

SIMPLICITY

LOGISTICS

BROKER - AGENT AGREEMENT

This Agreement is between: _____ ("**Agent / Sales Agent**") and **Simplicity Logisticss, LLC ("Broker")**.

The purpose of this Agreement is to provide a working program whereby the Broker supports the Agents sales activity to the benefit of both parties to the Agreement. The Agent will be able to operate under a licensed Federal Motor Carrier Safety Administration (FMCSA) Property Broker. The license of the Broker is **MC-1432844 / USDOT-3894520**

For the purpose of this Agreement, the definition of a Shipper is any entity that is responsible for paying an invoice for the movement of freight. A Carrier is any company authorized by the (FMCSA) as a mode of transportation for domestic ground transportation.

WHEREAS, Broker has earned the respect of the U.S shipping and transportation communities, and WHEREAS, Broker has developed automated transportation contracting and remitting capabilities that relieves Agents of burdensome paperwork, including credit acceptance and collections as well as other features that benefits the Agent's brokering activities and,

WHEREAS, Agent desires Broker to perform certain administrative functions and desires affiliation with the Broker as a creditworthy, widely recognized service institution.

Now, THEREFORE, Agent and Broker agree to perform the following activities and to split commissions realized from their transportation brokering activity, in a manner agreed upon as set forth below.

THE DUTIES OF THE AGENT

The Agent's duties in this Agreement are to secure commitments from Shipper and Carriers to move freight from one location to another including the following:

- Agent will find customers/shippers and/or carriers and negotiate their own rates.
- Agent must conduct brokering activity in accordance with accepted (FMCSA) practices.
- Agent will contact the main office for a load/pro number before sending over the shipper and carrier packet.
- Agent will be liable for payment of uncollectable freight bills and for claims resulting from the errors and omissions of the Agent while performing his duties as defined by this Agreement.
- Agent must offer to Broker all freight shipments in which they represent Broker as the party responsible for payments. Such freight brokered to other (FMCSA) carriers without the knowledge and prior approval of Broker, is cause for immediate termination of the Agreement.

The DUTIES OF THE BROKER

- Broker's duties in this Agreement are to fulfill all legal requirements mandated by the (FMCSA) plus additional assistance to permit the Agent to legally negotiate the movement of freight under the license by the following. Such duties include the following:
- Broker must comply with all regulations of the Negotiated Rates Act of 1993 and 1995, as amended, with respect to Contracts of Transportation.
- Broker will be liable for undercharges resulting from contracting and billing errors committed by Broker.
- Broker must maintain current status of (FMCSA) operating authorities and insurance for all approved transportation providers.
- Broker will run credit checks on all customers/shippers.
- Broker will run all checks and approve/disapprove carriers provided by the Agent.
- Broker will assist Agent in finding qualified carriers for loads.
- Broker bills and collects transportation charges from shippers.
- Broker pays carriers.
- Broker settles commissions due to Agent.

COMMISSIONS – All commission checks due are paid at the bi-weekly via Direct Deposit to the agent's specified financial institution. Commissions due are only calculated once "Original BOL" has been received from the carrier and shipper has been invoiced & paid the outstanding invoice. Agent will be furnished with a transcript of commissions earned from Simplicity Logistics from the comptroller each pay period. This transcript will include load "Pro #" and commissioned earned by agent. It is the agent responsibility to record commissions earned and to report all discrepancies to the accounting department for review

Notes:

- Payments can take up-to 45 days after the shipper has received the invoice.
- Factoring a load or not factoring a load is at the sole discretion of the broker.

STANDARD COMMISSION –Agent earns **50%** commission from every load generated from Agent's own efforts (Agent Accounts). Agent earns **40%** commission from every load generated from the efforts of Simplicity Logistics, sales prospecting or lead generation. These are (House Accounts) and may be worked by any agent that the freight has been assigned to by management personnel. Commission will split 50% Broker / Agent 50% for loads assisted by Simplicity Logistics for duties not listed in Broker Duties.

MINIMUM GROSS COMMISSIONS - Brokerage must receive at least **\$50** gross commission from any/each load as a minimum commission.

FINANCING ACCOUNTS – Agents shipper should be prompt in payment (15 days) unless approved for (30 days). Broker will finance accounts over 30 days past invoice. However, if Agent's 'shipper' is 45 days or more days past date of invoice. Broker will deduct an additional (15%) commission from Agent for that account. Shippers who are past due 45 days in payment will be barred, unless special arrangements are made. Agent will be notified by Broker of all accounts past due.

COLLECTIONS

- Broker will commence collection activity on the 34th day from invoice by sending a copy of

the invoice and BOL to Agent, and request assistance from Agent.

- Failing receipt of receivable on the 45th day, Broker will send a copy of the past due invoice to shipper as a past due notice and credit to that shipper will be suspended until account is paid to current status or other arrangements are made.
- Agent is required to inform his clients that claims are a separate issue from payment of freight bill. Agent will assist in the settlement of any claim.
- Failing collection efforts of Agent against the shipper the amount paid to carrier and Agent will be deducted from Agent's commission account. If no positive balance is available a chargeback against outstanding commissions will be made.

BROKER ASSISTANCE

- Broker will provide assistance in the formats listed below and any other support deemed prudent by broker.
- Broker will provide free listing of Agent's loads and will send truck-to-load matches to Agent's email after BOL is confirmed.
- Broker can provide a printed (or software) list of all carriers which have approved Broker's credit that lists equipment, phones, and names of dispatchers, fax numbers, etc.
- Broker can network with other Agents for assistance with particular load problems.
- Agent Help Desk - Broker will provide brokering service to Agent's individual account base in the absence of Agent and commission splits will be **50%** Broker / Agent **50%** for loads successfully negotiated.

EXPENSES / WORK STATION

No travel, living, training, entertainment or other costs will be billed by or paid to the Agent unless otherwise agreed and described in an Addendum. Agent shall provide his/her own tools, equipment or other materials.

AGENT REPRESENTATIONS

Agent represents that all information provided by it regarding Agent or its personnel including but not limited to, resumes, interviews, and references are true, accurate, and complete. Neither Agent nor its personnel are restricted by any employment or other contractor agreement. Agent

is an entity with a Federal Tax ID number or Social Security number.

Agent is qualified to do business in all jurisdictions where such qualification is required to perform the services hereunder. Agent and/or Agent's personnel have never stolen or misappropriate any trade secret, proprietary information or other property of a third party.

CONFIDENTIAL INFORMATION

This Agreement and all technical business information, sales strategies, pricing and competitive data whether conveyed orally or in writing. Shall be maintained as confidential by Agent and remain the property of Simplicity Logistics. In addition, Agent understands Simplicity Logistics and Agent must maintain the confidential nature of Client information. Agent agrees that neither Agent nor anyone under Agent's control or direction will disclose to any third party or use for its own purposes any information it obtains from or learns about Simplicity Logistics or Simplicity Logistics client roster while performing services hereunder and which:

- (a) is marked confidential or proprietary or the like,
- (b) is identified as confidential or proprietary or the like; or
- (c) a reasonable person would know is confidential or proprietary.

RESTRICTIONS

During the term of this agreement and any renewals thereof and for twelve (36) months after the expiration of the initial and renewal periods, Agent agrees that neither it nor any of its personnel will provide or attempt to provide directly or indirectly any services to any Client introduced by Simplicity Logistics or about which Simplicity Logistics provided information. The term Client includes any affiliates and divisions of Client. Agent agrees to provide Simplicity Logistics with evidence of its employees or contractor agreement.

RELATIONSHIP OF THE PARTIES

The parties to this agreement agree that the relationship created by this agreement is that of **BROKER- INDEPENDENT CONTRACTOR** and that no employer-employee relationship by or among Agent, Simplicity Logistics, and/or Client is intended by any party. (Agent understands

and agrees that Agent is an independent contractor)

RISK OF LOSS

Agent hereby releases Simplicity Logistics from any liability relating to representations about the task requirements or to the conditions under which Agent will be working. Agent shall be solely responsible and liable for the services it provides hereunder and will not look to Simplicity Logistics or Client for any indemnification or sharing of risk in the performance of its duties or the resulting work product.

ENTIRE AGREEMENT

This Agreement and any attachments or exhibits hereto represent the entire agreement and understanding of the parties and any modification thereof shall not be effective unless contained in writing and signed by both parties. Any prior agreements have been merged into this Agreement. Agreements between Simplicity Logistics and Client shall not modify or amend any terms of this Agreement unless signed by both Simplicity Logistics and Agent.

SEVERABILITY

Each provision of the Agreement shall be considered severable such that if any one provision of clause conflicts with existing or future applicable law or may not be given full effect because of such law. This shall not affect any other provision of the Agreement that can be given effect without the conflicting provision of clause.

RIGHT TO ASSIGN

Agent is to provide services named in this agreement for who it is responsible and may not assign its rights under this Agreement or any Addendum and may not subcontract its obligations hereunder to others.

CONFLICTS

To the extent that there may be any conflict between the terms of this Agreement and any Addendum that may be given hereto, this Agreement shall take precedence.

COST OF SUITS

If Simplicity Logistics is successful in recovering damages or obtaining injunctive relief. Agent agrees to be responsible for paying all of Simplicity Logistics expenses in seeking such relief including costs of bringing suit and all reasonable attorneys' fees..

STATE LAW

This Agreement shall be governed by the laws of Ohio, USA and any litigation in connection herewith shall be brought in the state or federal courts of said state.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

TERMINATION

Broker or Agent may terminate Agreement with 30 days' notice.

Agent Name: _____

Address: _____

City, State, Zip: _____

Phone: (_____) _____ - _____

Simplicity Logistics, LLC



Kevin W. (Managing Director)

Signature: _____ **Date** _____

OPTIONAL SERVICES

- Agent can set up an account with any loadboards (DAT, Truckstop, 123Loadboard and etc) under the Broker's MC# to post and search for available carriers. Agent will be responsible for paying their own account.
- Agent can set up with Carrier 411 under the Broker's MC# and do their own Due Diligence on a carrier to find out the carrier's history. Agent will be responsible for paying their own account. Broker will still give the approval or disapproval of the carrier.
- Agent's commission checks will be mailed overnight at Agent's expense. If an Agent does not want their check sent overnight it will be put in standard mail at no charge to the Agent.