



**service**

*transport company*

# Independent Contractor Program

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# WELCOME

Welcome to Service Transport Company Independent Contractor Program.

Thank you for joining our team and becoming an Independent Contractor for Service Transport Company. Please read over this handbook and sign form SVTN2022-ICOA023 as verification that you have received and read the Service Transport Company's Independent Contractor Program.

## Independent Contractor Requirements

All Independent Contractors (IC) are required to meet FMCSA Regulation, State Requirements and Service Transport Company (STC) standards to qualify. Below are STC standards.

**Note:** STC does not install or modify to fit any of the following.

### Truck Requirements

- a. Tractor must meet DOT, Level 1 inspection, and Service Transport inspection.
- b. Tractor must be 21,500 lbs maximum with fuel, driver(s), and equipment included.
- c. Fifth Wheel must be between 50 to 52 inches in height.
- d. Tractor must be less than 13 feet in height, including exhaust stack(s).
- e. Tractor must be ELD compliant. Service Transport Company will require ELD equipment and will install Company's ELD system following signed contract. It is required that Unit must be compatible to updated programs and continue proper services with or without regular updates. It is IC's responsibility to maintain, upkeep and ensure Unit is compatible with the latest versions of Service Transport Company's choice of ELD system. Non-compliant to this may result in Service Transport Company's decision to terminate contract.

### Equipment Requirements

- a. 2- or 3-inch cast iron Pump (no aluminum)
- b. Must be PTO driven or Hydraulic driven
- c. Air Compressor System for unloading with minimum of  $\frac{3}{4}$  inch, coalescing filter/dryer and pressure regulator or bypass set to 25 psi maximum output.
- d. In transit heat with  $\frac{1}{2}$  to  $\frac{3}{4}$  inch engine hot water supply and return lines plumbed to the back of the cab or sleeper and equip with  $\frac{1}{2}$  to  $\frac{3}{4}$  inch full port ball valves at the outlet(s).

- e. Fire Extinguisher of 10 BC or higher rated, mounted inside of cab or sleeper box on roadside of tractor. If Fire Extinguisher is mounted inside sleeper cargo door, there must be a "Fire Extinguisher Inside" sign near door.
- f. Set of Reflectors per D.O.T. specifications permanently mounted in cab or sleeper box.
- g. Optional Blower in place of Pump and Compressor for Dry Bulk only hauling.

## Document Requirements

- a. Proof of Title, Title Application Receipt, or Registration Certificate. See §376.2 for definition of owner.
  - Proof of DBA is required if Truck Title or IRS 2290 is listed under DBA name.
  - NOTE: STC may reject EIN if it is not in satisfactory status.
- b. IRS Form 2290 Receipt with IRS Stamp for the current year (Electronic Stamp or Ink Stamp with date marking received and filed)
- c. Photocopy of Truck Owner's CDL license and Driver's CDL license (if different individuals).
- d. Receipt or documentation of last oil change and/or any maintenance to tractor within the last 30-90 days
- e. Copy of receipt or documentation of last Federal Inspection is required
- f. Voided check for truck settlement set up.
- g. Copy of last Empty Scale Ticket; NOTE: If additional equipment were added prior to initial dispatch, an updated Empty Scale Ticket is required for updated weight. This may be waived if weight is already on Registration or Title.

An Independent Contractor Operating Agreement (ICOA) must be signed prior to starting orientation or training. Company Drivers transferring to Independent Contractors must comply to all requirements prior to signing contract and installation of STC equipment [i.e. ELD, Camera and Transponder].

## New Hire Documents

The following are required documents to be provided to you by the Terminal Manager of the Terminal IC is applying. These documents must be completed and turned into Terminal Manager to receive a prepared contract. Recruiting Department will provide the start date after all documents are received, including signed contract.

- Recruiting Document: Handout Drug and Alcohol Policy
- Recruiting Document: New IC Paperwork Packet
- W9 Form
- Handbook Receipt
- Tractor Set Up Form
- Direct Deposit Form with proof of bank account attachment (VOID Check or bank authorization letter)
- Occupational Accident (OA) Enrollment form (OPTIONAL if IC is going to purchase Worker's Comp insurance through STC)

## Leased to Purchase Requirements

Individual(s) interested in Leased to Purchase program must discuss and coordinate with Terminal Manager for available units and test drive. Units are sold as is and price will be provided.

Individual(s) will sign an Equipment Purchase Agreement for the Lease Purchase of the unit. Individual(s) will be responsible for first payment of truck note no later than thirty (30) days of purchase [date of the Equipment Purchase Agreement]. It is the individual(s) responsibility to qualify and sign the ICOA to start employment. The below requirements are needed for Equipment Purchase Agreement:

- a. Deposit in the form of Money Order, Cashier's Check or Personal Check payable to Service Transport Company. For personal checks, please allow 2-3 business days to process. For out of State Terminals, please allow 1 week to process as checks must be mailed to Corporate Office.
- b. Proof of CDL/Identification
- c. Must purchase physical damage insurance with cost value of purchase price. Insurance cost value can be adjusted yearly but must be approved by Service Transport Company.

**Note:** This contract is the purchase of the unit. The individual is still responsible to qualify in documentations to sign the ICOA for employment with Service Transport Company. Documents such as State Inspection, Last PM, Photos of Unit and Empty Scale Ticket are waived since they are Service Transport Company units.

## How to Apply

All Independent Contractors (IC) must apply at [www.svtn.com](http://www.svtn.com) Scroll to the bottom section of the website to **OUR DRIVERS**. Click on the red button **BECOME A DRIVER** to start. The website will direct you to STC driver qualifications. Click on the appropriate red button to start online application.

All Independent Contractor Drivers (ICD) must apply at [www.svtn.com](http://www.svtn.com) under **ONLINE INDEPENDENT CONTRACTOR APPLICATION**. Select **DRIVER FOR INDEPENDENT CONTRACTOR** as the position.

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# VEHICLE INSURANCE

STC offers commercial motor vehicle insurance through the Company's current insurance program upon signing Independent Contractor Operating Agreement.

## Non-Trucking Liability

Non-Trucking Liability (NTL) insurance is a liability insurance coverage for when the use of commercial vehicle is for personal use or not under dispatch. NTL provides coverage for property damage or bodily injury to a third party. NTL also covers bobtailing or deadheading back from a completed load. This is sometimes referred to as Bobtail Insurance; however, NTL covers more than Bobtail Insurance. [NOTE: Bobtail Insurance covers only if there is no trailer or chassis attached to vehicle.]

STC provides optional purchase of NTL insurance through the Company's current insurance provider at discounted rates. IC may opt to purchase this insurance anytime throughout his or her lease. Please note that this purchase is optional but may be required to obtain per Independent Contractor Lease Agreement.

Prices for NTL Insurance will vary year to year. See Appendix A for details on what is provided.

## Physical Damage/Collision Insurance

Physical Damage or sometimes referred to as Physical Collision Insurance coverage insures against certain losses. Comprehensive physical damage coverage pays for losses resulting from incidents other than collision such as vehicle stolen, damaged by flood, fire, or animal.

STC provides optional purchase of Physical Damage Insurance through the Company's current insurance provider at discounted rates.

Prices for Physical Damage/Collision Insurance will vary year to year and based off IC Driver's motor vehicle reports. Value of the tractor is set by IC and rates will vary depending on the value of vehicle. Please note that this purchase is optional but may be required per Equipment Purchase Agreement or through private financing company. See Appendix A for details on what is provided and how to calculate deductions.

## Occupational Accident Insurance

Occupational Accident (OCAC) Insurance coverage provides benefit to employees injured or killed in a job-related accident. This insurance has similar benefits as Workers Compensation but is made for Independent Contractors or Owner Operators.

STC provides optional purchase of OCAC through the Company's current insurance provider. IC may opt to purchase this insurance anytime throughout his or her lease. Please note that this purchase is optional but may be required per Independent Contractor Lease Agreement.

Prices for OCAC Insurance will vary year to year. See Appendix A for details on deductions.



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# ALTERNATIVE HEALTH & BENEFIT OPTIONS

At Service Transport Company (STC), we understand that health benefits are important to all ICs and their families. For our IC, STC cannot offer health insurance and benefits through STC's current vendors; however, insurance companies that offer benefits to ICs and their families are made available for purchase with discounted rates through outside agencies. See Appendix B for alternative Health Benefit options.

# TRUCK MAINTENANCE

As an Independent Contractor or Owner Operator in the field of transportation, truck owners are responsible for self-maintenance of Commercial Motor Vehicle and following all State and Federal requirements.

Service Transport Company sets up reminders for IC Drivers of the upcoming maintenance requirement. Any work or maintenance work done to the Commercial Motor Vehicle must be reported to the Domicile Terminal Manager. These records are recorded for DOT audit purposes only and are available upon request.

## Plate Options/Renewals

### STC Plate Options

If IC opts for STC to obtain plates, IC must provide the following and notify domicile Terminal Manager in advance. Harris County Tax Office requires all Title Registration to schedule an appointment at their office which can be 1-2 weeks wait list. Harris County Tax Office requires the following:

- Clear copy of Title, front and back
- If Title is not under IC's name, IC must provide proof of relationship of Title to self
- Copy of government picture identification, front and back
- If weight is not on Title, IC must provide original scale ticket. Tax Office will not take electronic copies or copies.
- Texas form U-130 form, filled out, signed and original must be presented in person to Tax Office.
  - o This form can be found online via google search
  - o See Appendix E for copy of form and instructions on how to fill out form
- Texas MV-454 form, filled out, signed and original must be presented in person to Tax Office.
  - o This form can be found online via google search
  - o See Appendix E for copy of form and instructions on how to fill out form
- Texas VTR 270 form, filled out, signed and original must be presented in person to Tax Office.
  - o This form can be found online via google search
  - o See Appendix E for copy of form and instructions on how to fill out form
- All listed documents above and ORIGINAL signed documents must be submitted before appointment of Tax Office date to:

Service Transport Company  
7979 Almeda Genoa Rd  
Houston, TX 77075  
Attention: Regulatory/IC Program

All STC plates renewal date is July 31st every year. STC will renew plates on or around June 1st of every year. A notice will be sent around July to inform all IC with STC plates of their dues for plates. Plate renewals range from \$1,300 to \$1,600 yearly. STC will provide a detail line by line charges from State of Texas and will deduct funds in four payments around September. If IC leaves STC but plate were renewed, IC is still responsible for plate renewals and will be taken out of escrow if it is not paid.

Under 49 CFR §376.12(e), opting for STC to register vehicle under STC fleet, the plates and cab card are the property of

## Own Plate Options

If IC opts to obtain plates, IC must provide proof of current cab card. IC will be given 45 days to update Cab Card's Carrier Safety Information to **Service Transport Company, US DOT #0229662**.

If IC decides to change from STC Plates to Own Apportion Plates, IC must notify Domicile Terminal Manager before June 1st of the year. STC plate renewals are done every July of the year.

# Yearly Renewals

## Annual DOT Inspection vs. Texas Motor Vehicle Inspection (MVI)

A **DOT Inspection** (also referred to as **Federal Inspection**) is an inspection conducted by the Department of Transportation to ensure that all the Commercial Motor Vehicle parts and accessories are safe to use, in good condition and working properly. This is required for all commercial motor vehicles with a gross vehicle weight rating of more than 10,001 pounds. IC are expected to renew their State inspection at their own expense.

**Texas Motor Vehicle Inspection (MVI)** are State Inspection for vehicles registered in the State of Texas. MVIs are equivalent and supersedes DOT Inspection/State Inspection. MVIs are required if vehicles are registered with the State of Texas. If a vehicle is registered with the State of Texas [i.e. IC having Texas Apportioned Plates] but works out of State, MVI is required as soon as the unit passes through State of Texas.

MVIs are Federal Inspection plus emissions testing which are required of vehicles inspected in 17 Texas counties to comply with federally mandated clean air requirements. Vehicle inspections are performed at Official Vehicle Inspection Stations licensed by DPS. IC are expected to renew their Federal Inspection at their own expense.

## IRS Financial REsponsibility Form 2290

Heavy Highway Vehicle Use Tax Return (HVUT) or IRS Form 2290 is a Federal Excise Tax imposed on vehicles operating in public highways with a gross weight of 55,000 pounds or more. Taxes are collected annually and are used for highway construction and maintenance.

IRS 2290 Filings are due every August 31st of the year. Service Transport Company requires all IC to provide completion of filing two weeks before due date. STC will send 90 day reminders, 60 day reminders and 30 day reminders as a courtesy service. Drivers operating an IC vehicle will be locked down September 1st if IRS 2290 Filing

is not complete.

Form 2290 can be electronically filed (e-file) through a third-party website. IRS website only accepts payment. STC does not provide this service or make referrals to a particular third-party website. A completed filing of Form 2290 will have either an electronic watermark or a blue stamp filing date.

IC must have an Employee Tax Identification Number (EIN) to obtain 2290. Please see **Appendix D** for instructions on how to obtain 2290.

## Apportioned Plate Registration

Apportioned Plates (also known as IRP Plates) are required for vehicles over 26,000 pounds that cross state lines. STC requires all IC vehicles to obtain or have an Apportioned Plate. IC may choose to register and obtain his or her own Apportioned Plates through the IRP office of their preferred State. See above under Plate Options / Renewals for more details.

IRP Plate fees are based on the percentage of miles operated in 48 state and some Canadian provinces from July 1st to June 30th of previous year. Example: July 2018 filing will ask for mileage from July 1, 2016 to June 30, 2017.

If IC opts for STC to obtain Apportioned Plates for Commercial Motor Vehicle, fees will be pro-rated from the month of start date to the next filing period. Pro-rated fees are subject to change yearly depending on the average Company miles. STC will provide receipt of plates and registration to charge back to IC.

Cab cards will be distributed by the end of July of every year. Self-registered IC must provide their Cab Card at the end of their registration term.

Under 49 CFR §376.12(e), opting for STC to register vehicle under STC fleet, the plates and cab card are the property of STC and therefore must be returned upon termination.

If IC decides to obtain his/her own Apportioned Plates, it is recommended to discuss this with Terminal Manager as soon as possible. All STC Apportioned Plates are renewed by end of July annually and all renewals will be required to have full deductions for renewed plates. A notice will be sent out in August for September deductions. If IC terms contract or purchase own plates after Apportioned Plate renewal, he or she will be responsible for the Apportioned Plate renewal.

## IFTA Decals

IFTA decals are required for all units with three (3) axles and over 26,000 pounds. STC business requires IFTA decals to operate. STC offers the option to provide IFTA decals to IC who opt for STC to pay IFTA fuel taxes. There are no additional fees for STC to provide IFTA decals, however, IC are expected to follow IFTA document requirements to qualify and/or maintain STC provided IFTA decals/maintenance. See Quarterly Requirement - IFTA Fuel Tax section below and IFTA Recordkeeping section under Daily Operations in this Handbook.

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# Quarterly Requirements

## IFTA Fuel Taxes

STC offers the option for STC to file IFTA fuel taxes for IC. If IC opts to pay for his or her own IFTA taxes, STC will provide quarterly miles driven by state for each IC by every 15th of January, April, July and October. Taxes will be filed separately by IC and does not have to provide verification of filing. IFTA decals are verification of filing quarterly and failure to file may result in DOT fines and/or IFTA renewal denied. This option will be selected in your ICOA Section 3 of your Independent Contractor Operating Agreement (ICOA).

NOTE: It is important that all IC submit copies of fuel purchases if IC does not use STC Comdata Fuel Cards. Failure to provide copies of fuel purchases will result in IC to pay for his or her own IFTA decal and IFTA quarterly taxes. It is important that STC obtains this information to properly file IFTA quarterly taxes. More details on due date are under section IFTA Recordkeeping in Daily Operations of this Handbook.

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## Quarterly Miles Taxes

Other quarterly taxes depend on the miles driven per state. Currently there are quarterly miles tax for Kentucky, New Mexico, and Oregon. STC files all quarterly mile taxes to these states plus New York HUT and Massachusetts yearly turnpike miles tax for all IRP plates under STC Fleet Account. There are no additional charges for these quarterly taxes. Failure to provide copies of fuel purchases will result in IC to pay for his or her own quarterly taxes. STC must have information to properly file quarterly taxes.

STC will provide quarterly miles driven by state for each IC who opt for self-registration by every 15th of January, April, July, and October.

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## Routine Truck Maintenance

IC must systematically inspect, repair, maintain, and lubricate all units as required by DOT. All repair and maintenance activities must be reported to Service Transport Company for any on-going activities. Invoices, receipts of purchases and/or work orders are examples that must be furnished to the Domicile Terminal Manager or emailed to [LOGroup@svtn.com](mailto:LOGroup@svtn.com). These records are for DOT audit purposes only and copies are available upon request.

## Oil Change

Future oil maintenance parameters are set by the IC. STC will send reminder notifications to IC's drivers and Terminal Managers of the upcoming maintenance requirement. IC can change the parameters of future maintenance through their Domicile Terminal Manager by filling out the IC Set Up Form or through a written request. IC can revise oil maintenance parameters up to three (3) times per year.

Please note that if self-maintenance is used for oil change, IC must provide proper receipt of oil or equipment purchases with documentation of date and mileage of self-service.

## Scale Ticket

IC need to provide proof of scale ticket that reflects the true weight of truck, driver, and all required equipment. If any additional equipment were installed, an updated scale ticket is required to prevent violations of weight restrictions. As the authorized motor carrier, STC is responsible for violations for size and weight and therefore will require all IC units to provide proof of scale weight prior to operation. Please note that this is quarterly tax filing requirement to have each unit's unlading weight.

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# DAILY OPERATION

STC is the authorized motor carrier and therefore the freight hauled is under the Company's authority, vehicles display STC USDOT number, and transportation is covered by STC insurance. STC is responsible for the safe operation of the vehicle, including driver's compliance with federal safety regulations. As the authorized motor carrier, Service Transport Company Independent Contractors and their drivers must comply to all Service Transport Company policies.

ICs and their drivers are expected to respect and follow daily operations of his or her Terminal. The below are some but not all office procedures. Please refer to Service Transport Company Handbook for Company's Policy.

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## Dispatch Procedure

### Signing In To Be Dispatched

IC are expected to be available daily unless they have approved time off. IC Drivers will be required to sign "the board" each time they return from a load. If IC chooses to decline a load, he or she will be moved to the bottom of the board. If this becomes excessive, this may affect the Independent Contractor Operating Agreement.

### Requesting Time Off

IC requesting time off must notify his or her domicile Terminal Manager. This request time off will notify Terminal Manager the appropriate available drivers to be dispatched. IC are asked to complete a time off request form and submit this to their domicile dispatch office. IC must call their domicile dispatch office to be placed back on "the board" after any time off.

### Company Truck Rental

IC requesting Company Truck Rental must notify his or her domicile Terminal Manager. The request for rental unit must have a start date and end date proposal follow by signing an Addendum to the current ICOA with these requested dates. The current pricing for renting Company Vehicles are:

**\$145 DAILY or \$725 WEEKLY Plus \$0.10 for all miles driven**

Request must be approved, and a Company Vehicle must be available before signing Addendum to the current ICOA. IC will be provided the approved Company Vehicle with full fuel and IC are expected to return Company Vehicle in same condition with full fuel.

## IFTA Recordkeeping

IC opting for STC to maintain and provide IFTA decals must provide appropriate documentation for IFTA recordkeeping. Failure to comply will result in defaulting to Contractor maintaining and obtaining own IFTA decal.

As part of IFTA, IC and STC are required to keep records of fuel purchased in the course of business. If IC does not opt to use STC provided Comdata Card, IC must provide fuel receipt by the end of each month. The due date for each month's fuel receipts will be the 7th day of each following month. Failure to provide fuel receipt by the 15th of the following month will result in IFTA violation and removal of IFTA decal. IC will then be responsible for self IFTA quarterly filing and maintaining own IFTA decal.

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# Payroll Procedure

## Truck Settlements

Weekly pay period covers one week beginning Saturday 00:01 to Friday 23:59 of load delivery date. Truck Settlement sheets are available in EBE Driver Portal by Friday by 12:00. NOTE: All truck settlements will reflect completed loads from two weeks previous to pay date following the time frame of Saturday 00:01 to Friday 23:59. Monthly Truck Settlements will be paid the 15th of the month and loads are based on delivery date of previous month. See section below under Truck Settlement Sheet on how to access EBE Driver Portal and how to read Truck Settlement Sheets.

## Disputes/Questions

All disputes and questions on pay must be directed to domicile Terminal Manager.

## Extra Pay

IC will submit **Independent Contractor's Extra Pay Form** for any non-linehaul related pay that is not listed in the Independent Contractor Operating Agreement Pay Schedule. See **Appendix E** for a copy of the Extra Pay Form. Independent Contractor Operating Agreement Pay Schedule is subject to change yearly.

*See below section Independent Contractor Pay to see this schedule.*

## Tolls

IC have an option to be provided a Toll Transponder and maintain a monthly maintenance fee. Toll expenses will be deducted on Truck Settlement for the dollar amount of tolls utilized. Transponders must be returned if Agreement is cancelled or pay the replacement fee. IC will pay for any replacement cost and/or fines associated with the use of the transponder.

## Escrow

IC will be deducted 10% of weekly or monthly income into an interest-bearing escrow account until your maximum escrow has been met. Funds are held until the end of Lease Agreement and paid out two (2) weeks after the last truck settlement. By FMCSA Regulations, Service Transport Company cannot withhold escrow for more than 45 days. After



45 days, escrow will be released deducting any unresolved issues. See your signed Independent Contractor Operating Agreement for details on escrow funds.

Escrow interests are paid quarterly, and rates are based on US Treasury Bond for the following dates: January 1st, April 1st, July 1st, and October 1st. Quarterly statement will be provided at the end of each quarter and will be paid directly to truck settlements on the following dates: April 30th, July 31st, October 31st, and January 31st. Interests are paid to active IC for the number of weeks funds are withheld against IC.

## Secondary Maintenance Account

IC can voluntarily enroll in this secondary maintenance account to help with repairs and maintenance. An Addendum is required for secondary maintenance account. There is no maximum requirement; however, a set percentage will be deducted weekly or monthly into Independent Contractor's Secondary Maintenance Account if IC opts for this Account. NOTE: This is a non-interest-bearing account. This account can be withdrawn, suspended, or cancelled with proper documents submitted. Please request forms from domicile Terminal Manager.

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## Safety Procedure

Service Transport Company follows Federal Motor Carrier Safety Regulations (FMCSR), Hazardous Materials Regulations (HMR) and Occupational Safety and Health Administration (OSHA). As an Independent Contractor, you are not considered an employee of the company for benefit and pay purposes; however Independent Contractors are included in the definition of "employee" when it comes to compliance with the FMCSR. Definition is found in 49 CFR §390.5T. All ICs and their drivers are expected to follow Service Transport Company Safety Rules and Regulatory requirements. Please refer to Service Transport Company Handbook for policies on Safety and Safety Bonuses.

## Accidents/Incidents

All accidents or incidents must be reported to the Safety Department immediately. If the IC and their driver do not have the On Call Safety number, he or she must call their Domicile Terminal or the 24-hour line to be transferred to the On Call Safety Director.

## 90 Day Inspection

Safety Department requires a 90 day walk through inspection for all IC Commercial Motor Vehicles. This is the company's safety requirement to ensure all tractors are in continual compliance with Department of Transportation Regulations. STC will send out notifications for reminders to all terminals and IC drivers to report to the closest STC shop for inspection during the weekday from 9 am to 3 pm. There is no cost for this inspection.

## Speed Limit

Safety Department requires all IC Commercial Motor Vehicles operating under dispatch to comply with the Company's maximum speed limit of 65. Speed in excess of 65 miles per hour for one minute or longer trigger notification to the Safety Department.

## CBT

STC requires all IC's drivers for Service Transport Company to complete a quarterly Safety Computer Based Training (CBT). IC drivers will be compensated for completion and failure to comply will affect Quarterly Safety Bonuses.

## Electronic Logging Device (ELD)

Under 49 CFR §395.8(a), STC is responsible for making sure all drivers are using ELDs. STC Shop can install STC ELD units to Leased Vehicle at no cost, but equipment must be returned upon termination. Installation will follow STC Shop schedule. If IC opt to purchase own ELD equipment, STC require inspection to ensure ELD is working prior to first load.

If the ELD malfunctions, it is IC's responsibility to ensure arrangements to be corrected within eight (8) days. FCMSA Regulations allow the maximum of eight (8) days exemption for drivers of leased units to use paper log. Beyond eight (8) days, IC will not be operating for Service Transport Company until ELD is back in service.

## Quarterly Bonus

All IC Drivers may be eligible for Safety Performance Bonus and will only be eligible if all Safety and Company's requirements are followed. Please see Employee Handbook for details on Quarterly Bonus policy.

# INDEPENDENT CONTRACTOR PAY

Independent Contractors pay is negotiated in the Independent Contractors Operating Agreement Contract (Agreement). Percentage of pay is non-negotiable after Agreement has been signed. The following are for non-line haul compensation. When billable to STC customer, the below flat rates will apply per event when IC driver performs and properly documents charges.

**Note:** Below pay are subject to change and STC will provide notification.

ACCESSORIALS NOT PART OF LINEHAUL	AMOUNT OR METHOD OF COMPUTATION OF PAYMENT
Air Compressor	\$35.00 FLAT
Blower Charge	\$35.00 FLAT
Drumming Nozzle	\$35.00 FLAT
Pump	\$35.00 FLAT
Intransit Heat	\$105.00 FLAT
Temperature Monitoring	\$85.00 FLAT
Border Crossing Fee	\$35.00 FLAT
Stop Off	\$100.00 FLAT
Detention	<p>% OF BILLED            IC will be paid at the set percentage rate of the amount billed for all detention. To receive detention pay, IC's driver must accurately complete and turn in a record of all times, activities, and reasons for the delay on Carrier's delivery document and have a customer sign (or note that the customer refuses to sign and give that individual's name).</p> <p><b>Note:</b> For any late loadings or unloadings which are directly caused by the IC's driver's failure to perform his/her job duties and in which the Company cannot charge detention, the truck settlement will not be paid.</p>
Billable Layover	% OF BILLED

*Continued on next page*

ACCESSORIALS NOT PART OF LINEHAUL	AMOUNT OR METHOD OF COMPUTATION OF PAYMENT
Non-Billable Layover	<p>IC Truck settlements will be paid a flat fee of \$125 after the first twelve (12) hour waiting period of layover. IC will be paid \$125 at the end of every additional 12 hour period of layover. This will only apply when the IC driver is instructed by Carrier's dispatch to layover to meet a loading schedule. This layover benefit does not include arriving at consignee early for delivery or second stop off.</p> <p><b>Note:</b> If the IC refuses any load assignment from dispatch, layover pay will not be paid for that total period. Also, if the IC chooses to roll to the bottom of the available driver list, layover will not be paid for that total period.</p>
Breakdown Pay	<p>IC will be paid at the rate of \$25.00 per hour for the second three (3) hours of a breakdown that is directly related to carrier equipment. The first three (3) hours shall not be paid. Beginning of the seventh (7th) hour, the truck will be paid a rate of \$25.00 for every 3 hour period 12 hours max. At this point, IC will fall under non-billable layover pay of \$125.00 for every 12 hours.</p>
Pre-loading / Unloading Charge	<p>When IC does not load, compensation will be reduced by:  <b>\$80.00</b> for shipments loading within 30 miles of the origin terminal. For shipments loading outside 30 miles of the origin terminal, Relay Shipment Compensation will apply.</p> <p>When IC does not unload, compensation will be reduced by:  <b>\$80.00</b> for shipments unloading within 30 miles of the origin terminal. For shipments unloading outside 30 miles of the origin terminal, Relay Shipment Compensation will apply.</p> <p><b>Exception Note:</b> This does not apply to the following:</p> <ul style="list-style-type: none"> <li>▪ Trailer spotting at customer facility for customer loading/unloading</li> <li>▪ Power unit receiving a relay</li> <li>▪ Power unit transferring a relay</li> </ul>
Out-of-Route	% OF BILLED
Non-Billable Out-of-Route	<p>IC will be paid the following for out of route miles:</p> <ul style="list-style-type: none"> <li>▪ 0 – 25 miles - <b>\$60</b></li> <li>▪ 26 – 50 miles - <b>\$80</b></li> <li>▪ 51 – 100 miles - <b>\$100</b></li> <li>▪ 111 - 150 miles, <b>\$120</b></li> <li>▪ After 150 miles, they get <b>\$1.25</b> per DH miles</li> </ul>
Non-Billable Pre-Load / Unloading Charge	<p>IC will be paid the following for out of route miles:</p> <ul style="list-style-type: none"> <li>▪ 0 – 25 miles - <b>\$80</b></li> <li>▪ 26 – 50 miles - <b>\$140</b></li> <li>▪ 51 – 100 miles - <b>\$200</b></li> <li>▪ 111 - 150 miles, <b>\$260</b></li> </ul>
Relay	<p>For shipments that are relayed with another STC driver or STC contractor, IC shall be compensated their normal percentage of Gross Linehaul Revenue, but prorated based on the loaded miles incurred for such relayed shipment. The load will be prorated by loaded miles incurred by driver divided by total loaded miles of shipment.</p>

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## Other Pays & Charges

### Excessive Heel

Whenever excessive heel remains in a trailer after delivery, the IC drivers are required to call dispatch prior to leaving the consignee. Failure to notify dispatch will result in IC being charged for the cost of disposing the heel, which may or may not include additional transportation charges.

### Tank & Pump Cleaning Costs

Carrier will pay for all tank wash-outs ordered by dispatch. IC will pay for all other wash-outs. Carrier will pay for all pump cleanings in conjunction with tank wash-outs ordered by dispatch.

### Hourly Charges

Truck will be paid at the rate of \$25.00 per hour when approved by a Terminal Manager.

### Safety Meetings & CBT

IC will be paid at a flat rate of twenty-five dollars (\$25.00) to attend the Terminal monthly safety meetings. Quarterly CBT completion will be paid a flat rate of seventy-five dollars (\$75.00) per quarter.

IC does not need to complete a non-revenue accessorial pay request. Compensation for attending the safety meeting will be determined by the Safety Department using the attendance roster.

### Customer Revenue Guarantee

Per Independent Contractor Operating Agreement, Service Transport Company does not guarantee weekly revenue. However, if a customer contract allows for a weekly revenue guarantee and an Independent Contractor or Independent Contractor Driver is designated for this weekly revenue, then IC will receive this fund as discussed with Domicile Manager. If an IC is filling in for designated driver for this weekly revenue guarantee, IC does not qualify for weekly revenue guarantee.

# TRUCK SETTLEMENT SHEET

Truck Settlements will be paid weekly or monthly through direct deposit. Settlement sheets consists of the breakdown of payments, computer calculation of percentage per load, fuel deductions and all other deductions agreed upon signing ICOA.

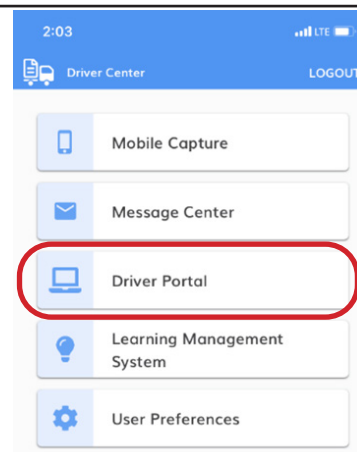
## EBE Driver Portal

Settlement sheets are all available in EBE Driver Portal which can be accessed from a web browser at the link below or from the Ships Mobile application on a mobile device.

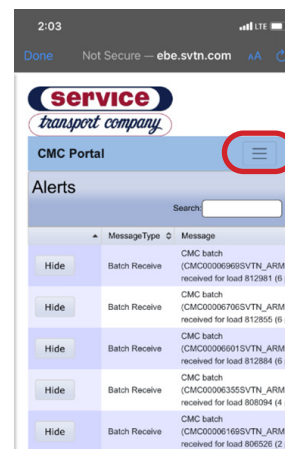
Website: <http://ebe.svtn.com/driverportal/Update/DriverCodeLogin.aspx>

Below are step by step with images:

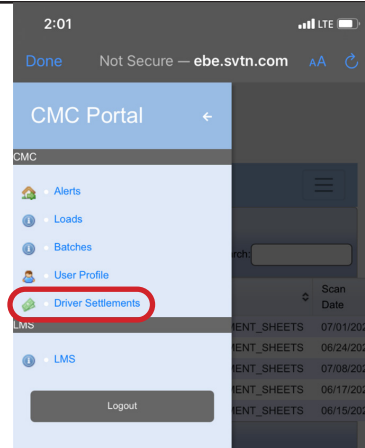
1. From the app, select "Driver Portal."



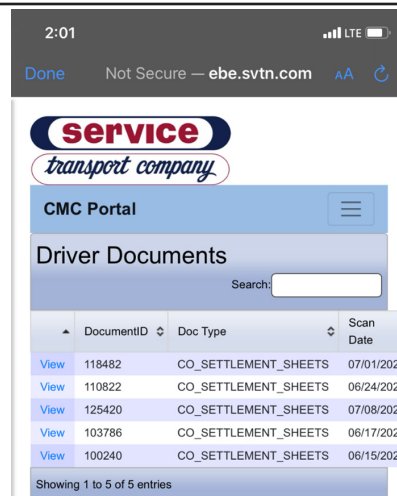
2. Click on the menu button in the upper right corner.



3. Select "Driver Settlements" at the bottom menu.



4. Settlement sheets can be viewed in this screen.



## Truck Settlement Details

**Exhibit A** below is an example of Truck Settlement Sheet.

#	Description
1	Payroll End Date: Example in Exhibit A: Payroll ending 2/15/19 means live unloads from Saturday (2/9/19) through Friday (2/15/19).
2	Run Date: This is the date of closing payroll and reflects the week this settlement sheet is expected to be paid into IC account. WEEKLY payroll is paid on Friday. MONTHLY payroll is paid at least by the 15th.
3	Tractor Number: IC assigned unit number is displayed here.
4	Taxable Settlement Earnings: All loads completed within this payroll period are listed here.
5	Order / Waybill Number: IC waybill or order number for this payroll period are listed here.
6	Charge Types: Linehaul and other accessorials are listed here.
7	Quantity: Total price for charge types are listed here.
8	Rate: This is the rate of percentage earned from line 7.
9	Amount: This list the amount earned for IC.

*Continued on next page*

#	Description
10	Settlement Deductions: Below this section lists deductions towards revenue.
11	Fuel Charges Accrued From Comdata Card: Fuel purchases from Comdata Card are listed here based from Order/Waybill Number.
12	Optional Deductions: Deductions for optional insurance and other deductions agreed upon signing ICOA.
13	Fuel Discount: If fuel was purchased at a discounted location, IC's portion of discount is display under fuel purchases from line 11.

# Exhibit A

Settlement Sheet											
Order#		Pick-up Date	Description	ItemType	Qty	Miles Empty	Rate	Fee1	Fee2	Amount	Status
Tractor		:XXX 3	Pay To:			Terminal: HOUSTON					
Taxable Settlement Earnings 4											
5	703545/S	02/09/19	Intransit Heat	Intransit Heat	105.00		1.0000				Released
		02/09/19	FREEPORT, TX/ to Reading, PA/	Trip Setlmt (Revenue)			.6700				Released
		02/09/19	FUEL SURCHARGE	Fuel Surcharge - Mileage			1.0000				Released
		02/09/19	Dead Head	Dead Head			.6700				Released
		02/09/19	% of Revenue	Unload Detention			.6700				Released
					<b>Order Total:</b>						
										YTD: \$	
Settlement Deductions 10											
	703545/S	02/11/19	ComULSD # LAUREL, MS	OO Fuel Expenses	103.25		2.6000			268.30	Released 11
	703545/S	02/14/19	ComULSD # STAUNTON, VA	OO Fuel Expenses	115.13		2.6000			299.08	Released
					<b>Order Total:</b>	218.38				567.38	
		02/15/19	IC Non-Trucking Liability	IC Non-Trucking Liability	1.00						Released Bal
		02/15/19	Occupational Accident Insuranc	IC Occupational Accident	1.00						Released Bal
		02/15/19	IC Physical Damage	IC Physical Damage	1.00						Released Bal
					<b>Order Total:</b>	3.00					
	703545/S	02/16/19	ComULSD # RAYNE, LA	OO Fuel Expenses	50.08		3.3400			167.09	Released
		02/16/19	ComULSD # RAYNE, LA	OO Fuel Expenses	1.00		27.8200			-27.82	Released 13
					<b>Order Total:</b>	51.06				139.27	
										<b>Total for Settlements Deductions</b>	YTD: \$
										<b>Total:</b>	\$ YTD: \$
<b>Grand Total: 0 0</b>											



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# TERMINATION OF CONTRACT

The Independent Contractor Operating Agreement requires a notification of thirty (30) days from either party for the termination of Lease. However, should IC fail to comply with STC standards and/or violates State or Federal regulations, STC may immediately terminate the Operating Agreement.

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## Escrow

Escrow Funds shall be paid to IC no earlier than two (2) weeks after last truck settlement check to IC and no later than forty-five (45) days from the date of termination.

Escrow Funds may be delayed if IC fails to turn in signs, licenses, permits, notices, fuel card, carrier provided equipment and other paperwork and property belonging to STC. Escrow funds may be withheld for the sums representing the cost to replace any unreturned equipment, permits, signs, licenses, fuel card, or any other property of STC.

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## Secondary Maintenance Account

Secondary Maintenance Account Fund shall be paid to IC by the last truck settlement check and earlier if properly requested through signed documents.

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## Commercial Vehicle Insurance

All Commercial Vehicle Insurance purchased through STC will cease on the date of Operating Agreement Cancellation and/or the last live unload date if IC fails to contact Carrier with notice. Certain insurances are monthly based and will cease the end of terminating month. Dues for insurances may be deducted to cover the monthly coverages.

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# APPENDIX A

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## Non-Trucking Liability Insurance

Service Transport Company offers Non-Trucking Liability Insurance for purchase to our Independent Contractors. IC will be given a current Certificate of Insurance and Non-Trucking Liability Declaration Page.

Non-Trucking Insurance is a monthly charge per Unit that is selected by IC to obtain non-trucking liability insurance. STC calculates yearly rate and divides this to 52 weeks for weekly deductions. Rate is usually a flat rate per Unit per month. STC is charged a monthly rate per unit.

Non-Trucking Insurance expire every September 30th and renews every October 1st of the year. A memo will be sent out around 30 days of renewal of renewal prices. Current prices are in your Independent Contractor Operating Agreement (ICOA), Appendix A, Section 8.

Insurance can be dropped anytime with proof of coverage. Per FMCSA, all ICs must operate with an active Non-Trucking or Bobtail Insurance. STC will charge for monthly dues for the months IC was under STC's Non-Trucking Liability. NOTE: Weekly truck settlements will be calculated to ensure monthly charges are covered for the months IC was covered by STC insurance.

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## Physical Damage Insurance

Service Transport Company offers Physical Damage Insurance for purchase to our Independent Contractors. IC will be given a current Certificate of Insurance and Physical Damage Insurance Declaration Page.

Physical Damage Insurance is a monthly charge for every Contract Unit that is selected by IC to obtain physical damage insurance. STC calculates yearly rate and divides this to 52 weeks for weekly deductions. Rate is a percentage of cost value of unit. The cost value of unit is provided by IC in their Independent Contractor Operating Agreement (ICOA). For example, if the rate is 4.31%, insurance is calculated by multiplying the COST VALUE to 0.0431. This value is the yearly's premium rate. STC is charged a monthly rate based on the yearly's premium.

Physical Damage Insurance expire every September 30th and renews every October 1st of the year. A memo will be sent out around 30 days of renewal of renewal prices. Current prices are in your ICOA, Appendix A, Section 8.

Insurance can be dropped anytime with or without proof of coverage. This is not required by FMCSA but may be required for lienholder or finance company. STC will charge for monthly dues for the months IC was under STC's Physical Damage Insurance. NOTE: Weekly truck settlements will be calculated to ensure monthly charges are covered for the months IC was covered by STC insurance.

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# Occupational Accident Insurance

Service Transport Company offers Physical Damage Insurance for purchase to our Independent Contractors. IC will be given a current Certificate of Insurance and Occupational Accident Insurance Policy.

Occupational Accident Insurance is a monthly charge for every Contract Driver. STC calculates yearly rate and divides this to 52 weeks for weekly deductions. Rate is a flat rate per Contractor Driver. STC is charged a monthly rate per Contractor Driver.

Occupational Accident Insurance expire every September 30th and renews every October 1st of the year. A memo will be sent out around 30 days of renewal of renewal prices. Current prices are in your Independent Contractor's Operating Agreement (ICOA), Appendix A, Section 8.

Insurance can be dropped anytime with proof of coverage. Per FMCSA, all ICs must operate with an active Worker's Comp or Occupational Accident Insurance. STC will charge for monthly dues for the months IC was under STC's Occupational Accident Insurance. NOTE: Weekly truck settlements will be calculated to ensure monthly charges are covered for the months IC was covered by STC insurance.

# APPENDIX B

## Alternative Health Benefits

**STC cannot offer health insurance and benefits to Independent Contractors;** however, below are some optional insurance companies that offer benefits to Independent Contractors and their IC's drivers for purchase with discounted rates.

### Truechoice Coverage Overview

TrueChoice is a package designed for comprehensive and cost-effective medical plan for Independent Contractors. For your personal quote, please call **(833) 243-8647**.

TrueChoice offers limited Medical Insurance which includes office & wellness visits, diagnostic services, no copays and no deductibles.

### Healthcompare Option

Alliant offers a free service by calling HealthCompare hotline **(877) 470-3075** or visit [healthcompare.com/alliant](https://healthcompare.com/alliant) to navigate the marketplace and find insurance.

### Medicare Option

IC's drivers age 65 or older and eligible for Medicare can purchase Supplemental Plan F.

### Owner Operator Independent Driver's Association (OOIDA) National Association of Independent Truckers (NAIT) American Association of Owner Operators (AAOO)

These association offers several plans that meet the minimum ACA requirement along dental, vision, short and long-term disability, and accidental death insurance.

# APPENDIX C

## Registration & Plates

Prices are subject to change. Below Prices are based on **IRP 2021 Renewal**. This is an example of Texas Apportion Plate Renewal.

### Renew Apportioned Plates & Fuel License

Yearly Term : July to June

Jurisdiction Fees.....	\$940.24 / Vehicle
TX Reg Fees.....	\$308.23 / Vehicle (36.570%)
Texas Terp .....	\$30.72 / Vehicle
Inspection Fees.....	\$19.47 / Vehicle
TX Processing & Handling Fees.....	\$4.75 / Vehicle
Local Fees / Harris County.....	\$11.50 / Vehicle
Cabcard / Plate Fees.....	\$0 if you already have plate

**TOTAL PER YEAR: \$1,314.91**

### New Apportioned Plates Pro-Rated Price

Prices are prorated based on Texas Department of Motor Vehicles. A receipt will be provided prior to deductions.

**Note:** All new apportion plates will have the same expiration date of July 31st of every year and renewal payment will be required as scheduled per Section Truck Maintenance above in Independent Contractor Handbook.

**REPLACING PLATES: \$7.00**

### Other Fees

Transferring Title Service Fee .....	\$15.00
Title Application Receipt.....	\$33.00 - \$99.00

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# APPENDIX D

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## EIN

Employer Identification Number (EIN) is a unique number that identifies the company or business to the Internal Revenue Services (IRS). This number is required to e-file or file IRS 2290 tax. To obtain this number, you can file by telephone, fax, mail or online. Visit [www.irs.gov/charities-non-profits/employer-identification-number](http://www.irs.gov/charities-non-profits/employer-identification-number) website for instructions.

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## 2290

Heavy Highway Vehicle Use Tax Return (Form 2290) filing is due every August 31st of every year. This is also required to start business as Owner Operator / Independent Contractor. To file, you must have the following:

1. Employer Identification Number (EIN)  
[NOTE: It will take two (2) weeks after EIN is created for you to be able to file 2290.]
2. Filing of 2290 must be under the same name of filed EIN
3. Vehicle Identification Number (VIN)
4. Taxable gross weight of each vehicle (80,000)

Choose a 2290 E-file Provider and File. IRS website provides participating commercial software providers. Visit [www.irs.gov/e-file-providers/e-file-form-2290](http://www.irs.gov/e-file-providers/e-file-form-2290) and click on hyperlink under Step 2.

Payments can be paid by Credit or Debit Card, Electronic Fund Withdrawal or Electronic Federal Tax Payment System (EFTPS).

**Note:** EFTPS requires a PIN and new enrollment will take 5-7 days.

Filing is complete when you receive the **Schedule 1** in your email.

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# APPENDIX E

Attached are the following documents:

## **Independent Contractor Operating Agreement**

Please read over the contract before the day of signature. The contract will be personalized to each new unit after all required documents are submitted to Domicile Terminal Manager.

## **Independent Contractor Extra Pay Form**

Please request this form from your Domicile Terminal Manager. This must be submitted before Friday to apply to next Pay Period.

## **Texas U-130 Form**

This is Texas Registration Application form to register Title under State of Texas. Sections to fill out: 1 thru 7, 11 thru 14, 16, 18, and signature under SIGNATURE OF APPLICANT/OWNER.

## **Texas MV-454 Form**

This is an Authorization Letter form to allow Employee of Service Transport Company to process Registration for IC. Sections to fill out: Year, Make, VIN, sign under SIGNATURE OF REGISTERED OWNER, and provide phone number.

## **Texas VTR-270 Form**

This is an Out of State Waiver form requiring a Texas State Inspection. Sections to fill out: VIN, Year, Make, Name, Address and sign under SIGNATURE OF OWNER/APPLICANT.