SMAT LOGISTICS

WHERE FREIGHTER MEETS PRECISION

BROKER-SHIPPER TRANSPORTATION SERVICES AGREEMENT

Master Agreement for Freight Brokerage, Billing, Credit, Factoring & Accounts Receivable

Effective Date	_____
Shipper Legal Name	_____
Shipper DBA (if any)	_____
Primary Billing Email	_____
SMAT Account / Customer ID	_____

DEFAULT COMMERCIAL TERMS

Payment Due	Net 30 calendar days from invoice date unless a signed Credit & Payment Schedule states otherwise; if due on a non-Business Day, payment is due the next Business Day.
Invoice Delivery	Electronic invoice to the Shipper AP email is sufficient; scanned BOL/POD may be used.
Factoring / Assignment	SMAT may assign or factor receivables. After a verified Notice of Assignment, remit as directed to the assignee; factor funding/payout timing to SMAT does not change Shipper's invoice due date.
Invoice Disputes	Specific written billing disputes should be raised within 10 business days; undisputed amounts remain due on time.
Cargo Claims	Cargo claims are handled separately from freight invoices; no unilateral deduction or short-pay except as allowed by law or written credit memo.

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www.smatlogistics.com | “Where Freighter Meets Precision”

SHIPPER ONBOARDING & PAYMENT CONTROL SUMMARY

Operational summary only - the Agreement controls if there is any conflict.

- Return the signed Agreement and completed Exhibit A (Shipper Profile & Credit Application) before the first credit shipment unless SMAT approves otherwise in writing.
- Send purchase orders, shipment tenders, billing references, accessorial instructions, and special cargo requirements in writing. A quote is based on the shipment facts disclosed to SMAT.
- Default terms are Net 30 calendar days from invoice date. If the due date falls on a Saturday, Sunday, or U.S. federal banking holiday, payment is due the next Business Day. SMAT may establish a credit limit, require prepayment, or change future credit terms if payment history or credit risk changes.
- SMAT may sell, assign, or factor invoices. A valid Notice of Assignment changes where payment is remitted, not the service terms, invoice amount, or contractual due date. The factor's funding or payout schedule to SMAT is separate from the Shipper's payment obligation.
- Once Shipper properly pays SMAT or its verified assignee, SMAT bears, as between SMAT and Shipper, duplicate-freight-charge exposure caused solely by SMAT's failure to pay the contracted Carrier, subject to Section 9.11.
- Fraud control: never change payment instructions solely from an email. Verify any factor, bank, remittance, or payment-routing change through a previously known SMAT contact and/or the factor using independently sourced contact information.
- Do not offset cargo claims against unrelated freight invoices. Submit cargo claims with supporting evidence; pay undisputed transportation charges by the contractual due date.
- Disclose hazardous materials, food/temperature requirements, high-value or theft-sensitive commodities, and any shipment value above $100,000 before booking so appropriate carrier capacity and insurance requirements can be arranged.
- Shipper, consignee, and third-party delays or changes may generate detention, layover, redelivery, storage, demurrage, per diem, chassis, lumper, stop-off, TONU, or similar accessorial charges.

PAYMENT SECURITY: SMAT will not treat a bank, factor, remittance, or payee change as valid based solely on a new email address, forwarded email, PDF attachment, text message, or caller ID. Shipper is expected to use independent verification before redirecting funds.

Document hierarchy

- A signed amendment that expressly changes this Agreement controls over inconsistent terms.
- A load-specific SMAT Shipment Confirmation/Rate Confirmation may supplement this Agreement and controls only where it expressly identifies the term being changed.
- This Agreement controls over purchase-order boilerplate, bill-of-lading boilerplate, shipper portal click-through terms, carrier tariffs, or other forms unless SMAT expressly accepts the conflicting term in a signed writing.

BROKER-SHIPPER TRANSPORTATION SERVICES AGREEMENT

This Broker-Shipper Transportation Services Agreement ("Agreement") is made as of _____ ("Effective Date") by and between SMAT Logistics LLC, a California limited liability company and federally registered property broker, MC-1610457, USDOT 4182270, with an address at 3817 Westbrook Ave, Rosamond, CA 93560 ("Broker" or "SMAT"), and _____, a _____ organized under the laws of _____, with an address at _____ ("Shipper"). Broker and Shipper are each a "Party" and together the "Parties."

RECITALS

- Broker arranges transportation of property by authorized motor carriers for compensation and is a property broker within the meaning of applicable federal law, including 49 CFR 371.2.
- Shipper desires to use Broker to arrange transportation from time to time, and the Parties want a master agreement governing those services, freight charges, credit, invoicing, factoring/assignment, claims, risk allocation, and shipment-specific confirmations.
- The Parties intend Broker to act as an independent transportation intermediary, not as a motor carrier, warehouseman, insurer, or guarantor of a carrier, except to the extent Broker expressly assumes a different role in a separate signed writing.

1. DEFINITIONS AND SCOPE

1.1 Shipment. "Shipment" means a movement of property that Shipper tenders and Broker accepts for arrangement under a written or electronic Shipment Confirmation, Rate Confirmation, quote acceptance, email confirmation, EDI/API tender, TMS acceptance, or other mutually accepted record.

1.2 Carrier. "Carrier" means an authorized motor carrier selected or arranged by Broker to physically transport a Shipment. Unless expressly stated otherwise, Carrier is an independent contractor and not Broker's employee or agent.

1.3 Freight Charges. "Freight Charges" includes line-haul charges, fuel surcharge, and all applicable accessorial, pass-through, detention, layover, storage, terminal, toll, lumper, redelivery, reconsignment, demurrage, per diem, chassis, stop-off, cancellation, TONU, and similar charges properly incurred for a Shipment.

1.4 Commercial Freight Only. This Agreement is intended for commercial property transportation and does not authorize Broker to arrange household-goods transportation under this Agreement. Household goods, personal moves, illegal cargo, or any cargo requiring authority Broker does not possess may be rejected.

1.5 No Exclusivity or Minimum Volume. Neither Party is required to tender, accept, or arrange any minimum number of Shipments unless a separate signed volume commitment expressly says otherwise.

1.6 Business Day. "Business Day" means any day other than Saturday, Sunday, or a U.S. federal banking holiday.

2. BROKER STATUS, AUTHORITY, AND SERVICES

2.1 Broker Role. Broker will arrange transportation with motor carriers and coordinate communications, shipment status, documentation, billing, and related brokerage services. Broker does not take possession of cargo merely by arranging transportation and does not become a motor carrier because its name appears on a bill of lading, shipping document, tracking portal, or invoice.

2.2 Financial Responsibility. Broker shall maintain the federal registration, process-agent designation, and financial responsibility required for its brokerage operations under applicable FMCSA regulations. Shipper acknowledges that a broker surety bond or trust is not cargo insurance and is not a substitute for Shipper's own cargo/property insurance.

2.3 Carrier Selection. Broker will use commercially reasonable procedures to select carriers that Broker reasonably believes possess operating authority and evidence of insurance appropriate for the Shipment at the time of tender. Certificates, database records, or carrier representations are evidence of coverage/authority but are not guarantees that an insurer will pay a particular claim or that a carrier will perform without incident.

2.4 Carrier Substitution. Broker may substitute a qualified Carrier before pickup unless Shipper has expressly required a specific Carrier in writing and Broker accepted that requirement. Broker will not knowingly tender a Shipment to an unlicensed broker posing as a motor carrier.

2.5 Co-Brokerage. Broker will not intentionally re-broker a Shipment to another property broker unless Shipper authorizes the arrangement in writing or the Shipment Confirmation identifies that arrangement. Any approved co-broker must hold required authority and financial responsibility.

2.6 No Performance Guarantee. Pickup, transit, and delivery times are estimates unless Broker expressly accepts a guaranteed service level in writing. Broker will use reasonable efforts to communicate exceptions but does not guarantee uninterrupted capacity, appointment performance, or delivery by a particular time unless expressly agreed.

2.7 Separate Dispatch / Carrier-Facing Services. Any dispatching, back-office, or other carrier-facing service SMAT may provide under a separate arrangement is outside this Agreement and does not change Broker's legal role with respect to Shipper's Shipments unless a separate signed writing expressly states otherwise.

3. SHIPPER AUTHORITY, TENDER, AND ACCURATE INFORMATION

3.1 Authority to Contract. Shipper represents that it owns the cargo or is authorized by the cargo owner or other responsible party to tender it and bind that party to lawful shipment instructions. If Shipper acts as an intermediary, 3PL, reseller, agent, or other non-owner, Shipper shall disclose that status upon request and remains primarily liable for payment unless Broker expressly agrees otherwise in writing.

3.2 Accurate Shipment Data. Shipper shall provide accurate origin/destination, pickup/delivery windows, commodity description, piece/pallet count, packaging, weight, dimensions, NMFC class when applicable, declared or invoice value, equipment requirements, temperature requirements, hazardous-material status, handling requirements, and any special security or regulatory instructions before Broker finalizes the rate.

3.3 Material Changes. Any change in weight, dimensions, commodity, quantity, value, locations, appointments, equipment, mode, handling, temperature, service level, or other material fact may change the rate and accessorial charges. Broker is not bound to an earlier quote when the facts on which the quote was based change.

3.4 Lawful Cargo. Shipper shall not tender contraband, stolen property, undisclosed hazardous material, prohibited substances, or property that cannot lawfully be transported as tendered. Broker may refuse or stop arranging a Shipment if Broker reasonably believes continued performance would violate law or create a material safety or security risk.

3.5 Third-Party Instructions. Shipper is responsible for instructions and acts of its consignors, consignees, warehouses, vendors, and other locations involved in the Shipment to the extent those parties act on Shipper's behalf or for Shipper's benefit.

4. QUOTES, SHIPMENT CONFIRMATIONS, AND ORDER OF PRECEDENCE

4.1 Quotes. Unless a quote states otherwise, a spot quote is based on the information provided, market capacity, and pickup timing then known and may expire if not accepted within seven (7) calendar days or before the stated pickup date, whichever occurs first. A quote is not a capacity guarantee until Broker confirms the Shipment.

4.2 Shipment Confirmation. Each accepted Shipment will be governed by a load-specific Shipment Confirmation/Rate Confirmation or equivalent electronic record. Shipper may accept by signature, email, portal/TMS acceptance, EDI/API confirmation, or by tendering cargo after receiving the confirmation.

4.3 Rate Components. The confirmed rate includes only the services and assumptions stated or reasonably inherent in the confirmation. Accessorials, special permits, escort services, lumper charges, tolls, storage, additional stops, reconsignment, redelivery, detention, layover, demurrage, per diem, chassis, and other non-routine charges are additional unless expressly included.

4.4 Conflicting Forms. This Agreement controls over purchase orders, bills of lading, vendor guides, portals, carrier tariffs, delivery receipts, and other documents issued by Shipper or a third party, unless Broker expressly signs or electronically accepts a provision that specifically states it amends this Agreement. A bill of lading primarily serves as a receipt and cargo document and does not convert Broker into the motor carrier.

4.5 Shipment-Specific Exception. A Shipment Confirmation may override this Agreement only if it clearly identifies the Agreement provision being changed and the change is accepted by an authorized Broker representative. A general statement that other terms apply is insufficient.

5. PACKAGING, LOADING, WEIGHT, AND SECUREMENT

5.1 Packaging and Marks. Shipper is responsible for packaging, palletizing, unitizing, marking, labeling, and preparing cargo to withstand the ordinary rigors of the selected transportation mode, except to the extent Broker expressly agrees to arrange packaging services.

5.2 Loading / Unloading. Allocation of loading and unloading responsibilities will follow the Shipment Confirmation and facility practices. When Shipper, consignor, or consignee loads, counts, seals, or unloads cargo without Carrier participation, Shipper is responsible for the accuracy and adequacy of those activities to the extent permitted by law. Carrier remains responsible for duties imposed on it by applicable cargo-securement and safety regulations.

5.3 Weight and Dimensions. Shipper is responsible for accurate weights and dimensions. Shipper shall reimburse Broker for documented reweigh, reclassification, overweight, permit, citation, scale, or similar charges caused by inaccurate or undisclosed Shipment information, except to the extent caused by Broker or Carrier error.

5.4 Seals and Shipper Load & Count. If cargo is shipper-load-and-count or sealed before Carrier can reasonably inspect count/condition, the shipping documents should state that fact. Seal numbers and exceptions should be recorded at pickup and delivery when applicable.

5.5 Pallet Exchange. No pallet exchange, pallet return, or pallet accounting obligation exists unless expressly stated in the Shipment Confirmation. Any agreed pallet service may be separately charged.

6. SPECIAL COMMODITIES, FOOD, TEMPERATURE CONTROL, AND HAZARDOUS MATERIALS

6.1 High-Value / Theft-Sensitive Cargo. Shipper shall disclose before booking any Shipment with an invoice or replacement value exceeding $100,000, or any commodity reasonably considered theft-sensitive, controlled, unusually fragile, temperature-sensitive, or otherwise requiring enhanced security. Broker may require higher Carrier cargo limits, team service, continuous tracking, secure parking, seals, route controls, or special cargo coverage at additional cost. No declared-value, excess-coverage, or enhanced-security arrangement is effective unless Broker expressly confirms it in writing for the Shipment. To the extent an uninsured or underinsured loss results from Shipper's failure to timely disclose cargo value or special risk, Broker is not responsible for that coverage gap; nothing in this sentence alters the Carrier's liability under applicable law or a valid contract of carriage.

6.2 Temperature-Controlled Freight. For refrigerated or heated cargo, Shipper shall provide in writing the set-point, acceptable range, continuous/cycle setting, pre-cooling requirements, loading temperature, vent settings, seal requirements, and any temperature-recording requirements. Broker and Carrier are not required to infer missing temperature specifications.

6.3 Food / Sanitary Transportation. When a Shipment is subject to food-safety or sanitary-transportation requirements, Shipper shall provide all written sanitary specifications, prior-cargo restrictions, temperature conditions, handling instructions, and other information for which Shipper is responsible under applicable law. Broker will communicate accepted instructions to the Carrier.

6.4 Hazardous Materials. Shipper shall accurately classify, describe, package, mark, label, document, and tender hazardous materials in compliance with applicable law, including providing proper shipping name, identification number, hazard class, packing group, quantity, emergency response information, and placarding information as required. Broker may decline hazmat unless expressly accepted in writing.

6.5 Shipper Indemnity for Misdescription. Shipper shall defend and indemnify Broker and the Carrier from third-party claims, fines, cleanup costs, penalties, and losses to the extent caused by Shipper's inaccurate commodity description, improper packaging, undisclosed hazardous status, or failure to provide legally required instructions.

7. ACCESSORIALS, DELAYS, CANCELLATIONS, AND PASS-THROUGH CHARGES

7.1 Accessorial Responsibility. Shipper shall pay reasonable and documented accessorial charges caused by Shipper, consignor, consignee, cargo characteristics, appointment restrictions, or circumstances outside Broker's reasonable control, including detention, layover, redelivery, reconsignment, storage, lumper, driver assist, stop-offs, additional mileage, tolls, truck-ordered-not-used (TONU), and similar charges.

7.2 Detention / Layover. Detention begins and ends according to the Shipment Confirmation, facility timestamps, ELD/GPS data, or other commercially reasonable evidence. If no specific free-time rule is stated, the Parties will apply the Carrier's reasonable documented charge or Broker's then-current accessorial schedule, provided the charge is not caused by Broker's own breach.

7.3 Cancellation. If Shipper cancels or materially changes a confirmed Shipment after Broker or Carrier has committed capacity, Shipper shall pay any reasonable cancellation, TONU, repositioning, or nonrefundable third-party cost incurred as a result.

7.4 Unavoidable Charges. Broker will use reasonable efforts to obtain advance approval for material accessorials when practicable. Lack of advance approval does not eliminate Shipper's responsibility for unavoidable, reasonable, and documented third-party charges when delay would risk cargo, equipment, safety, or materially greater expense.

7.5 Drayage / Intermodal. For drayage or intermodal moves, Shipper is responsible for applicable terminal, rail, port, chassis, demurrage, detention, per diem, storage, customs-hold, and appointment charges to the extent caused by cargo availability, documentation, governmental action, Shipper/consignee action, or third-party facility conditions rather than Broker's breach. Broker does not assume the legal status of an ocean carrier, NVOCC, or rail carrier unless separately agreed in writing.

8. LTL, VOLUME, AND CARRIER RULES

8.1 Classification. For LTL/volume shipments, Shipper is responsible for accurate commodity, density, dimensions, weight, packaging, and freight classification. Carrier reweigh/reclassification, limited-access, residential, liftgate, inside delivery, oversize, and similar charges may be passed through to Shipper when supported by carrier documentation.

8.2 Carrier Rules. Applicable Carrier rules/tariffs may govern operational matters for LTL and specialized services to the extent lawfully incorporated and not inconsistent with this Agreement. Carrier rules do not alter Shipper's obligation to pay Broker or make Broker the motor carrier.

8.3 Claims Against Carrier. Any limitation of Carrier cargo liability must be established by applicable law and the Carrier's lawful agreement/rules for that Shipment. Broker does not independently impose a Carrier limitation of liability merely by arranging the load.

9. INVOICING, CREDIT, AND PAYMENT TERMS

9.1 Standard Due Date. Unless Exhibit B or a Shipment Confirmation signed by Broker states otherwise, Shipper shall pay all undisputed invoices within thirty (30) calendar days from the invoice date ("Net 30"). If the due date falls on a Saturday, Sunday, or U.S. federal banking holiday, payment is due on the next Business Day. Payment is timely only when collected funds are received by Broker or its properly verified assignee by the applicable due date.

9.2 Electronic Invoicing. Broker may send invoices electronically to the AP email or billing system designated by Shipper. An invoice is deemed received on the date successfully transmitted to that designated destination, absent a system-generated failure notice. Shipper shall promptly update billing contacts and portal requirements.

9.3 Supporting Documents. Broker will ordinarily provide an electronic POD/BOL and reasonable supporting documents when available. A missing original hard-copy document does not postpone payment if delivery and charges can otherwise be reasonably verified. Shipper shall identify any required PO, reference, or portal process before the Shipment is booked.

9.4 Supplemental Charges. Broker may issue a supplemental invoice or debit memo for documented accessorials, reclassification, reweigh, demurrage, per diem, storage, or other charges received after the original invoice. The supplemental amount is due under the same payment term unless otherwise stated.

9.5 Billing Disputes. Shipper should notify Broker in writing of a specific billing dispute within ten (10) business days after invoice receipt, stating the invoice number, disputed amount, and factual basis. Failure to dispute within that period is evidence of acceptance but does not waive non-waivable rights or claims based on fraud or duplicate payment. Shipper shall pay all undisputed amounts by the original due date.

9.6 No Unilateral Short-Pay or Setoff. Except to the extent required by non-waivable law, Shipper shall not deduct, recoup, set off, or short-pay Freight Charges because of a cargo claim, service complaint, claim against a Carrier, or an unrelated transaction unless Broker issues a written credit memo or expressly agrees to the deduction. Cargo claims and freight-payment obligations are separate commercial processes.

9.7 Late Charges and Collection Costs. Past-due undisputed amounts may accrue a service charge at the lesser of one and one-half percent (1.5%) per month or the maximum lawful rate. Shipper shall reimburse reasonable third-party collection costs and reasonable attorneys' fees incurred to collect overdue amounts to the extent permitted by law.

9.8 Credit Review and Credit Hold. Shipper authorizes Broker to obtain commercial credit reports and contact trade references for credit evaluation. Broker may establish or change a credit limit, reduce future credit, require ACH, deposit, credit card, wire, or prepayment, or place Shipper on credit hold based on payment history, credit information, material adverse change, fraud risk, or delinquency. Existing earned charges remain due.

9.9 Third-Party Billing. If Shipper asks Broker to invoice a consignee, vendor, customer, parent, affiliate, or other third party, Shipper remains primarily liable until Broker actually receives payment unless Broker signs a written non-recourse release.

9.10 Payment Instructions. Shipper shall remit only to payment instructions provided by Broker or a properly verified assignee. Wire, ACH, or other transaction fees charged by Shipper's bank do not reduce the amount due. Payment to a Carrier or other third party does not discharge Shipper's obligation to Broker unless Broker expressly authorized that payment in writing.

9.11 Broker Payment of Carrier; Duplicate Freight Charges. As between Broker and Shipper, Broker is responsible for paying the Carrier the compensation Broker agreed to pay for transportation arranged under this Agreement. Once Shipper has paid the corresponding Freight Charges in full to Broker or Broker's properly verified assignee, Shipper shall not bear a duplicate-payment loss arising solely from Broker's failure to pay that Carrier. Broker shall defend, indemnify, and hold Shipper harmless from a Carrier's claim against Shipper for duplicate line-haul or freight charges

to the extent the claim results solely from Broker's failure to pay the Carrier after Broker or its verified assignee received Shipper's corresponding payment. This protection does not apply to amounts Shipper did not pay, separate charges Shipper directly promised the Carrier, payments made contrary to verified remittance instructions, Shipper's breach or misrepresentation, or any liability that applicable law does not permit the Parties to reallocate. Nothing in this Section represents that a Carrier can never assert a direct claim against Shipper; this Section allocates the resulting responsibility between Broker and Shipper.

9.12 Application of Payments. Unless Shipper's remittance information clearly identifies the invoice or invoices being paid, Broker or its assignee may apply collected funds to the oldest undisputed past-due amounts first, subject to applicable law and any assignee instructions disclosed to Shipper.

10. FACTORING, ASSIGNMENT OF RECEIVABLES, AND PAYMENT SECURITY

10.1 Broker Assignment Rights. Broker may sell, assign, pledge, or grant a security interest in its accounts receivable, invoices, payment rights, and related proceeds to a factoring company, lender, secured party, or other assignee without further consent from Shipper. Shipper shall not treat such assignment as a breach of this Agreement.

10.2 Notice of Assignment. After Shipper receives an authenticated and reasonably specific Notice of Assignment ("NOA") from Broker or an assignee, Shipper shall, after reasonable verification, remit assigned amounts to the assignee as directed, consistent with applicable UCC Article 9, including Section 9-406 as enacted in the governing jurisdiction.

10.3 Proof and Verification. Shipper may request reasonable proof of an assignment and may use independently sourced contact information to verify the factor/assignee. Broker, Shipper, and the assignee may exchange invoice copies, POD/BOL documents, aging, payment status, credit information, and other commercially necessary data for financing, verification, and collection purposes, subject to confidentiality obligations.

10.4 Effect of Payment. To the extent provided by applicable law, payment to the properly verified assignee after an effective NOA discharges Shipper's payment obligation for the amount paid. Payment to an unauthorized or superseded payee may not discharge the obligation. Shipper is expected to follow the most recently verified valid payment direction.

10.5 Change-of-Payee Fraud Control. No change in factor, bank account, ACH instructions, wire instructions, remittance address, or payee is effective for operational purposes merely because it appears in an email, text, PDF attachment, portal message, or telephone call. Shipper shall independently verify any change through a previously known SMAT contact and, when applicable, the assignee using independently obtained contact information.

10.6 Conflicting Assignment Notices. If Shipper receives materially conflicting NOAs or payment instructions, Shipper shall promptly notify Broker and the claimants, request proof, and may temporarily hold only the genuinely disputed remittance while the conflict is reasonably investigated. Unrelated undisputed invoices remain payable when due.

10.7 No Change to Service Terms. Factoring or assignment changes the payee, not the transportation services, pricing, claims process, or contractual due date unless Shipper, Broker, and the assignee expressly agree otherwise in writing. The assignee does not become responsible for Broker's brokerage performance solely because it acquires the receivable. Any advance, reserve release, funding, or payout timing between Broker and its factor/lender is separate from Shipper's obligation to pay the invoice when due.

10.8 Receivable Verification Cooperation. Shipper shall reasonably cooperate with legitimate verification requests from Broker's disclosed factor, lender, or assignee concerning invoice authenticity, delivery status, dispute status, amount due, payment status, and expected payment date. Shipper may require reasonable identity and authority verification before responding and need not disclose information unrelated to the assigned receivable. Such cooperation does not expand Shipper's underlying payment obligation.

10.9 Applicable Defenses and Recoupment. Nothing in this Section is intended to eliminate any defense or claim in recoupment that applicable law, including applicable UCC Article 9, makes enforceable against an assignee. Any such defense or claim remains subject to the billing-dispute, payment, and no-unilateral-setoff provisions of this Agreement to the extent those provisions are enforceable.

11. CARGO LIABILITY, CLAIMS, AND CARGO INSURANCE

11.1 Carrier Cargo Liability. For interstate motor-carrier transportation, cargo loss or damage liability is generally governed by applicable law, including 49 U.S.C. 14706 (the Carmack Amendment), as between the person entitled to recover and the responsible motor carrier. Broker is not the motor carrier and does not assume Carmack carrier liability merely by arranging transportation.

11.2 Broker Assistance. Broker may assist Shipper in presenting and administering a cargo claim against a Carrier or insurer, but Broker is not acting as the Carrier's claims adjuster and does not guarantee claim payment. Shipper

remains responsible for protecting its legal rights and filing within applicable deadlines. Nothing in this Agreement shortens a non-waivable statutory claim or suit period.

11.3 Prompt Notice and Evidence. To facilitate recovery, Shipper should notify Broker as soon as reasonably possible after discovering shortage, damage, contamination, theft, seal irregularity, or temperature excursion and provide the commercial invoice, BOL/POD, photographs, inspection reports, temperature data, salvage information, repair/replacement evidence, and other reasonable claim support. Prompt operational notice is requested but is not intended to shorten any statutory filing period.

11.4 Mitigation / Salvage. Shipper shall take reasonable steps to mitigate cargo loss and preserve damaged goods and packaging for inspection when safe and lawful. Shipper should not dispose of material salvage before allowing a reasonable opportunity for inspection unless health, safety, regulation, or spoilage requires prompt disposition; in that case Shipper should document the condition and disposition.

11.5 No Automatic Offset. A pending cargo claim does not automatically suspend Freight Charges. Shipper shall not offset a claim against Broker invoices except pursuant to a written settlement/credit memo or to the extent Shipper has a non-waivable legal right to do so.

11.6 Cargo Insurance. Broker does not provide all-risk cargo insurance for Shipper unless Broker expressly confirms a separate cargo-insurance product or policy in writing. Carrier cargo insurance may contain exclusions, deductibles, sublimits, or defenses. Shipper is responsible for deciding whether to maintain its own shipper's interest, stock-throughput, or other cargo/property insurance.

11.7 Subrogation / Assignment After Payment. If Broker voluntarily pays or funds a cargo claim that is legally the responsibility of a Carrier or third party, Shipper assigns to Broker, to the extent of that payment, the claim and recovery rights necessary for Broker to pursue reimbursement, without creating a general obligation for Broker to pay cargo claims.

12. TRACKING, SECURITY, AND INCIDENT RESPONSE

12.1 Tracking. Shipper authorizes Broker to use commercially reasonable tracking methods, including carrier TMS/ELD integrations, mobile tracking links, check calls, geofencing, and third-party visibility platforms, and to share shipment-status data with Shipper and relevant service providers. Tracking is a visibility tool and not a guarantee against delay, theft, or signal loss.

12.2 Security Instructions. Shipper shall communicate high-value, no-stop, team, seal, secure-parking, routing, chain-of-custody, or other special security requirements before booking. Broker may charge additional amounts required to source compliant capacity.

12.3 Incident Cooperation. The Parties shall reasonably cooperate after a theft, accident, cargo event, cyber incident, fictitious pickup, fraud attempt, or payment-diversion event, including preserving relevant documents, messages, tracking records, and other evidence and notifying law enforcement or insurers when appropriate.

13. TAXES, DUTIES, AND GOVERNMENTAL CHARGES

13.1 Transportation-Related Charges. Unless expressly included in the confirmed rate, Shipper is responsible for duties, customs charges, governmental assessments, special permits, escorts, inspections, tolls, port/terminal fees, and similar third-party charges attributable to the Shipment, excluding taxes imposed on Broker's net income.

13.2 Customs / Cross-Border. Broker does not act as customs broker unless separately authorized and legally permitted. Cross-border Shipments may require separate customs, bonded-carrier, importer-of-record, or documentation arrangements for which Shipper is responsible unless expressly included in Broker's written scope.

14. SERVICE FAILURES AND FORCE MAJEURE

14.1 Exception Management. Broker will use commercially reasonable efforts to notify Shipper of known material pickup, transit, capacity, or delivery exceptions and to coordinate reasonable alternatives when practicable.

14.2 Force Majeure. Neither Party is liable for delay or failure to perform non-payment obligations to the extent caused by events beyond its reasonable control, including severe weather, natural disaster, war, terrorism, labor disruption, governmental action, road closure, port/rail disruption, cyber outage, epidemic, or widespread capacity interruption, provided the affected Party uses reasonable efforts to mitigate. This Section does not excuse payment for services already performed or charges already incurred.

14.3 Mitigation Options. At Shipper's request or when reasonably necessary to protect cargo, Broker may arrange alternate capacity, storage, redelivery, return, reconsignment, or other mitigation, and Shipper shall pay reasonable incremental costs unless caused by Broker's breach.

15. INDEMNIFICATION

15.1 Shipper Indemnity. Shipper shall defend, indemnify, and hold harmless Broker, its affiliates, and their officers, employees, agents, and Carrier service providers from third-party claims, losses, fines, penalties, bodily injury, property damage, environmental costs, and reasonable defense expenses to the extent arising from Shipper's negligence, willful misconduct, breach, unsafe premises, improper loading performed by Shipper, inaccurate shipment information, unlawful cargo, hazardous-material noncompliance, or instructions supplied by Shipper or its representatives.

15.2 Broker Indemnity. Broker shall defend, indemnify, and hold Shipper harmless from third-party claims to the extent arising from Broker's own negligence, willful misconduct, or material breach of this Agreement, excluding acts or omissions of independent motor carriers except to the extent Broker is independently legally responsible for them.

15.3 Allocation. No Party is required to indemnify another for the indemnitee's own negligence, intentional misconduct, or liability to the extent such indemnification is prohibited by applicable law. Indemnification obligations are independent of available insurance unless this Agreement expressly states otherwise.

16. LIMITATIONS OF BROKER LIABILITY

16.1 No Carrier or Insurer Liability. Except for an obligation Broker expressly assumes in a signed writing, Broker is not liable as a motor carrier, warehouseman, insurer, customs broker, ocean carrier, or freight forwarder merely because Broker arranged or coordinated transportation.

16.2 Consequential Damages. Except for fraud, willful misconduct, confidentiality/data breaches, indemnification obligations, or amounts payable to a third party under an indemnified claim, neither Party is liable to the other for special, incidental, punitive, exemplary, or consequential damages, including lost profits, lost production, loss of market, or business interruption, even if advised of the possibility.

16.3 Broker Direct-Damage Cap. To the maximum extent permitted by law, Broker's aggregate direct liability arising from its own breach or ordinary negligence concerning a particular Shipment, other than liability that cannot lawfully be limited and other than Broker's fraud, gross negligence, willful misconduct, willful injury, or violation of law for which contractual exculpation is prohibited, shall not exceed the total brokerage compensation earned or to be earned by Broker on that Shipment. This cap does not limit the responsible Carrier's independent cargo liability or Broker's obligations under Section 9.11.

16.4 No Insurance Warranty. Broker's request for a certificate of insurance, review of insurance evidence, or communication of policy limits does not constitute a warranty that coverage is valid, collectible, or applicable to a specific loss.

17. CONFIDENTIALITY, DATA, AND CYBERSECURITY

17.1 Confidential Information. Confidential Information includes nonpublic rates, margins, carrier identities/contact information, shipper/consignee information, lane history, volumes, shipment data, forecasts, business processes, credentials, pricing strategy, security procedures, and other information a reasonable business person would understand to be confidential.

17.2 Permitted Use. Each Party shall use the other Party's Confidential Information only to perform or administer this Agreement and shall protect it using commercially reasonable safeguards. Disclosure to employees, carriers, factors, lenders, insurers, professional advisers, technology providers, and subcontractors is permitted when reasonably necessary and subject to appropriate confidentiality duties.

17.3 Exclusions / Required Disclosure. Confidential Information does not include information lawfully public, already known without duty, independently developed, or lawfully received from a third party. A Party may disclose information as required by law, subpoena, court order, insurer, or regulator, using reasonable efforts to limit disclosure and provide notice when legally permitted.

17.4 Security Incidents. Each Party shall promptly notify the other of a confirmed security incident that materially compromises the other Party's confidential shipment, billing, or payment data and shall reasonably cooperate in containment and remediation.

17.5 Survival. Confidentiality duties survive for three (3) years after termination; trade secrets remain protected for so long as they qualify for trade-secret protection under applicable law.

18. CONFIDENTIAL RELATIONSHIP PROTECTION; NO INTERFERENCE

18.1 Protection of Broker Confidential Information. Shipper shall not use Broker's nonpublic carrier identities, direct carrier contact information, negotiated carrier rates, lane history, capacity information, or other Confidential

Information obtained solely through Broker to evade compensation already earned by Broker, interfere with an accepted Shipment, or misappropriate Broker's confidential commercial information.

18.2 Independent Carrier Relationships and Lawful Competition. Nothing in this Agreement prohibits Shipper from independently locating, soliciting, or doing business with a Carrier, including a Carrier that has previously hauled a Broker-arranged Shipment, so long as Shipper does not misuse Broker's Confidential Information, intentionally interfere with an accepted Shipment or existing contractual commitment, or evade Freight Charges already earned by Broker.

18.3 Purpose and Limitation. The Parties intend this Section solely to protect Confidential Information, existing contractual commitments, and earned compensation, and not to restrain lawful competition or prohibit a lawful trade or business. This Section shall be interpreted and enforced only to the extent permitted by applicable law.

19. BROKER RECORDS AND REGULATORY TRANSPARENCY

19.1 Required Records. Broker shall maintain transaction records for the period and with the information required by applicable broker regulations, including 49 CFR 371.3 as then in effect.

19.2 Requests. Shipper may request transaction records to the extent provided by applicable law. Broker may require reasonable verification of the requestor and may designate produced information as confidential. Nothing in this Agreement eliminates a non-waivable statutory or regulatory right of a party to a brokered transaction.

19.3 Retention by Shipper. Shipper shall retain shipment tenders, BOLs, invoices, claim documents, and other records reasonably necessary to verify transactions and claims for at least three (3) years, or longer when required by law, tax rules, audit requirements, or an unresolved dispute.

20. COMPLIANCE, ETHICS, AND SANCTIONS

20.1 Legal Compliance. Each Party shall comply with laws applicable to its own performance, including anti-bribery, anti-kickback, sanctions, export controls, anti-trafficking, privacy/data obligations, and transportation-related requirements.

20.2 No Improper Payments. Neither Party shall offer or accept an improper payment, kickback, secret rebate, or thing of value to obtain loads, pricing, payment priority, confidential information, or improper preferential treatment.

20.3 Sanctions / Restricted Parties. Shipper shall not tender cargo or direct transportation in a manner that would knowingly require Broker or a Carrier to transact with a prohibited party or violate applicable sanctions/export-control law.

21. INDEPENDENT CONTRACTORS; NO AGENCY OR FIDUCIARY DUTY

21.1 Independent Parties. Broker and Shipper are independent contracting parties. Nothing creates a partnership, joint venture, employer-employee relationship, fiduciary relationship, franchise, or agency authority except the limited authority necessary for Broker to arrange transportation in Shipper's interest.

21.2 Carrier Independence. Motor carriers are independent contractors responsible for their drivers, equipment, routes, safety, employment obligations, taxes, and regulatory compliance. Broker does not control the manner and means of motor-carrier driving operations.

22. TERM, SUSPENSION, AND TERMINATION

22.1 Term. The initial term is one (1) year from the Effective Date and automatically renews for successive one-year periods unless either Party gives thirty (30) days written notice of nonrenewal or termination without cause.

22.2 Immediate Suspension / Termination. Broker may immediately suspend new credit Shipments or terminate for material nonpayment, fraud, repeated payment disputes, unlawful or unsafe cargo, material misrepresentation, sanctions risk, insolvency, or a material breach not promptly cured. Either Party may terminate for uncured material breach after ten (10) business days written notice when cure is reasonably possible.

22.3 Open Shipments and Survival. Termination does not cancel accepted Shipments unless the Parties agree on a safe transition. Payment, factoring/assignment, claims, indemnification, confidentiality, relationship-protection, limitation-of-liability, records, and dispute provisions survive to the extent necessary to give them effect.

23. NOTICES

23.1 Operational Notices. Routine shipment, billing, claims, and operational communications may be sent by email, TMS, portal, EDI/API, or other normal business channel to the designated contacts.

23.2 Formal Legal Notices. Formal notices of termination, material breach, indemnity demand, or legal dispute shall be sent by nationally recognized overnight carrier, certified mail, or email with confirmation of receipt to the addresses in Exhibit A and, for Broker, to SMAT Logistics LLC, 3817 Westbrook Ave, Rosamond, CA 93560, with email to info@smatlogistics.com. A Party shall promptly update its notice address.

24. DISPUTE RESOLUTION; GOVERNING LAW; VENUE

24.1 Good-Faith Escalation. Before filing suit, the Parties will use reasonable efforts to escalate a commercial dispute to managers with authority to resolve it, except where immediate injunctive relief, cargo preservation, collection deadlines, limitation periods, or other urgent relief makes escalation impracticable.

24.2 Governing Law. Except to the extent federal transportation law or another mandatory law governs a specific issue, this Agreement is governed by the laws of the State of California, without regard to conflict-of-law principles.

24.3 Venue. Subject to any mandatory federal venue statute, the Parties consent to exclusive jurisdiction and venue in the state courts located in Kern County, California, and the applicable federal court serving that county. An assignee of receivables may exercise collection and enforcement rights available to it under applicable law and the assignment documents.

24.4 Attorneys' Fees. In an action to enforce this Agreement, the prevailing Party is entitled to recover reasonable attorneys' fees and costs to the extent permitted by law, in addition to any collection costs recoverable under Section 9.7.

25. ASSIGNMENT

25.1 Receivables. Broker may assign receivables and related payment rights as provided in Section 10 without Shipper consent.

25.2 Agreement Assignment. Neither Party may assign this Agreement as a whole without the other Party's consent, not to be unreasonably withheld, except to an affiliate or successor in a merger, reorganization, or sale of substantially all relevant business assets, provided the assignee assumes the assigning Party's obligations. Any assignment does not release accrued liabilities unless the other Party agrees in writing.

26. ELECTRONIC TRANSACTIONS AND SIGNATURES

26.1 Electronic Records. The Parties consent to electronic contracting, electronic signatures, email acceptance, EDI/API messages, electronic invoices, electronic PODs/BOLs, scanned copies, and TMS/portal records. Such records may be used as originals to the extent permitted by law.

26.2 Authority. Each signatory represents that he or she is authorized to bind the named Party. Acceptance through an authorized procurement, TMS, or AP system may also bind Shipper for the transaction when used in the ordinary course of business.

27. MISCELLANEOUS

27.1 Entire Agreement. This Agreement, its signed exhibits/amendments, and accepted Shipment Confirmations constitute the complete agreement concerning the covered brokerage services and supersede prior discussions on the same subject.

27.2 Amendment / Waiver. A material amendment must be in a signed or authenticated writing by authorized representatives. A waiver on one occasion is not a continuing waiver. Failure to enforce a provision promptly does not waive it.

27.3 Severability / Reformation. If a provision is invalid or unenforceable, it shall be severed or narrowed to the minimum extent necessary, and the remaining provisions continue in effect.

27.4 Headings / Construction. Headings are for convenience. "Including" means including without limitation. The Agreement is deemed jointly drafted and is not construed against either Party solely because one Party prepared the form.

27.5 Counterparts. The Agreement may be signed in counterparts, each of which is deemed an original and all of which together form one instrument.

27.6 No Third-Party Beneficiaries. Except for expressly identified indemnified parties and Broker's lawful receivable assignees/factors with respect to assigned payment rights, this Agreement does not create enforceable rights in third parties.

SIGNATURE PAGE

By signing, each Party agrees to the Broker-Shipper Transportation Services Agreement and Exhibits A-D.

SMAT LOGISTICS LLC (BROKER)	SHIPPER
Legal Name: SMAT Logistics LLC	Legal Name: _____
MC: 1610457 | USDOT: 4182270	DBA: _____
By: _____	By: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
Email: info@smatlogistics.com	Email: _____
Phone: 661-386-4888	Phone: _____

IMPORTANT: The person signing for Shipper certifies that the legal name, billing information, AP contact, and authority information in Exhibit A are accurate. No personal guaranty is created by this Agreement unless a separate personal guaranty is expressly executed.

EXHIBIT A - SHIPPER PROFILE & COMMERCIAL CREDIT APPLICATION

Complete before first credit shipment unless SMAT approves otherwise.

Legal Business Name	_____
DBA / Trade Name	_____
Entity Type / State of Formation	_____
Federal EIN	_____
Years in Business	_____
Website	_____
Physical Address	_____
Billing Address	_____
Primary Operations Contact / Title	_____
Operations Email / Phone	_____
Accounts Payable Contact / Title	_____
AP Email / Phone	_____
Claims Contact / Email / Phone	_____
Purchase Order Required?	Yes / No If yes, PO process: _____
Preferred Invoice Method	Email / Portal / EDI / Other: _____
Requested Credit Limit	$_____
Requested Payment Terms	Net 15 / Net 30 / Other: _____

Trade References

Company	Contact	Email	Phone
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Credit Authorization

Shipper authorizes SMAT Logistics LLC and any receivable factor/lender evaluating or financing SMAT invoices to obtain commercial credit information, contact the trade references above, verify business identity, and exchange reasonable invoice/payment-status information for credit, funding, fraud prevention, and collection purposes. This authorization is for commercial credit only and does not constitute a personal guaranty.

Authorized Signer: _____	Title: _____
Signature: _____	Date: _____
Billing Email Confirmed: _____	AP Phone: _____
Notice Email: _____	Notice Phone: _____

EXHIBIT B - BILLING, PAYMENT & FACTORING SCHEDULE

If no box/term is completed, the Agreement default of Net 30 applies.

Payment Term	☐ Net 15 ☐ Net 30 (default) ☐ Net 45 ☐ Other: _____ If a due date falls on a non-Business Day, payment is due the next Business Day.
Invoice Trigger	☐ Delivery/POD ☐ Pickup ☐ Other: _____
Invoice Delivery	☐ Email ☐ Customer Portal ☐ EDI/API ☐ Other: _____
AP Email / Portal	_____
PO / Reference Rule	_____
Preferred Payment	☐ ACH ☐ Wire ☐ Check ☐ Other: _____
Early-Pay Option	_____% discount if cleared payment received within _____ days (only if signed below).
Credit Limit	$_____ subject to Broker review/change under Section 9.8
Late Charge	Lesser of 1.5% per month or the maximum lawful rate on past-due undisputed amounts.
Factor / Assignee at Start	None / _____
Factor Contact	_____
NOA Received / Verified	Date: _____ Verified By: _____

FACTORING / PAYMENT-DIVERSION CONTROL: An NOA should identify the assignee, assigned receivables, payment destination, and verification contact. Shipper may request reasonable proof of assignment and should cooperate with legitimate invoice-verification requests after confirming the requestor's identity and authority. Do not redirect payment based solely on an email, altered invoice, PDF, text message, portal message, or caller ID. Verify using a previously known SMAT contact and independently obtained factor contact information.

Account-Specific Changes to Agreement (if any):

_____

_____

_____

_____

SMAT Authorized By: _____	Shipper Authorized By: _____
Title: _____ Date: _____	Title: _____ Date: _____
Signature: _____	Signature: _____

EXHIBIT C - SHIPMENT TENDER / RATE CONFIRMATION DATA

Minimum data checklist for accurate pricing, capacity selection, billing, and claims handling.

Field	What to Provide	Confirmed
Reference	PO / Shipment / Load ID / Customer Reference	☐
Origin	Facility name, full address, contact, appointment date/time, pickup number	☐
Destination	Facility name, full address, contact, appointment date/time, delivery number	☐
Commodity	Accurate description, packaging, piece/pallet count, NMFC/class if LTL	☐
Weight / Dimensions	Total weight, dimensions, density or linear feet when applicable	☐
Equipment	Dry van / reefer / flatbed / step deck / box truck / drayage / other	☐
Temperature	Set-point, range, continuous/cycle, pre-cool, recording requirements	☐
Cargo Value	Invoice/replacement value; specifically flag values above $100,000	☐
Hazmat	Yes/No; if yes, complete legal classification and emergency information	☐
Security	Seal, team, no-stop, tracking, secure parking, route or chain-of-custody requirements	☐
Loading / Unloading	Live / drop / shipper-load-and-count / driver assist / lumper / special equipment	☐
Accessorials	Detention, layover, stops, liftgate, limited access, TONU, redelivery, storage, etc.	☐
Billing	Agreed linehaul, fuel surcharge, accessorial schedule, PO/reference requirements	☐
Special Instructions	Food safety, sanitation, prior-cargo restrictions, permits, customs, delivery procedures	☐

A rate may change if tender data is inaccurate or later changes. Shipper should not rely on oral instructions for high-value, hazmat, temperature, security, payment, or destination changes. Put them in the Shipment Confirmation or a verified written amendment.

EXHIBIT D - CARGO CLAIM & SPECIAL-COMMODITY PROTOCOL

1. At Pickup

- Record piece/pallet count, seal number, visible condition, temperature (if relevant), and any loading exceptions on the shipping documents.
- For shipper-load-and-count or sealed loads, identify that condition on the BOL when appropriate.
- Provide written special handling, security, hazmat, or temperature instructions before the driver departs.

2. At Delivery / Discovery of Loss

- Note visible shortage/damage on the POD before signing when reasonably possible; photograph cargo, packaging, seal, trailer condition, and relevant temperature displays/data.
- Notify SMAT promptly so evidence can be preserved and the Carrier/insurer can be contacted. Prompt notice is operationally important but does not replace the formal claim required by law.
- Preserve damaged product and packaging for reasonable inspection unless safety, regulation, or spoilage requires prompt disposal. Document any disposal or salvage.

3. Formal Claim Package

- Written demand identifying the Shipment, Carrier, claimed amount, and factual basis.
- Commercial invoice / proof of cargo value and evidence of repair, replacement, shortage, disposal, or salvage proceeds.
- BOL, POD, photos, inspection reports, temperature data, seal records, and supporting correspondence.
- Reasonable mitigation and salvage documentation. Broker may request additional information reasonably required by the Carrier or insurer.

4. Payment Separation

Cargo claims are not automatically netted against Freight Charges. Pay undisputed invoices when due and handle the cargo claim through the claim process unless SMAT issues a credit memo or applicable law provides a non-waivable right of recoupment.

SPECIAL-COMMODITY DISCLOSURE

Commodity / SKU	_____
Cargo Value	$_____
Temperature / Range	_____
Hazmat Classification	_____
Security Requirements	_____
Known Exclusions / Sensitivities	_____
Cargo Insurance Requested?	Yes / No If yes, separate written confirmation required.
Authorized Shipper Contact	Name: _____ Date: _____

CARGO CLAIM DEADLINES: Applicable law may impose specific claim and suit periods. For interstate motor-carrier claims under 49 U.S.C. 14706, a carrier may not contract for less than nine months to file a claim or less than two years to bring suit after written disallowance. Shipper should not wait for those outside deadlines; prompt documentation materially improves claim recovery.

PAYMENT / FRAUD VERIFICATION CHECKLIST

- Verify any new factor or bank instruction through a previously known SMAT contact.
- Verify the factor using independently sourced contact information, not only the contact information contained in the new payment request.
- Match invoice number, load number, amount, legal entity, and NOA scope before remittance.
- Do not redirect already scheduled ACH/wire payments merely because of an urgent email or phone request.
- Escalate conflicting NOAs or suspicious payment changes before funds are released.