CtrlChain

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SECURITY POLICY

FTL Services – Courier Services

1. PURPOSE

1.01 The purpose of this policy is to enforce the security measures related to all CtrlChain transportation contracts.

1.02 A transportation contract provides a legal and commercial basis for all dealings with a transportation company providing services to CtrlChain. The transportation contract should not only contain terms and conditions of transportation operations (e.g. fees, schedules …), but include requirements and rules on how shipments are securely handled and protected against criminal activity. Without these Security Rules attached in the contract, CtrlChain has very limited legal recourse in an event of product loss, criminal, either internal or external theft. The Security Rules also serve as basis for a positive partnership with the carrier in the effort to reduce losses and damages.

1.03 This policy provides the guidance and establishes the security procedures to be followed in the execution of a transportation contract, inbound and outbound, in line with CtrlChain's Signature Authorization Policy.

2. APPLICABILITY

2.1. This policy applies to all CtrlChain US operations.

3. PROCEDURES

3.01 It is CtrlChain's policy that a written contract shall be in place with all transportation companies providing carrier services for on or behalf of CtrlChain. All verbal agreements and terms agreed with the carrier including terms amending existing contracts shall be put in writing, either by requesting the carrier's signature to the terms or by sending a formal letter to the carrier containing the details of what has been agreed.

3.02 The CtrlChain Security Rules is a separate document describing the security rules and requirements by CtrlChain for the different types of transport services.

3.03 The CtrlChain Security Rules is a guideline document for usage during contract negotiations.

3.04 The finalized CtrlChain Security Rules attached to the contract must be an exact re flection of the carriers security performance level.

3.05 These requirements are critical and must be contained in the finalized Security Rules attached to the contract. The wording of these requirements can be changed during the contract negotiations, but the requirements objectives must be withheld.

3.06 All new transportation contracts will incorporate the CtrlChain Security Rules or the other requirements set forth herein. This also applies to renewal of existing transportation contracts.

3.07 In accordance with CtrlChain's Signatory Authorization Policy, all transportation contracts shall be reviewed and approved by the Legal & US Security Department and Transportation Department before sign-off and signature.

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4. RESPONSIBILITIES

4.01 European Legal, Security and Transportation Departments:

a. Assist as requested in negotiations with transportation providers and in the drafting of the proposed contract.

b. Review and approve the proposed contract prior to signature.

5. EFFECTIVE DATE 2022

Annex 1: CtrlChain EMEA Security Matrix

Annex 2: CtrlChain EMEA Security Transportation Rules Annex

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Annex 1:

CTRLCHAIN EMEA SECURITY MATRIX

Value > $ 1000k

SMALL

- Acceptance of shipments
- Security policy procedure
- Security management
- Subcontracting
- Collection and delivery records (POD's)
- Criminal background verification
- Truck door locked
- Hard sided or anti-slash curtain sided trailers
- Two way communication with the driver
- Hub security
- Piece & Unit count
- Security incident communication
- Security audits
- Investigative assistance

Value > $ 100k

MEDIUM

- Acceptance of shipments
- Security policy procedure
- Security management
- Subcontracting
- Collection and delivery records (POD's)
- Criminal background verification
- Truck door locked
- Hard sided or anti-slash curtain sided trailers
- Two way communication with the driver
- Hub security
- Piece & Unit count
- Security incident communication
- Security audits
- Investigative assistance
- Tamper evident security seals

Value > $ 500k

LARGE

- Acceptance of shipments
- Security policy procedure
- Security management
- Subcontracting
- Collection and delivery records (POD's)
- Criminal background verification
- Truck door locked
- Hard sided or anti-slash curtain sided trailers
- Two way communication with the driver
- Hub security
- Piece & Unit count
- Security incident communication
- Security audits
- Investigative assistance
- Tamper evident security seals
- Trailer immobilisation device
- High quality security locks
- Risk analysis of routing
- Secure locations to park
- Security training
- Monitoring center staff training
- Response protocols
- Escalation protocols
- GPS tracking protocols
- GPS tracking monitoring
- Scheduled routing
- Secure parking

Value > $ 1M

EXTRA LARGE

- Acceptance of shipments
- Security policy procedure
- Security management
- Subcontracting
- Collection and delivery records (POD's)
- Criminal background verification
- Truck door locked
- Hard sided or anti-slash curtain sided trailers
- Two way communication with the driver
- Hub security
- Piece & Unit count
- Security incident communication
- Security audits
- Investigative assistance
- Tamper evident security seals
- Trailer immobilisation device
- High quality security locks
- Risk analysis of routing
- Secure locations to park
- Security training
- Monitoring center staff training
- Response protocols
- Escalation protocols
- GPS tracking protocols
- GPS tracking monitoring
- Scheduled routing
- Secure parking
- Unauthorised persons on board
- Pre departure checks
- Silent alarm system
- Trailer door alarms
- LEA contacts Escort program

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Annex 2:

SECURITY RULES FOR ALL CTRLCHAIN SHIPMENTS

SMALL

1. Acceptance of shipment(s): the CARRIER may reject a shipment prior to the performance of any transportation service when it appears reasonably to the CARRIER that a shipment is improperly packed or sealed. In case of such rejection the CARRIER shall inform CtrlChain and their customer at origin of the rejection and obtain instructions from CtrlChain.

2. Security policy & procedures: the CARRIER must have a written security policy and procedures, who need to be communicated to CtrlChain. These procedures should describe how CtrlChain shipments need to be handled in alignment with these security rules.

3 Security management: the CARRIER shall assign a formally appointed security representative to implement, standardize and monitor all security procedures. The CARRIER shall be fully liable for any acts or omissions by sub-contractors. The sub-contractors are not allowed to further subcontract without prior written approval from CtrlChain.

4. Subcontracting: all these security rules must be communicated and formally agreed upon with all CARRIER's sub-contractors transporting CCA shipments.

5. Collection and delivery records (POD's): the CtrlChain must maintain records of all collections and proof of deliveries, for a period of not less than 2 years, this information needs to be accessible for CtrlChain's customers in case of an investigation. The CARRIER shall notify CtrlChain in writing of any customer who refuses to receive the CtrlChain shipments within 1 hours of the requested delivery time.

6. Criminal background verification: the CARRIER shall ensure that, within the constraints of local country laws, all of its employees and subcontractors that have access to CtrlChain's customers products are positively vetted, including a criminal history check encompassing the previous five years. The CARRIER confirms that employees of the CARRIER who perform work at facilities of Customers from CtrlChain will be denied access to our customers facilities if any criminal charges or convictions of the employees are subsequently discovered

7. Trailer and truck door locked: Trailers and trucks the CARRIER uses for the transport of CtrlChain shipments need to be locked, also during delivery stops.

8. Hard sided or anti-slash curtain sided trailers: the CARRIER shall use solid sided / hard sided or anti-slash curtain sided trailers. If the CtrlChain shipment is specified as "L" or "XL" only solid sided / hard sided trailers are to be used.

9. Two way communication with drivers: the CARRIER shall ensure that there is a two way communication capability with the drivers (GSM or radio) available.

10. Hub security: the CARRIER or its subcontractor shall use 'secured' hub's for dispatching CtrlChain shipments. The hub's shall be access controlled. In case the shipments remain longer than 4 hours in a hub, or remain stored during non-operational hours in a hub, an intrusion detection system needs to be in place. This intrusion detection system needs to provide complete building protection, including all openings (windows, doors, bay doors, etc.). An alternative for the intrusion detection system is to have a security guard present with an appropriate communication device to request assistance if needed. If the goods needs to be stored in a CARRIER hub they need to be in a specifically restricted and secured area. If the CtrlChain shipment is specified as "XL" the CARRIER hub's used must be TAPA (A) certified or an acceptable equivalent.

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11. Piece/unit count and verification: The CARRIER shall ensure that there is a piece/ unit count and verification (receipt and dispatch) at every transfer point from initial receipt at CtrlChain's or vendor's facility, until and including the final transfer destination. The process must ensure accountability with the piece/unit being acknowledged by written signature or scanning means. The process must be to determine at what transfer point the loss or damage to the goods occurred. The name of the receiver and signature must be identifiable at the consignee. Delivery sheets and POD's should require a name to be printed in addition to the signature.

12. Security incident communication: The CARRIER shall notify CtrlChain within 12 hours after detection of any security incident; losses, damages and others. The CARRIER shall use a mutually agreed security incident form that will be send to CtrlChain within 5 working days after the security incident. This mutually agreed security incident form contains the basic security information regarding the incident.

13. Security audits: CtrlChain and her customers reserves the right, at its own expense, to audit any of the CARRIER premises, including any subcontractor facilities, with a minimal 48 hours pre alert from CtrlChain to the CARRIER. The CARRIER will perform an annual self audit of all its facilities and subcontractor facilities and hub locations through which CtrlChain's shipments are shipped and for which these security rules apply. CtrlChain is allowed to request proof of these self audits

14. Investigative assistance: the CARRIER shall start investigations on losses where criminal activity is suspected or known. CtrlChain shall have the right to oversee and participate in such in vestigations, if requested.

Annex 2:

SECURITY RULES FOR "AT RISK PALLETS"

MEDIUM (All security rules 1 to 14 are applicable)

15. Tamper evident security seals: The carrier shall use tamper evident seals for 'At Risk Pallet' shipments. Seals electronic or manual that meet the applicable ISO 17712 standard. The CARRIER will ensure that the seal is not broken or tampered with and will submit to CtrlChain in written the number of the seal found at the time the shipment was unloaded.

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SECURITY RULES FOR FTL (FULL TRUCK LOADS)

LARGE (All security rules 1 to 15 are applicable)

Trailer immobilization device: The CARRIER shall use a trailer immobilization device (kingpin, landing gear lock or brake line lock) when the trailer is dropped. The CARRIER shall have procedures in place describing the usage of these devices.

17. High quality security locks: The CARRIER shall use high quality security locks firmly fixed during the entire transfer to all truck/trailer doors or use of high quality chains, bars, padlocks, etc. The locks can be electronically or manually operated. The CARRIER shall have procedures in place describing the usage of these locks.

18. Risk analysis of routing: The CARRIER shall use routes and schedules that are well travelled and which maximize the security of the shipments. The CARRIER shall have a program in place to perform risk analysis of these routes at least 1/year. For fix line hauls the CARRIER shall communicate at least 1 primary and 1 alternative route to CtrlChain prior the shipment gets picked up.

19. Secure locations to park: The CARRIER must only use secure locations for parking. The CARRIER shall identify these secure parking based on a written procedure, agreed by CtrlChain. These secured parking's must be fenced and equipped with CCTV cameras. If the driver must leave the truck & trailer for comfort breaks or other breaks it is prohibited to leave the truck and trailer unlocked.

20. Security training: The CARRIER shall have a vigorous security awareness programs characterized by signs, posters, meetings, new hire security orientations, etc., and security awareness training on topics as threat awareness, robbery response, vehicle checking, recognition of developing threats, usage of secure parking's, appropriate responses to threats and communicating with LEA's.

21. Monitoring centre staff training: The CARRIER must have a program in place for training of monitoring staff, or if outsourced to a recognized certified third party monitoring centre, have proof of this training. This training contains alarm protocol and response procedures.

22. Response protocols: The CARRIER shall have documented response protocols for the tracking of the truck and trailer. These protocols include actions in case of tracking system failure, communications with law enforcement, advice for the driver, allocation of assistance and resources, protection of shipments that remains and is vulnerable, etc. These response protocols must be reviewed and tested at least annually and the contact details need to be kept up to-date.

23. Escalation protocols: The CARRIER must have documented escalation procedures in place to protect the shipments in case of security incidents, illness of the driver(s), vehicle breakdown and other incidents disrupting the transport in normal conditions.

24. GPS tracking: The CARRIER shall have a GPS tracking device installed, preferably in both the truck and the trailer, mandatory in the trailer. The device must be installed in a covert location and must be able to utilize at least two methods of signalling and should be equipped with at least one covert antenna.

25. GPS tracking protocols: The CARRIER shall have documented protocols in place to track trucks and/or trailers, including 24/7 monitoring, the ability to geofence routes and parking locations. Documented response procedures should include the checking of the GPS tracking devices before departure (functionality, battery, …).

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26. GPS tracking monitoring: The CARRIER must organize the ability to monitor selected GPS tracking devices. This monitoring service must report immediately every event. The standard reporting rate for the GPS tracking devices must be no less than 1 per 5 minutes.

27. Scheduled routing: The CARRIER shall use planned routings and planned stops. For daily line hauls to primary express hubs, the CARRIER and CtrlChain shall agree on a primary and alternative route . Ad hoc changes to planned routings and stops or delays due to unexpected events reported needs to be reported immediately to CtrlChain.

28. Secure parking: The CARRIER shall only use commonly agreed secured parking's for longer stops. For this reason the CARRIER shall have a policy in place to identify and assess these parking's. These secured parking's should be fenced and have CCTV camera coverage.

Annex 2:

SECURITY RULES FOR AT RISK FTL (FULL TRUCK LOADS)

EXTRA LARGE (All security rules 1 to 28 are applicable)

29. Unauthorized persons on board: The CARRIER shall have procedures and protocols stating that only carrier authorized persons are allowed in the truck or trailer (like hitchhikers, friends, non-driving relatives and children …).

30. Pre departure checks: The CARRIER must document pre-departure check in order to ensure road worthiness of the vehicle (truck and trailer). A short check listed pre-departure check after a longer parking stop must be applied. The CARRIER must also have documented procedures assuring provision of drivers and equipment capable of moving the CtrlChain shipment to its first scheduled stop or to the delivery point without preventable interruption (e.g. fuel, meal stops, planned repairs …).

31. Silent alarm system: The CARRIER's truck must have a manually activated silent alarm (panic button) present in reach of the driver and able to send an alert to a monitoring centre or to the CARRIER.

32. Trailer door alarms: The CARRIER must have an electronic trailer door alarm system in place, alerting in case of unauthorized trailer door openings to a monitoring centre or to the CARRIER.

33. GPS Tamper alarms: The CARRIER shall use a GPS tracking system that enables alerts if the device fails or if the GPS signal is lost (example; jamming).

34. LEA contacts: The CARRIER shall maintain a listing of critical law enforcement agency (LEA) contacts on the primary used routes (line hauls to primary express or dedicated routes).

35. Escort program: The CARRIER must have the ability to organize a security guard escort for selected and dedicated shipments.