



**US-PENN LOGISTICS**  
 2160 Elm Ave  
 Warrington, PA 18976  
 Tel: 484-474-0044

## INDEPENDENT CONTRACTOR / DRIVER AGREEMENT

### I. Agreement

This Agreement, is made and entered into this, \_\_\_\_\_ day of \_\_\_\_\_ between \_\_\_\_\_ (hereinafter referred to as "Carrier") and between \_\_\_\_\_ (hereinafter referred to as INDEPENDENT CONTRACTOR).

CARRIER and Independent Contractor agree to be bound by all terms thereof as set forth in this agreement and the attached schedules, which is made part hereof the same as if it were fully set forth herein. The term of this Agreement shall commence on the date set forth above and continue for twelve (12) months from such date. This agreement shall be automatically renewed for one (1) year, unless either party shall, at least thirty (30) days prior to the expiration of any term, give written notice of the intention not to renew the Agreement.

### II. Identification of independent Contractor:

Name: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Phone number: \_\_\_\_\_

DL#: \_\_\_\_\_ SS/FIN#: \_\_\_\_\_

### III. Schedule of Compensation

- 1) CARRIER agrees to pay, and INDEPENDENT CONTRACTOR agrees to accept as full and complete payment for use of said equipment and for performance of obligations accepted by INDEPENDENT CONTRACTOR under this Agreement, compensation as set forth in "Compensation Schedule" (Exhibit A) minus any applicable brokers charge, escrow deductions, cargo liability insurance, cash advances, damage payments, fuel card payments and any other expenses.
  - a) CARRIER shall settle with INDEPENDENT CONTRACTOR within eleven (11) days of the submission by the INDEPENDENT CONTRACTOR of the Bill of Lading, signed delivery receipts, driver log books for the complete trip. Original fuel invoices are also due which continuously required if the INDEPENDENT CONTRACTOR chooses the Fuel Tax accounting service below.
  - b) All applicable paperwork must be submitted to CARRIER no later than close of business (5.00

- c) p.m. EST) the preceding on Friday to be paid on time. If paper work is not complete, INDEPENDENT CONTRACTOR will not be paid until all required paperwork properly submitted.
- 2) Fuel Use Tax Return services will be available to INDEPENDENT CONTRACTOR. All quarterly Fuel Use Tax, Road Tax, Weigh Distance Tax fees and payments remain the full responsibility of INDEPENDENT CONTRACTOR. If INDEPENDENT CONTRACTOR chooses to file his own Fuel Tax Return INDEPENDENT CONTRACTOR is obligated to provide a copy of paid Fuel Tax Return for each quarter to the CARRIER. If INDEPENDENT CONTRACTOR does not submit the copy of the Fuel Tax Return to the CARRIER by the 25th day of the month when the taxes are due, the CARRIER will file the Fuel Tax Return for the INDEPENDENT CONTRACTOR for that quarter and the additional charges will be deducted from INDEPENDENT CONTRACTOR's paycheck.
- a) Upon termination of this agreement the INDEPENDENT CONTRACTOR authorizes the CARRIER to withhold the escrow funds after the 60 days from INDEPENDENT CONTRACTOR's resignation until the next Quarterly Fuel Use Tax Return has been filed. After the Fuel Use Tax charges and fees are covered, the adjustment will be made and the difference left from the escrow funds, if any, will be paid to the INDEPENDENT CONTRACTOR. All the road tax additional charges and fees will be full responsibility of INDEPENDENT CONTRACTOR.
- 3) It is agreed that an "Escrow" fund is set up at the time of the execution of the Agreement. INDEPENDENT CONTRACTOR authorizes CARRIER to withhold \$250 from the first check followed by \$250 per week to the maximum of \$ \_\_\_\_\_. The Escrow amount shall have no limit for each unit or equipment leased or on the lease to purchase from the CARRIER. The funds collected from INDEPENDENT CONTRACTOR for the Escrow accounts shall be refunded to INDEPENDENT CONTRACTOR in full unless:
- i) If INDEPENDENT CONTRACTOR has violated any part of this agreement CARRIER reserves the right to charge INDEPENDENT CONTRACTOR from any paychecks the charges and fees described in all agreements between INDEPENDENT CONTRACTOR and the CARRIER including but not limited to all paragraphs of this Agreement;
  - ii) If INDEPENDENT CONTRACTOR leases the equipment from the CARRIER and any amortization and usage of the said equipment are not paid to CARRIER;
  - iii) If INDEPENDENT CONTRACTOR has any liable debts to CARRIER which stated in this Agreement or any which INDEPENDENT CONTRACTOR has with CARRIER.

If for any reason, CARRIER does not withhold dollars in each week, INDEPENDENT CONTRACTOR authorizes CARRIER to withhold (in subsequent weeks) any additional funds necessary to make up for such deficiency. If INDEPENDENT CONTRACTOR does not keep his Equipment operating for the full term of the Agreement, the minimum fee paid to any regulating agency to certify such equipment, or drivers, may be deducted from sums held in escrow. All escrow funds may be held for the period of 60 days after the termination of this Agreement, to insure payment of INDEPENDENT CONTRACTOR'S obligations, including Quarterly Fuel Tax Return, cargo claims, liability claims advances, equipment rental costs, fuel card advances, or any other cost which are the sole responsibility of the INDEPENDENT CONTRACTOR. Should any claims not be resolved at the end of said 60 days, the CARRIER may retain the escrow funds until claim is closed, and Fuel Tax Return has been filed.

- 4) In any case where the INDEPENDENT CONTRACTOR has secured an advance of any kind from CARRIER, including but not limited to fuel, lubricants, pallets, safety equipment, tires, tractor or trailer parts, fines and penalties, operating authorities, licenses, permits, transfer charges, tolls, or any insurance deductions authorized by INDEPENDENT CONTRACTOR, CARRIER shall be authorized to deduct the amount of such advance from any trip settlement, escrow settlement or other moneys due. If such moneys are insufficient to cover the sum due to CARRIER from INDEPENDENT CONTRACTOR, then INDEPENDENT CONTRACTOR will on demand pay to CARRIER all sums remaining due.
- 5) If INDEPENDENT CONTRACTOR does not notify company with 30 days prior to terminating agreement

company reserves right to hold all money owed to contractor.

- 6) Carrier reserves the right to terminate any agreement at any time for NO GIVEN REASON.

#### IV. Relationship of Parties

- 1) The parties intend to create by this agreement a relationship of a CARRIER and an INDEPENDENT CONTRACTOR, and not that of employer and employee.
  - a) Neither the INDEPENDENT CONTRACTOR nor its agents are to be considered employees of the Carrier at any time, for any purposes.
- 2) INDEPENDENT CONTRACTOR shall operate equipment covered by the Agreement or furnish sufficient employees to operate said equipment. Employees hired by INDEPENDENT CONTRACTOR must accomplish DOT required pre-employment drug and/or alcohol tests prior to driving. Any employees furnished by INDEPENDENT CONTRACTOR shall be his employees, shall be hired, directed, paid, and controlled solely by INDEPENDENT CONTRACTOR. INDEPENDENT CONTRACTOR represents that any employees furnished by him are competent, reliable, physically fit and are familiar with State and Federal motor carrier safety rules, laws, and regulations. To the extent required by applicable law, INDEPENDENT CONTRACTOR shall maintain Workman's Compensation coverage for all employees. INDEPENDENT CONTRACTOR shall be responsible for withholding and remitting to proper authorities all payroll taxes for his employees.
- 3) CARRIER will provide a Statement of Earnings to INDEPENDENT CONTRACTOR showing annual compensation and will report same to Internal Revenue Service on IRS Form 1099.
- 4) INDEPENDENT CONTRACTOR may temporarily remove leased equipment from operation of the CARRIER under this Lease for periods of less than 30 days, subject to notification of and approval by CARRIER. Prospective act notice must be in written and provided to CARRIER before the INDEPENDENT CONTRACTOR's intention. During such periods, INDEPENDENT CONTRACTOR shall remove the CARRIER identification placards, cards and fuel permits and shall not operate under the authority of the CARRIER.

#### V. Operating and Maintenance Expenses

- 1) INDEPENDENT CONTRACTOR agrees to pay the entire cost of operating and maintaining the leased equipment throughout the term of this Lease. INDEPENDENT CONTRACTOR'S obligation shall include, but shall not be limited to the following expense items:
  - a) All wages, payroll taxes, Workman's Compensation Insurance, and other payments of INDEPENDENT CONTRACTORS' employment of authorized drivers or other labor.
  - b) All costs of Non-Trucking Liability and Physical Damage insurance. Proof of Insurance must be provided to CARRIER prior to completion of this lease Agreement.
  - c) All expenses of fuel and lubrication and all expenses of maintenance and repair included but not limited to the threads and wear of the leased equipment.
  - d) All Fuel and Highway Use taxes, all highways, bridge, ferry and other tolls, and all expenses of acquiring and maintaining current vehicle base plates and licenses on leased equipment.
  - e) All fines for traffic violations and any other fees, penalties, fines, or taxes that may be assessed against the equipment or the services provided by the INDEPENDENT CONTRACTOR, his agents, or employees.
- 2) INDEPENDENT CONTRACTOR shall be solely responsible for all expenses incurred in the procurement of background checks, physical examinations, and drug tests in accordance with DOT Federal Motor Carrier Safety Regulation 391.41.
- 3) Drug tests are required at random as required by U.S. DEPARTMENT OF TRANSPORTATION.
- 4) Background check of CDL license records must be completed before any driver will be allowed to work under the terms of this Lease Agreement.

## VI. Maintenance Report

- 1) To enable CARRIER to fulfill its obligations under D.O.T. regulations to monitor the inspection, maintenance and repair of equipment operated under its authority, INDEPENDENT CONTRACTOR agrees to provide CARRIER with monthly vehicle maintenance reports on each unit of leased equipment provided to CARRIER hereunder not later than the 15th day of the month for previous month. The reports shall specify all maintenance and repairs performed on the vehicle and shall be supported by paid receipts
- 2) INDEPENDENT CONTRACTOR must submit a Vehicle Inspection Report prior to completion of this Lease Agreement. CARRIER shall have the right to remove any unit of leased equipment from service when unsafe conditions are found by D.O.T. inspection or otherwise.
- 3) INDEPENDENT CONTRACTORS not submitting the Monthly Vehicle Inspection Report will be put on a no-load list and fined for non-compliance. All drivers who get "Out of Service" will be charged with:
  1. \$1000 for the first time being OOS
  2. \$2000 for the second time being OOS and termination.
  3. At any time, CARRIER reserves the right to make changes to above policies at their discretion.
  4. Any non-Out of Service violation, because of roadside or weight station inspections will be fined \$200 up to \$500 per inspection plus any applicable fees and legal costs. Any further major violations and negligence by the drivers will result in more serious disciplinary actions like suspension and termination.

## VII. Chargeback Items

- 1) In addition to the chargeback or withholding authority granted by INDEPENDENT CONTRACTOR to CARRIER elsewhere in this lease, INDEPENDENT CONTRACTOR agrees that CARRIER shall have the right to charge against any settlement owed under this Lease amounts sufficient to reimburse CARRIER for the following expenses which CARRIER may incur on behalf or in the name of the INDEPENDENT CONTRACTOR:
  - a) Any fines or penalties imposed upon CARRIER because of violations by INDEPENDENT CONTRACTOR.
  - b) Any losses or expenses incurred by CARRIER because of its inability to collect freight charges earned due to INDEPENDENT CONTRACTOR'S failure to properly complete and to submit paperwork and documents in a timely manner.
  - c) Any non-paid broker invoices due bankruptcies or non-bankruptcies and chargebacks from factoring company.
  - d) Any loss or damage to property or cargo, or any other losses or expenses which CARRIER may incur or for which it may be held liable because of the INDEPENDENT CONTRACTOR'S conduct.
  - e) All fines and penalties on overweight trailers, found to be the fault of driver negligence.
    - i) Prior to withholding any settlements, upon request, CARRIER shall provide INDEPENDENT CONTRACTOR with written explanation and itemization of the withholding to be made.
  - f) Deductible amounts on claims against liability and cargo insurance policies when it is found to be the fault of the INDEPENDENT CONTRACTOR or his employees. Deductible amount is \$5,000 for each occurrence.
  - g) For trailer left unhooked INDEPENDENT CONTRACTOR is responsible for any possible loss or damage to cargo and trailer in addition INDEPENDENT CONTRACTOR covers all attorney and legal cost.
  - h) Any mail expenses to and from INDEPENDENT CONTRACTOR.
  - i) INDEPENDENT CONTRACTOR may not contact directly any broker or its customers to adjust pickup and/or delivery date and time and requesting the fare increase. Such violation shall be fined up to \$500 for the first time and termination on the second.
  - j) Any late pickup or deliveries by NDEPENDENT CONTRACTOR shall be charged at \$50 for each

occurrence.

- k) Any cancelled or rejected load by the INDEPENDENT CONTRACTOR shall be charged at \$150.
- l) Late notice of lumper fees shall not be paid to INDEPENDENT CONTRACTOR.
- m) Any violation that is INDEPENDENT CONTRACTOR's fault (speeding, seatbelt, Driver License, or Medical Card missing or expired) shall be fined \$1000 for each occurrence. For additional list refer to Chargeback Schedule provided.

VIII. Accident Reports and Litigation

- 1) INDEPENDENT CONTRACTOR agrees that he will report to CARRIER by telephone immediately after the occurrence, any accidents, injuries, property damage, and cargo losses of any nature. A Police Report must be submitted to the CARRIER, along with a full, written Accident Report Form covering each occurrence, as required by ICC and DOT regulations.
- 2) INDEPENDENT CONTRACTOR agrees to place himself, agents and attorneys at the service and disposal of the CARRIER during the length of this Lease and termination, to assist the CARRIER in the defense of claims or suits arising out of any operations or conduct in which it engaged under the provisions of this Lease. INDEPENDENT CONTRACTOR also agrees that in all cases where a controversy arises with a shipper or consignee concerning the responsibility for, or amount of freight loss or damage, INDEPENDENT CONTRACTOR will accept all decisions and settlements made by the CARRIER. The CARRIER agrees to exercise due diligence in making such decisions and settlements. INDEPENDENT CONTRACTOR shall be responsible all purchased due to damage, accident and total loss, tow expenses and repair which could take more than a month to fix.

IX. Termination of Agreement

- 1) Upon termination of this Agreement, INDEPENDENT CONTRACTOR shall remove all CARRIER identification from the outside of unit; return all fuel cards, permits, decals. Upon return of these items, CARRIER will execute a written receipt for the return of said leased equipment to INDEPENDENT CONTRACTOR
- 2) INDEPENDENT CONTRACTOR agrees to utilize the unit listed below for minimum of full \_\_\_\_ months from the moment of signing the contract. If INDEPENDENT CONTRACTOR terminates the lease agreement, CARRIER keeps the right to keep all deposit and request to pay all Independent contractor's expenses prior to termination.

UNIT#	YEAR	MAKE	MODEL	VIN	License

X. Release and Indemnification

- 1) Fully permissible by law, INDEPENDENT CONTRACTOR, on behalf of itself, any owners, employees or agents and the martial community, estate, heirs, personal representatives, successors and assigns of each of them (collectively, " INDEPENDENT CONTRACTOR PARTIES"), hereby releases CARRIER from all liability for injury suffered by INDEPENDENT CONTRACTOR during performance of services under this agreement, including any claims of negligence against CARRIER.

- 2) In addition, to the fullest extent permitted by law, INDEPENDENT CONTRACTOR, and its employees and agents, hereby agree to release, indemnify, defend and hold harmless CARRIER and its owners, officers, directors, managers, employees, agents and contractors from any claim or suit asserted against CARRIER, either directly by any of the INDEPENDENT CONTRACTOR PARTIES or as a cross defendant or third party defendant, arising from any accident or occurrence causing or resulting in any property damage, personal injury, death or other loss suffered by INDEPENDENT CONTRACTOR or its employees or agents under this Agreement.

#### XI. Rules of Conduct for all Drivers:

- 1) All drivers must check in at 9:00 a.m. and 9:00 p.m. each day to report their location, expected delivery times and any problems encountered since the last check-in. A voice message may be left if no one is in the office, and no problems have occurred. In case of emergency, call the Carrier. Failure to call in twice a day will lead to a fine of \$50 for each truck, or \$25 per driver each day.
- 2) All drivers must complete a Pre-Trip Inspection on the tractor and trailer, according to DOT regulations. Company must be informed of any problems noticed during the Pre-Trip inspection. Any citations received due to the negligence of the driver will not be paid by the Company. In case of any truck or trailer equipment failures, the Company must be informed immediately. The Company will not acknowledge any actions taken by the driver prior to informing the Company, and any equipment damage due to the negligence of the driver will be considered the full responsibility of the driver, and will not be paid by the Company. If a load requires refrigeration, the driver must check the condition of the trailer every two (2) hours, including temperatures required by the shipper, and fuel level in the trailer. The Company will not be held responsible for damaged cargo, due to negligence or improper inspection. Any deducted charges against cargo liability will be withheld from INDEPENDENT CONTRACTOR'S settlement.
- 3) All drivers are required to provide complete protection and safety of all cargo, whether refrigerated or dry. INDEPENDENT CONTRACTOR is responsible for any damage to cargo from pickup to delivery destinations or during transfer and fully responsible for any back charges to cargo. Securement and count are must by INDEPENDENT CONTRACTOR
- 4) All drivers are required to keep a log book up-to-date for each portion of a trip. All log books must be completed/signed and turned into the Company within 13 days from present day, and kept on file according to DOT regulations. Any log book violations will be paid by the driver, not the Company. If a driver is ordered Out of Service due to a logbook violation, each driver will be fined according to the Company policy. If a load is not picked up or delivered late - due to Police Order or for any other reason, unless approved by the shipper and receiver, all late charges incurred by Company will be withheld from INDEPENDENT CONTRACTOR'S settlement.
- 5) All drivers must inspect the loading of a trailer, where allowed, and check weight at the nearest scale. If the load appears to be overweight, the driver must inform Company immediately by the phone, and return to original loading area for proper weights. The Company will not pay any Citations due to overweight violations. During loading, the driver must pay attention to the condition of the load, and number of pallets placed on the trailer. If the driver observes any damage such as bad condition of the product, broken boxes, spilling etc., the driver should stop the loading process, and immediately inform the Company. If the Company approves the damaged load, the driver must note the damage(s) on the Bill of Lading, and request the signature of the shipper's representative, as proof and acknowledgment of previous damage(s) to the load.
- 6) Drivers must be courteous and respect all rules and regulations of our customers, other drivers, and officers of all regulatory agencies. Cause for immediate discharge/Termination include the following: Dishonesty; Immoral conduct while on duty; Fighting; Possession of narcotics, or being under the influence of alcohol while on duty; Theft, Failure to immediately report an accident which results in fatality, injury, or property damage; Failure to carry out instructions or a direct order of a supervisor of the company; Participating in any activities that interfere with Company operation.

INDEPENDENT CONTRACTOR agrees to the terms, conditions, and rules of this agreement.

I HAVE READ AND UNDERSTOOD THE ABOVE RULES FOR US PENN LOGISTICS AND DO HEREBY AGREE TO ADHERE AND FOLLOW THEM AT ALL TIMES:

*INDEPENDENT CONTRACTOR Name:* \_\_\_\_\_

*Signature* \_\_\_\_\_ *Date* \_\_\_\_\_

*CARRIER:* \_\_\_\_\_

*Signature* \_\_\_\_\_ *Date* \_\_\_\_\_

## PENALTY/CHARGEBACKS SCHEDULE

In order to promote Safe Driving Behavior and Enforce our company safety policies, improve our safety rating, and stay in compliance with US DEPARTMENT of Transportation regulations, US-PENN Logistics introduces new Penalty/Chargeback program for drivers, who receive various traffic Violations, citations or warning and fail to pass roadside inspections. New Penalty/Chargeback program will apply towards company drivers, lease owners and owner operators accordingly.

### DRIVER VIOLATIONS

### (1-10pts) PENALTY/CHARGEBACKS-\$100 PER EACH POINT FOR 1ST OFFENCE

LOG BOOK VIOLATIONS-ELD	Points	1st time	2nd time	3rd time
Driving after 14 hour on duty limit	7	\$700	\$1,400	\$2,000
Falsifying a logbook/False reports	7	\$700	\$1,400	\$2,000
60/70 hour rule violation	7	\$700	\$1,400	\$2,000
Failure to have a logbook when required	5	\$500	\$1,000	\$1,500
Failing to retain previous 7 days logs	5	\$500	\$1,000	\$1,500
Failure to mount ELD device properly	3	\$300	\$600	\$900
Failure to carry blank log pages	1	\$100	\$200	\$300
Failure to manually add shipping document number	1	\$100	\$200	\$300
<b>SPEEDING VIOLATIONS</b>				
School Zone Speeding	10	\$1,000	\$2000 and term	N/A
Construction Zone Speeding	10	\$1,000	\$2000 and term	N/A
Speeding Over (15 mph or more over posted speed limit)	10	\$1,000	\$2000 and term	N/A
Speeding Over (11-14 mph over posted limit)	7	\$700	\$1,400	\$2000 and term
Speeding Over (6-10 mph over posted speed limit)	4	\$400	\$800	\$1200 and term
Speeding Over (1-5 mph over posted speed limit)	3	\$300	\$600	\$900
<b>MOVING AND OUT-OF-SERVICE VIOLATIONS</b>				
Driving under influence of drugs, alcohol	10	\$1000 and Term	N/A	N/A
OUT OF SERVICE violations	10	\$1,000	\$2,000	\$3000 and Term
Reckless driving	10	\$1,000	\$2000 and Term	N/A
Using hand-held mobile telephone while operating CMV	10	\$1,000	\$2,000	\$3000 and Term
Texting while operating CMV	10	\$1,000	\$2,000	\$3000 and Term
Failing to use seat belt	7	\$700	\$1,400	\$3000 and Term
Driving in no trucks zone	6	\$600	\$1,200	\$1,800
Failing to obey traffic lights (red lights, stops signs,..)	5	\$500	\$1,000	\$1,500
Failure to yield right of way	5	\$500	\$1,000	\$1,500
Distracted driving/inattentive driving	5	\$500	\$1,000	\$1,500
Failing to obey traffic control device	5	\$500	\$1,000	\$1,500

DRIVER NAME: \_\_\_\_\_

DRIVER SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_



**Exhibit A – Compensation Schedule**

**DRIVER COMPENSATION:**

Miles at: \_\_\_\_\_/mile (team) (\_\_\_\_\_/mile per driver)

\_\_\_\_\_/mile (solo)

% of Gross: \_\_\_\_\_/Gross

Additional Loads Picked up: \_\_\_\_\_

(the same load with multiple stops do not qualify)

**BONUSES/INCENTIVES (for inspection of non-violation)**

LEVEL I INSPECTION - \$300

LEVEL II INSPECTION - \$150

LEVEL III INSPECTION - \$100

**DRIVER NAME:** \_\_\_\_\_

**DRIVER SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_