

Cornerstone Trucking, Inc.

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COMPANY POLICY

AND

SAFETY MANUAL

FOR

DRIVERS / EMPLOYEES

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INTRODUCTION

This manual is designed to provide all of Cornerstone Trucking, Inc. drivers, employees, agents and any other person with information regarding the operational policies and procedures, safety policies and general practices of Cornerstone Trucking, Inc. (hereinafter referred to as the “company”).

A wide variety of information is provided herein. However, it is not the intent of the company to list all of its programs, policies and or procedures in this manual. It is also understood that the information contained herein is subject to change without advance notice and at the sole and absolute discretion of the company. Additional policies and directives may also be issued at any time without advance notice.

It is the intent of this company to operate safely and in accordance with the regulations set forth by the Department of Transportation and all other applicable regulatory agencies in the jurisdictions in which the company may operate. Nothing contained herein is designed to supersede any governing statute, law rule or regulation. All drivers are expected to honor and obey the regulations whenever and wherever they exist while simultaneously operating their vehicles safely and courteously on all roads and highways. Evidence that this requirement is not being honored will result in the immediate revocation of the safety clearance of the offending driver.

GENERAL POLICIES

1. All drivers are expected to operate within the limits set forth in the federal regulations, and local, municipal and state laws, rules and regulations of all jurisdictions in which they may drive in or through. This is inclusive of log book regulations, weight limitations, speed limits, and physical requirements. Drivers who violate these laws will be subject to disciplinary action by the company.
2. Drugs and alcohol use is strictly prohibited. It is expressly forbidden for any employee or agent of the company to come onto or enter into any company property under the influence of any illegal drugs or alcohol. Any driver, employee or representative found to be in violation of this rule while on duty on any property while conducting business or while operating any vehicle on behalf of the company is subject to immediate termination.
3. Firearms and other weapons are strictly prohibited while on duty on any property while conducting business and in all vehicles operating on behalf of the company.
4. Pets/animals of any kind are prohibited from being in any vehicle operating on behalf of the company, unless express permission is granted otherwise.
5. Passengers are not allowed to ride or travel in any company vehicle.
6. All customers, members of the general public and other employees are to be treated with respect and courtesy.
7. All hook slips, paper log book information and any and all other paperwork must be turned in to the terminal at the end of each trip.
8. Accidents must be reported to the company as soon as possible after the accident. Failure to report accidents could result in immediate termination.
9. All drivers are expected to check-in, call, text **(while not driving or operating vehicles, equipment or machinery)** daily and to stay in touch with the company as requested by dispatch. This may require several phone calls per day in some instances.

10. All trucks are expected to use the map and routing provided by dispatch unless otherwise authorized. Out of route miles will be charged back to the driver at the current fuel costs. If a direct route is unsafe due to weather, mountains, narrow highways, or other reasons, please advise your dispatcher and obtain express approval for alternate routing.
11. Deliveries are to be made in a timely fashion. This company will not ask any driver to violate state or federal laws in order to make an on-time delivery. However, so long as the scheduling allows for on-time deliveries, drivers are expected to meet their appointment times. If, for any reason, a driver foresees that an appointment time cannot be met, dispatch must be notified as soon as possible so that they can coordinate with the terminal to make alternative arrangements.
12. Fuel should be purchased only at authorized fuel locations. If such stops have not been designated, it is the responsibility of the driver to help control fuel costs by buying fuel at the lowest prices available.

Entry-Level Driver Program

Cornerstone Trucking, Inc., in an effort to recruit and retain quality professional drivers, has adopted and implemented FedEx Ground's Entry-Level driver program in its entirety. This will ensure that all drivers employed by the Company are FedEx Ground Safety compliant.

- The Company will identify, prepare and qualify selected drivers who have displayed strong safety discipline and good work ethics, to become lead drivers;
- The Company will identify, screen and select outstanding student drivers from FedEx approved driver-training institutions to enter its trainee-driver program;
- In addition to strict adherence to FedEx Ground entry-level driver program, the Company may perform weekly review of student progress which could include hands-on test and impromptu safety quiz;
- The student driver may also be rotated between lead drivers in an effort to ensure they receive the widest scope of training and pertinent information possible;

- Upon completion of the prescribed training period, the student-driver will be administered a general assessment and performance evaluation to determine competence; and
- The successful candidate will then be offered an opportunity to contract and drive for the Company for a probationary period of 180 days, before becoming a full-fledge company driver.

ACCIDENT REPORTING

Although we strive to operate accident free, we know that an accident can occur at any time. If you are involved in an accident, please follow these guidelines.

What to do at the Scene of an Accident

1. **Secure the scene.** This may consist of putting out triangles, activating the 4-ways on all vehicles, setting out flares, (If there is no spill or volatile chemicals such as gas, diesel fuel, etc.) and using other persons for traffic control. In the case of minor accidents, it may be advisable to move the damaged vehicles from the roadway. However, if doing so, please photograph or otherwise verify the location of both vehicles prior to moving them.
2. Render first aid and/or comfort to injured parties, if necessary. If you do not feel capable of performing this function, try to find someone who can assist.
3. Notify the police as soon as possible.
4. Notify the Company as soon as possible.
5. Get out your accident kit and begin completing it by obtaining all information that is asked for on the accident report.
6. If the other party is willing to accept the blame for the incident, ask them to fill out the driver exoneration form.

7. Obtain the names, addresses and phone numbers of any witnesses. If people refuse to provide the above information, record their license plate number and provide that information to the insurance company representative.
8. Make no statements to anyone other than the police, and then only respond to questions that they ask. **NEVER ADMIT LIABILITY OR FAULT.**
9. If you have a camera or telephone with a camera, take photographs of all aspects of the accident scene, including all four sides of all vehicles involved.
 - Photograph skid marks, gouge marks, and debris that are in the road as a result of the accident. In these photographs, try to get some landmarks in the background to help identify the location of the items.
 - Photograph any temporary situations such as illegally parked vehicles, obscured signs, etc. that may have contributed to the accident.
 - Photograph the other parties involved. In particular, if they seem healthy and are leaning over, or otherwise showing back and leg mobility, photograph those actions to verify the limits of their injuries.
 - Photograph the license plates of all vehicles stopped at the accident scene. These might very well be witnesses that could not otherwise be discovered.
 - Comply with the drug and alcohol testing requirements if necessary.

Remember, you must take a drug and alcohol test if:

1. There are one or more fatalities as a result of the accident.
2. There is personal injury as a result of the accident and you received a citation.
3. There is property damage from the accident that results in one or more of the vehicles being towed and you receive a citation.

All accidents will be evaluated by the company to determine preventability.

Code of Conduct

As a requirement for employment with the Company, any driver or employee who violates the code of conduct while performing duties for, on behalf of, or in the scope of employment with the Company shall, without recourse, be immediately terminated, and shall not be eligible for rehire.

Violation of the Code of Conduct shall include, but not be limited to:

- Theft of Company equipment;
- Criminal conversion of Company property;
- Illegal use or possession of drugs or controlled substances;
- Operating any vehicle under the influence of alcohol or drugs;
- Receiving a citation for violation of the Implied Consent law, where applicable;
- Making false statements or statements that are materially incorrect with the intent of misleading the Company regarding any action that might jeopardize the wellbeing of the Company;
- Any act of violence against a fellow employee, customer, or any member of the general public while acting as a representative of this Company;
- Any act of a malicious or destructive nature that affects the well-being of the Company or its employees; and/or
- Conviction of a felony while employed by the Company.

The above rules shall apply to all drivers, employees or representatives of this company.

DOT Hours of Service Rules and Regulations

Compliance with all DOT Hours of Service Rules and regulations is mandatory. All drivers are expected to operate within the confines of the laws set forth by the DOT.

A summary of the DOT/HOS rules is as follows:

14 Hour Rule:

This rule requires drivers to stop 14 hours after beginning their duty tour. Regardless of how the time is spent, the driver must take a 10-hour break at the end of 14 hours. The 14 hour period begins once the driver ends his 10-hour break by making an entry line 4, on duty, or line 3, driving.

11 Hour Rule:

Within the 14 hours allowed to the driver, only 11 of those hours may be spent on line 3, as driving. Once the driver has had 11 hours of driving time, he must take a 10-hour break before driving, even if he has time left in his 14-hour period.

70 Hour Rule:

This rule states that once you have been working for **70** hours in any 8 day period, you may not drive. In order to comply with this regulation, you need to keep track of your hours. Each day, before you begin driving, you need to add up your total hours on lines 3 and 4 for the past 7 days and subtract the answer from 70. Whatever is left is what you can drive that day. The 70 hours accumulated time may be eliminated by taking 34 consecutive hours off duty time which must include **two consecutive 1 am to 5 am** time periods. Once the driver has 34 consecutive hours off including the two required time periods, his 70 hour total is reduced to 0 and he/she begins the cycle again.

10 Hour Break:

Breaks must be taken in the sleeper berth or off duty. If sleeping in a sleeper berth equipped truck, the time should be logged on line 2, Sleeper berth. Off duty time spent outside of the sleeper should be logged on line 1, Off Duty. If the 10 hour break is uninterrupted by any on duty or driving time, you may combine line 1 and line 2 to achieve your 10 hours.

On Duty Time:

All fuel stops, DOT inspections, random drug tests, time spent loading/unloading, breakdowns, vehicle inspections, and accidents must be logged on duty not driving. Loading and unloading time should reflect only the time that is spent actually working. Time spent waiting, etc., may be logged off duty or in the sleeper berth.

Timely submission of Driver Logs:

Electronic logs are to be used. However, if E-logs are unavailable, paper logs should be turned in as soon after completion as possible. Ideally, all logs should be turned in every time that the truck returns to the terminal.

Falsification: Logs must match all timed and dated documents including fuel stops, road side inspections and toll tickets.

SAFETY

Speed: DOT requires that all trucks should abide by the speed limits of the jurisdictions in which they are operating. They also state that in their opinion, if a truck obeys the law, it cannot average more than 5mph less than the speed limit. In the case of 2 lane highways with a 55mph speed limit, DOT believes that the maximum that a truck can average is 45mph. Be sure that your average speeds for the trip do not exceed these maximums. It is also expected that all drivers operate within the posted speed limits for the states and jurisdiction in which they are operating. Excessive tickets will result in the driver being placed on probation or terminated. All drivers are expected to operate in a safe and defensive manner at all times. More than one at fault accident in a three (3) year period will result in the driver's safety clearance being revoked.

Following distances: All drivers are expected to use the National Safety Council's following rule. This requires a minimum of 7 seconds of following distance at highway speeds and 6 seconds at speeds under 40mph. These following distances should be increased by at least 1 second if the roads are wet or slick.

Reduced Traction: Adverse weather conditions can result in reduced traction. In the event of rain, reduce your speed by 25-30% and increase your following distance by at least 1 second. If the rain is heavy enough to require your wipers to be operated on high, or if your visibility is reduced by tire spray, speeds may need to be decreased even further and following distances increased.

When operating on snow covered highways, speeds should be decreased by at least 50% and following distances should be increased by at least 2 seconds. This rule applies even if the snow cover on the highway is intermittent. Remember, there may well be icy conditions as a result of snow being compressed by traffic.

When operating on icy roads, the best recommendation is "don't." When conditions become icy, find a safe haven and get off the road. Until you can do this, reduce your speed to a crawl; use your 4-ways, and increase your following distances by at least 2-3 seconds. Remember, ice at 32 degrees can be up to 10 times as slick as ice at 0 degrees. This means that your stopping distances can increase by a factor of 10. (As an example, on wet ice, stopping distances at 30 miles per hour can increase from a normal distance of 100 ft to as much as 800-900 ft.)

Reduced visibility: Conditions such as snow, fog, heavy rain, dust, and smoke can result in reduced visibility. The rule for such conditions is to reduce your speed so that you can stop within your window of visibility. If such a speed reduction creates a hazard of being rear ended, use your 4-way flashers, stay to the right, and find a safe place to exit the highway and park as soon as possible. As a rule of thumb, make sure that you can see at least 8-10 seconds ahead of

your vehicle. This gives you the opportunity to see hazards, process the information, and react without an emergency lock-up that increases the risk someone rear-ending you.

Courtesy: All drivers are expected to operate in a safe and courteous manner at all times. This is the key to defensive driving, and it doesn't cost you anything to be courteous to other traffic.

Time management: One of the biggest problems that drivers have is time management. Too often, drivers wait until the last minute to leave home or the terminal. Or, a driver who does leave in a timely manner will spend too much time at the truck stop drinking coffee or playing video games instead of heading down the road. In either case, the driver is now on a tight schedule. Any minor delay along the route will cause a late delivery or will cause the driver to feel "pushed for time". This usually results in speeding, discourtesy, and excessive fatigue on the part of the driver. Schedule yourself properly and watch your time. Don't create emergencies through poor time management.

Backing: Backing represents less than 10% of our driving, but represents more than 25% of our accidents. Before backing, get out and look. Be sure that the area is clear of obstacles before you back. Begin your back from as close to the dock as you can so that things don't have a chance to change before you get there. If backing across a highway or busy street is sure to get someone to stop traffic for you before you begin backing. If the shipper/receiver won't help you, call the safety department for assistance.

NEVER BACK ACROSS A HIGHWAY OR STREET AT WITHOUT SOMEONE TO STOP TRAFFIC FOR YOU.

Inspections: Don't wait until the truck breaks down to find the problem. DOT and the company both require that you do a thorough pre-trip and post-trip inspection on your vehicle. As you do your walk around, be sure to take a rag with you and wipe off your reflective striping, reflectors, lights, and mirrors.

Emergency breakdowns: If for some reason, you are required to stop on the side of the road for emergency reasons, put out your triangles. Be sure that they are far enough behind your truck to warn oncoming motorists and to meet the requirements found in part 392 of motor carrier regulations.

GENERAL INFORMATION

Roadside Inspections: All roadside inspections must be turned into the company as soon as possible. If you or your truck is placed out of service, call your dispatcher immediately. Remember, it is your responsibility to inspect your equipment and notify the company of any defects. If you receive a citation for faulty equipment, you are responsible for paying the ticket.

Overweight: It is the policy of the company to operate in a legal manner. You must weigh your load at the first convenient location and immediately report any overweight load. You will then

be directed to return the load to the shipper for adjustment. If you fail to weigh your load and receive an overweight ticket, you are responsible for the payment of that ticket.

Breakdowns: In the event of a breakdown, call Penske immediately. Do not attempt to repair the truck. Remember to put out your triangles as necessary.

INSPECTIONS

Pre-Trip Inspection:

As stated by the U.S. Department of Transportation and described in Part 396.13 of the Federal Motor Carrier Safety Regulations, vehicles require a pre-trip inspection. Listed below are major areas of focus for a typical inspection.

Outside of Truck

- Fluid levels
- Engine oil
- Coolant
- Power brake
- Power steering
- Windshield wipers
- Transmission
- Drive belts and hoses
- Battery
- Windshield wipers
- Lights
- Headlights and taillights
- Four-way flashers
- Side reflectors and marker lights
- Side view mirrors
- Tires and wheels
- Tread depth (4/32 front - 2/32 rear)
- Inflation - 90 pounds
- Lug nuts
- Doors and Windows (Driver and Passenger)
- Body condition

Inside of Truck

- Steering Free Play
- Maximum 3"
- Horn
- Rearview mirrors
- Clutch play avistar 1 1/4"
- Parking and foot brake
- Seat and seat belt
- Dash instrument gauges
- Emergency equipment

- Fire extinguisher
- Reflector triangles
- HazMat Envelope
- Emergency Response Book
- Accident Packet (If using a company spare. Also, see Accident Packet for terminal's emergency contact information.)
- Lights
- Dash
- Dome

Post-Trip Inspection:

Pursuant to Part 396.11 of the Federal Motor Carrier Safety Regulations, every driver must prepare a report in writing at the completion of each day's work on each vehicle operated. If a problem is detected during inspection, service managers and/or a senior manager are available for notification.

Outside of Truck

- Fluid levels
- Engine oil
- Coolant
- Power brake
- Power steering
- Windshield wipers
- Transmission
- Drive belts and hoses
- Battery
- Windshield wipers
- Lights
- Headlights and taillights
- Four-way flashers
- Side reflectors and marker lights
- Side view mirrors
- Tires and wheels
- Tread depth
- (4/32 front - 2/32 rear)
- Inflation 90 pounds
- Lug nuts
- Doors
- Passenger
- Driver
- Rear
- Body condition
- Inside of Van
- Steering free play

- Maximum 3"
- Horn
- Rearview mirrors
- Clutch play
- Navistar 1 1/4"
- Parking and foot brake
- Seat and seat belt
- Dash instrument gauges
- Emergency equipment
- Fire extinguisher
- Reflector triangles
- HazMat Envelope
- Emergency Response Book
- Accident Packet (If using a company spare.)
- Lights
- Dash
- Dome
- Heater and defroster
- Mats, boots, grommets, visor and Pedal Pads

Driver Safety Award and Bonus Program

Awards Benchmarks:

- SAFETY PRAISE
- CUSTOMER ACKNOWLEDGEMENT
- DISPATCH PRAISE
- PAPERWORK COMPLETION

Non-Awards: Based on accumulation of:

- CHARGEABLE ACCIDENTS
- CITATIONS
- LOAD FAILURE DUE TO DRIVER ACTIONS/INACTIONS
- MOVING VIOLATIONS
- LOG VIOLATIONS
- CUSTOMER COMPLAINTS

SAFETY MEETINGS

PERIODIC MANDATORY SAFETY MEETINGS WILL BE HELD. THESE POLICIES ARE SUBJECT TO CHANGE. ANY CHANGES OR ADDITIONS WILL BE DELIVERED TO DRIVERS/EMPLOYEES VIA PAYSTUBS, E-MAIL OR TEXT. IT IS THE RESPONSIBILITY OF EACH DRIVER/ EMPLOYEE TO READ THE HANDBOOK IN ITS ENTIRETY, AS WELL AS ALL WEEKLY LETTERS AND HAND-OUTS FORWARDED TO THEM. IF ANY OF THIS HANDBOOK OR ANY FUTURE LETTER/HAND-OUT IS NOT CLEARLY UNDERSTOOD, IT IS THE DRIVERS RESPONSIBILITY TO SEEK CLARIFICATION FROM SAFETY PERSONNEL.

RECEIPT FOR SAFETY MANUAL

I hereby certify that I have received the Company safety manual and that I have read and understand all the information contained therein. I further agree to abide by the provisions that are set forth in the manual; by the laws of the state, county and municipality in which I may operate; and by rules and regulations adopted by the Department of Transportation.

Driver / Employee

Print _____ Driver ID # _____

Signature _____ Date _____

Cornerstone Trucking, Inc.

Representative _____

Position _____