the right to ship its traffic with an alternate carrier of the SPS's choosing.
- B. If the condition or type of motor transport equipment is deemed by SPS not to meet the definition of "suitable and adequate motor carrier equipment" and where this information is properly communicated to the Carrier, the Carrier will either replace the equipment or repair it on site within as soon as possible to ensure an on time delivery to SPS customer. If said equipment cannot be repaired or replaced in a timeframe that still makes the loads delivery appointment, SPS reserves the right to find alternate means of making the delivery. If this equipment is not replaced or repaired to the SPS's satisfaction, this occurrence will be deemed to be an event of non-supply of requested equipment and a default of a material covenant as described in this Agreement.
- C. In the event of equipment failure or a designation of "bad order" for equipment which is on route to destination. Carrier will use reasonable dispatch in unloading bad ordered equipment and reloading the replacement equipment. This will be done by Carrier at no additional charge to the SPS.
- D. Carrier shall, at its sole cost and expense, furnish all fuel, oil, tires, and other parts, supplies and equipment necessary or required for the safe and efficient operation and maintenance of equipment. Carrier shall pay all expenses of every nature, including expense of road service and repair, in connection with use and operation of the equipment and shall, at its sole cost and expense, at the times during the term of this Agreement maintain equipment in good repair, mechanical condition and appearance.
- E. Carrier shall be responsible for payment of towing services performed by contractors on premises of SPS.

6. AUDITS

- A. SPS shall have the right to audit at any time the Managements Systems and Controls of Carrier in order to verify compliance with the terms and conditions set forth in this Agreement. SPS shall have the right to terminate this Agreement at its sole discretion in the event of any serious non-compliance by Carrier with respect to any quality standards set forth herein.

SCHEDULE D
PERSONAL PROTECTIVE EQUIPMENT AND VEHICLE OPERATING RULES
POLICY

Category: Transportation	Effective Date: August, 2015
Issued by: SPS Vendor Standards and SPS Transport Compliance	Replaces Issue Date: N/A
<p>Application: This policy (“Policy”) outlines the Vehicle Operating Rules and the minimum safety standards regarding Personal Protective Equipment (“PPE”) applicable to drivers and other personnel of motor carriers (“Personnel”) at all SPS Distribution Center yards (“DCs”). This Policy applies to all motor carriers, brokers and vendors (“Carriers”) who deliver products or pick up products at a DC.</p>	

1.0 Interpretation of Policy

The Director of Transportation shall have the ultimate responsibility for interpreting this Policy and for making exceptions to this Policy.

2.0 Policy

While in attendance at a SPS DC:

- a. all Personnel must adhere to the requirements of the dock safety program issued to Carrier, as amended by SPS from time to time; AND
- b. Personnel must wear the appropriate PPE will onsite. Each site has different requirements:
 - EXLTube
 - Hardhat
 - Safety glasses
 - SPS Flat Roll Tulsa and All SPS Service Centers
 - Hardhat
 - SPS Flat Roll Houston/ SPI
 - Hardhat
 - Safety glasses
 - Long pants
 - Safety vest
 - Steel toed shoes
- c. Once trailer is disconnected, the driver MUST pull his tractor ahead so that there is a MINIMUM of 6’ between the furthestmost rear part of the tractor and the front of the trailer. The driver must also shut the tractor off after pulling away from the trailer;

Note: Auxiliary Power Units may remain on
- d. At all times drivers need to follow posted speed limits and established traffic flows; and
- e. Driver must check 360 degrees to ensure surroundings are clear of people, moving vehicles or objects prior to pulling away;

SCHEDULE E
SPS LOCATIONS

Steel & Pipe Supply Co. headquarters are located at:

555 Poyntz Avenue
Manhattan, KS 66502

Steel & Pipe Supply Co. Service Centers are located at:

SPS Tulsa	SPS Kansas City
1050 Fort Gibson Road	401 New Century Parkway
Catoosa, OK 74015	New Century, KS 66031

SPS Jonesburg	SPS Longview	SPS Houston
310 Smith Road	4750 West Marshall Avenue	8815 Mississippi Street
Jonesburg, MO 63351	Longview, TX. 75604	Houston, TX 77029

Steel & Pipe Supply Co. Coil Processing Division is located at:

5275 Bird Creek Avenue
Catoosa, OK 74015

Steel & Pipe Supply Co. Steel Ventures LLC dba EXLTUBE is located at:

811 Atlantic Avenue
Kansas City, MO. 64116

Steel & Pipe Supply Co. Coil Processing Division\Storage & Processors is located at:

8500 Clinton Drive
Houston, TX 77029

SCHEDULE F Fuel Surcharge

Diesel Price will be determined by Department of Energy (DOE) National Diesel Price Index posted each Monday and runthrough the end of the week.

Increase to linehaul rates in increments of \$0.01 for every \$0.055 incremental change in the DOE national average index

Fuel Cost Per Gallon				FS/M	Fuel Cost Per Gallon				FS/M
\$1.095	To	1.149		\$0.02	\$3.79	To	3.844	\$0.51	
\$1.150	To	1.204		\$0.03	\$3.85	To	3.899	\$0.52	
\$1.205	To	1.259		\$0.04	\$3.90	To	3.954	\$0.53	
\$1.260	To	1.314		\$0.05	\$3.96	To	4.009	\$0.54	
\$1.315	To	1.369		\$0.06	\$4.01	To	4.064	\$0.55	
\$1.370	To	1.424		\$0.07	\$4.07	To	4.119	\$0.56	
\$1.425	To	1.479		\$0.08	\$4.12	To	4.174	\$0.57	
\$1.480	To	1.534		\$0.09	\$4.18	To	4.229	\$0.58	
\$1.535	To	1.589		\$0.10	\$4.23	To	4.284	\$0.59	
\$1.590	To	1.644		\$0.11	\$4.29	To	4.339	\$0.60	
\$1.645	To	1.699		\$0.12	\$4.34	To	4.394	\$0.61	
\$1.700	To	1.754		\$0.13	\$4.40	To	4.449	\$0.62	
\$1.755	To	1.809		\$0.14	\$4.45	To	4.504	\$0.63	
\$1.810	To	1.864		\$0.15	\$4.51	To	4.559	\$0.64	
\$1.865	To	1.919		\$0.16	\$4.56	To	4.614	\$0.65	
\$1.920	To	1.974		\$0.17	\$4.62	To	4.669	\$0.66	
\$1.975	To	2.029		\$0.18	\$4.67	To	4.724	\$0.67	
\$2.030	To	2.084		\$0.19	\$4.73	To	4.779	\$0.68	
\$2.085	To	2.139		\$0.20	\$4.78	To	4.834	\$0.69	
\$2.140	To	2.194		\$0.21	\$4.84	To	4.889	\$0.70	
\$2.195	To	2.249		\$0.22	\$4.89	To	4.944	\$0.71	
\$2.250	To	2.304		\$0.23	\$4.95	To	4.999	\$0.72	
\$2.305	To	2.359		\$0.24	\$5.00	To	5.054	\$0.73	
\$2.360	To	2.414		\$0.25	\$5.06	To	5.109	\$0.74	
\$2.415	To	2.469		\$0.26	\$5.11	To	5.164	\$0.75	
\$2.470	To	2.524		\$0.27	\$5.17	To	5.219	\$0.76	
\$2.525	To	2.579		\$0.28	\$5.22	To	5.274	\$0.77	
\$2.580	To	2.634		\$0.29	\$5.28	To	5.329	\$0.78	
\$2.635	To	2.689		\$0.30	\$5.33	To	5.384	\$0.79	
\$2.690	To	2.744		\$0.31	\$5.39	To	5.439	\$0.80	
\$2.745	To	2.799		\$0.32	\$5.44	To	5.494	\$0.81	
\$2.800	To	2.854		\$0.33	\$5.50	To	5.549	\$0.82	
\$2.855	To	2.909		\$0.34	\$5.55	To	5.604	\$0.83	
\$2.910	To	2.964		\$0.35	\$5.61	To	5.659	\$0.84	
\$2.965	To	3.019		\$0.36	\$5.66	To	5.714	\$0.85	
\$3.020	To	3.074		\$0.37	\$5.72	To	5.769	\$0.86	
\$3.075	To	3.129		\$0.38	\$5.77	To	5.824	\$0.87	
\$3.130	To	3.184		\$0.39	\$5.82	To	5.879	\$0.88	
\$3.185	To	3.239		\$0.40	\$5.88	To	5.934	\$0.89	
\$3.240	To	3.294		\$0.41	\$5.93	To	5.989	\$0.90	
\$3.295	To	3.349		\$0.42	\$5.99	To	6.044	\$0.91	
\$3.350	To	3.404		\$0.43	\$6.04	To	6.099	\$0.92	
\$3.405	To	3.459		\$0.44	\$6.10	To	6.154	\$0.93	
\$3.460	To	3.514		\$0.45	\$6.15	To	6.209	\$0.94	
\$3.515	To	3.569		\$0.46	\$6.21	To	6.264	\$0.95	
\$3.570	To	3.624		\$0.47	\$6.26	To	6.319	\$0.96	
\$3.625	To	3.679		\$0.48	\$6.32	To	6.374	\$0.97	
\$3.680	To	3.734		\$0.49	\$6.37	To	6.429	\$0.98	
\$3.735	To	3.789		\$0.50	\$6.43	To	6.484	\$0.99	