



C-TPAT and PIP Security Procedures

Name: _____

Position: _____

Date given: _____

Date returned: _____

Spady Transport Ltd.
#159-17735 1st Avenue
Surrey, British Columbia, Canada, V3Z 9S1

Table of Contents

Section 1 – Introduction

- Introduction	4
- Code of Business Conduct and Ethics	4
- What are C-TPAT and PIP?.....	5
- What do C-TPAT and PIP mean to me?.....	6
- Do I have to participate in the C-TPAT and PIP program?.....	6

Section 2 – Business Partners

-Business Partner Screening	7
-Security Procedures for Business Partners	8
-Business Partners Info Sheet	10
- CTPAT / PIP questionnaire	11

Section 3 – Conveyance Security

-Inspections.....	14
-Trailers	20
-Conveyance Tracking	20
-Trailer Seals, LTL Seals and Padlocks	21
- Human Trafficking	22

Section 4 – Physical Access Controls

-Employees.....	23
-Visitors, Vendors and Service Providers	23
-Unauthorized Persons	24

Section 5 – Personnel Security

-Employment Verification.....	25
-Background Checks.....	25
-Termination.....	26

Section 6 – Procedural Security

*-Document Review & Processing including
Cargo, Bills of Lading and Manifests 27*

Section 7 – Physical Security

*-Fencing 29
-Gates, Gatehouses & Parking..... 29
-Building Structure 30
-Locking Devices & Key Control..... 30
-Lighting..... 30
-Video Cameras 30*

Section 8 – Security Training & Threat Awareness

-Threat Awareness Program 31

Section 9 – IT Security

*-Password Protection..... 32
-Accountability..... 33
-Transponder Control 33*

Section

1

Introduction

Introduction

Purpose:

This procedures handbook has been prepared to help you understand Spady Transport Ltd's responsibilities under the C-TPAT (Customs-Trade Partnership Against Terrorism) so that you will be able to perform your duties safely and efficiently. Read the handbook carefully and be sure you understand everything in it as it relates to your work.

Keep the book with you while you are on duty so that you can refer to it when necessary. If you have questions about the contents check with your supervisor.

This handbook and its contents contain privileged information concerning Spady Transport Ltd. and its policies and procedures.

Upon termination of employment the employee and/or Driver/Owner Operator must return the handbook to Spady Transport Ltd.

Code of Business Conduct and Ethics

Be ethical and honest in all dealings.

Do not swear, shout, be abusive or harass fellow workers or staff.

Conduct yourself in a trustworthy manner.

Follow the Laws, Rules , Regulations and Guidelines put out by the NSC , DOT and Labor code.

Fill out your paperwork correctly and with honesty.

Help fellow co-workers when you see they need help. We are all in this together. If you see someone struggling, reach out to them and offer your assistance.

If you feel something is wrong, illegal or dangerous.... SAY SOMETHING to a Manager
Do not fraternize with co-workers. Keep confidential information confidential. Speak up if you feel something is a conflict of interest.

What are C-TPAT and PIP?



means Customs-Trade Partnership Against Terrorism.

PIP means Partners in Protection

What are C-TPAT and PIP?

C-TPAT and PIP are voluntary government-business initiatives to improve overall international supply chain and border security. C-TPAT and PIP recognize that Customs and Border Protection (CBP) and Canadian Border Services Agency can provide the highest level of cargo security only through close cooperation with importers, carriers, consolidators, licensed customs brokers, and manufacturers. Through this initiative, CBP and CBSA are asking businesses to ensure the integrity of their security practices and communicate and verify the security guidelines of their business partners within the supply chain.

How do companies like Spady Transport Ltd. participate in C-TPAT and PIP?

Businesses must apply to participate in C-TPAT and PIP. Participants complete an online electronic application that includes submission of corporate information, a supply chain security profile, and an acknowledgement of an agreement to voluntarily participate.

In completing the supply chain security profile, companies must conduct a comprehensive self-assessment of their supply chain security procedures.

What are the benefits of participation in C-TPAT and PIP?

C-TPAT and PIP offer trade-related businesses an opportunity to play an active role in the war against terrorism and CBP and CBSA will offer benefits to certain certified C-TPAT / PIP member categories, including:

- A reduced number of Customs inspections (reduced border delay times)
- Priority processing for Customs inspections. (Front of the Line processing for inspections when possible.)
- Assignment of a C-TPAT Supply Chain Security Specialist (SCSS) who will work with the company to validate and enhance security throughout the companys' international supply chain.

What happens if a company fails to meet the C-TPAT and PIP minimum security criteria or guidelines?

Failure to meet C-TPAT and PIP commitments will result in suspension or removal of C-TPAT and PIP certification status and associated benefits. Benefits may be reinstated upon correcting identified deficiencies in compliance and/or security. Losing CTPAT and or PIP could mean the loss of certain compliant customers.

What do C-TPAT and PIP mean to me?

Our company's participation in the C-TPAT and PIP programs mean that you will now be required to follow the Supply Chain Security measures that we have implemented in order to comply with C-TPAT and PIP regulations.

It also means that as a certified C-TPAT and PIP member our owner operators will be entitled to the program benefits such as:

- A reduced number of Customs inspections (reduced border delay times)
- Priority processing for Customs inspections. (Front of the Line processing for inspections when possible.)

Do I have to participate in the C-TPAT and PIP program?

YES! As a C-TPAT and PIP certified carrier we require your participation.

You will be required to complete C-TPAT and PIP Policy and Procedure training and to read through and fully understand this handbook.

You will be required to follow ALL policy and procedures as outlined in this handbook at ALL times.

Your failure to comply can result in Spady Transport Ltd. losing C-TPAT and PIP certification. Therefore, any failure to comply will result in immediate disciplinary action and could result in termination.

Section
2

Business Partners

Screening Business Partners

It is our company policy to screen all new Business Partners including agents, sub-contracted Carriers and Service Providers.

In addition to a Credit Application, new customers are also required to complete our Business Partners screening.

For C-TPAT / PIP eligible partners their C-TPAT / PIP status must be on file. For Carriers who are not C-TPAT or PIP certified they must meet C-TPAT / PIP security recommendations and must be required to adhere to these recommendations through contractual agreement.

All Business Partners are required to complete the "Security Procedures for Business Partners" and Business Partners Info Sheet". For non C-TPAT / PIP certified carriers they must also sign and return the "Non C-TPAT / PIP Contract requirements".

All these forms are included in the following pages.

C-TPAT/PIP Cargo Security Procedures for all Business Partners

In order to participate in the war against terrorism and to ensure that the freight that we are contracted to transport is not contaminated, Spady Transport Ltd. has implemented a supply chain security system to safeguard our shipments from being used as vehicles for terrorist action. Additionally, Spady Transport Ltd. is a certified member of the US Customs and Border Protection (CBP) cargo security program, Customs-Trade Partnership Against Terrorism (C-TPAT) and Canada Border Security Agency (CBSA) security program, PIP.

CBP and CBSA have developed C-TPAT and PIP security criteria requirements for service providers, including vendors, manufacturers, carriers, brokers and importers.

It is imperative that you read the following procedures and return a signed copy of this letter confirming your compliance with these updated standards. If necessary, you should implement the changes necessary to conform to our security requirements and inform us of such changes immediately. Finally, if your company is a certified C-TPAT or PIP member, please enclose a copy of the certification in your response.

We have updated our required security procedures for all our business partners to comply with standards for participation in C-TPAT and PIP, as follows:

1. All business partners must acknowledge, in writing, that their facilities are secure in terms of the buildings themselves, the perimeters and the individuals who have access to cargo storage areas.
2. All business partners must designate a security director, institute a security awareness program for all personnel to heighten personnel security consciousness and have written security procedures in place.
3. All business partners must have at a minimum, the following physical security measures, unless they are able to prove to our satisfaction that they are not applicable to their particular facility:
 - a. Perimeter fencing and manned or monitored gates
 - b. No private parking near cargo handling/storage areas
 - c. Buildings constructed of appropriate materials and protection of windows, gates and fences with locking devices
 - d. Adequate lighting, alarm systems and monitoring
4. All business partners must have at a minimum, the following physical access controls, unless they are able to prove to our satisfaction that they are not applicable to their particular facility:
 - a. Employee identification system with written procedures for issuance, removal and changing
 - b. Visitor monitoring system, including requirement of presentation of photo ID, maintenance of a log and escorts of all visitors
 - c. Written procedures for addressing the entry of unauthorized personnel
5. All business partners must have at a minimum, the following security measures, unless they are able to prove to our satisfaction that they are not applicable to their particular facility:
 - a. Incoming shipments are counted, weighed and verified against shipping documents and there are procedures for reporting shortages or overages
 - b. Departing shipments are verified against purchase or delivery orders, including piece count, marks and weights
 - c. Drivers delivering or receiving cargo are required to be positively identified before receipt or release
 - d. Incoming and outgoing vehicles are checked and logged
 - e. Procedures are in place to ensure that shipping documentation is in order
6. All business partners must have at a minimum, the following container security procedures in place, unless they are able to prove to our satisfaction that they do not apply to their particular facility:

- a. Containers are stored in secure areas to prevent unauthorized access
 - b. Procedures are in place to inspect and verify physical integrity and locking mechanism of container and the 17- point inspection process is used
 - c. There are written procedures for controlling and affixing seals to loaded containers and for recognizing and reporting compromised seals, including seal logs and the V.V.T.T. test (view ,verify, tug and twist)
 - d. All container seals affixed to loaded trailers meet the PAS ISO 17712 standards
7. All business partners must have in place, at a minimum, the following personnel security procedures, unless prohibited by applicable laws:
- a. Application information is verified prior to employment
 - b. Background checks and investigations are conducted for prospective employees
 - c. Procedures are in place for removal of identification and access to terminated employees
8. All business partners must have at a minimum, the following security training and threat awareness programs, as they apply to their particular industry:
- a. There is a security awareness program in place for employees
 - b. There is a threat awareness program for the facilities employees
 - c. Employees are aware of the procedures for addressing and reporting possible threats
 - d. Security awareness programs offer incentives for active employee participation, unless prohibited by applicable laws or labor contracts
 - e. A procedure in place to report Human Trafficking
9. All business partners must have at a minimum, good practices to check the interior of the trailer for any signs of pests, insects, rodents, or seeds and what to do in the event any are found.

Signature

Date

Title



Business Partners Information Sheet

Company Name: _____

Legal Name: _____

Street Address: _____

City: _____

Province/State: _____ Postal/Zip Code: _____

Phone: _____ Fax: _____

Email: _____ Email: _____

NIR#: _____ SVOR# _____

US DOT#: _____ MC#: _____

Company Contact Information

Operations:

Name: _____ Phone/Ext: _____

Email: _____

Safety & Compliance:

Name: _____ Phone/Ext: _____

Email: _____

Accounting:

Name: _____ Phone/Ext: _____

Email: _____



C-TPAT / PIP Questionnaire

Is the Company a member:

Program	Yes	If yes, number or registration date	No	Seeking Approval	Estimated date of Approval
ACE: Automated Commercial Environment					
C-TPAT: Customs-Trade Partnership Against Terrorism					
CSA: Customs Self Assessment					
PIP: Partners in Protection					
FDA: Federal Drug Administration					

Please answer the following:

	Yes	No	Comments
Is your company a Canadian Bonded Carrier?			
Is your company a US Bonded Carrier?			
Are your units satellite tracked?			
Does your company handle hazardous goods?			

Company Policy:

	Yes	No	Comments
Is there a written security policy/plan?			
Is there a criminal history search completed for all employees?			
Is your facility equipped with video surveillance?			
Is the perimeter of your property fenced?			
Are hazardous materials kept segregated			

from all other goods in a secure area?			
Do supervisory personnel oversee the loading and unloading of freight?			
Are all outgoing trailers required to be locked?			
Is your freight labeled?			
Are there procedures in place for where and when trailer seals are broken?			
All staff trained to identify suspicious cargo?			
	Yes	No	Comments
Are all employees required to attend security training sessions?			
What are your reporting procedures in a security breach and who is responsible for reporting to the authorities?			

	Comments		
What types of activities are performed at this facility?			
What are the hours of operation for this facility?			
Provide a brief description of each facility, including property, building, fencing, other barriers, location of security office, etc. (Attach as a separate document)			
Does your company have written and verifiable processes for the selection of business partners, including carriers, agents, customers, suppliers and vendors?			
Are all visitors issued special badges and/or identified and controlled through a tracking system? If yes, please explain.			
Are drivers required to check for evidence of pest/ insects, rodents, seeds or soil and what are your best practice reporting procedures and procedures if any of the above are found			

Are there any procedures in place to report suspicions of human trafficking. If so what are they?			
---	--	--	--

Completed by: (please print)

Name

Title

Signature

Date

Please return completed forms to:
 Spady Transport Ltd.
 159-17735 1st Avenue
 Surrey, BC, V3Z 9S1
 Email: margaret@spadytransport.com

Conveyance Security

Inspections - Pre-Trip, Post-Trip and En-Route Inspections

- **Pre-Trip inspection** must be performed by all drivers prior to leaving on a trip to ensure that the equipment is mechanically fit, safe to operate and does not present a security hazard, or have any signs of rodents, pests, seeds or soil. It is important to do the pre-trip inspection the same way every time. Following one method will eliminate errors and oversights. Any damages should be noted on the trailer inspection sheet. Any potential security hazard, sign of rodents, pests, seeds or soil must be communicated to the office immediately and under no circumstances should the driver proceed without prior authorization from the Safety Manager.
- **En route inspections should be done** every 3 to 4 hours. Additionally, these inspections should be completed prior to leaving any stop. Any potential security hazard or signs of rodents, pests, seeds or soil must be communicated to the office immediately and under no circumstances should the drive proceed without prior authorization from the Safety Manager.
- **A Post-Trip inspection** should be completed at the end of each trip so that the equipment is checked thoroughly. It is important to do the post-trip inspection the same way every time. Any damages should be noted on the trailer inspection sheet. Any potential security hazard, sign of pests, rodents, seeds or soil must be communicated to the office immediately and under no circumstances should the driver proceed without prior authorization from the Safety Manager.

If a security breach, or sign of any pests, rodents, seeds or soil is reported to the office it is required that office personal contact the Safety Officer immediately, who in the event of a security breach will contact Margaret Spady who will report to the appropriate government agency. In the event Margaret Spady is unavailable Jennifer Danyluk will be responsible for the reporting.

Pre-Trip and Post-Trip Inspection Procedure

Note: It should be understood, that anyone conducting a pre-trip inspection, use this outline is a guide only. It will be necessary to adapt this outline to the vehicle being inspected.

START

Verify that the tractor and trailer brakes are set.

Rock rear tractor wheels (front and back). Leave blocks sticking out so they can be removed later.

UNDER HOOD

Check:

- Oil level
- Water level
- Hydraulic fluid level
- Belt tension
- Visible fluid leaks
- Hose conditions
- Wiring condition
- Check fuel filters for leaks and drain water
- Check for signs of rodents

IN CAB

- Turn marker lights on
- Turn head lights on
- Left turn signal on
- Check for signs of rodents or pests

Left Front Tire

- Check tire condition (cuts, bruises, tread, pressure)
- Check wheel, lugs & nuts
- Check steering box (cracks, leaks, movement ect)
- Check rear spring hangar (frame clearance & pins secure)
- Check brake chamber & booster line

Check Left Fuel Tank

- Level (visually)
- Shut off valve

- Crossfeed line

Drain Wet Tank

- Check hose connections (trailer lines from tractor)
- No loose material
- Bogie check – booster lines
- Parts mounting
- Left spring brake dust cover
- Right slack adjuster angle

Close Wet Tank Drain Cock

- Check drive line – spline & universal joint rotational play
- Vertical play in hanger bearings

Check Left Rear Suspension

- Front hangar
- Spring alignment
- U bolts
- Rear hangar

Note: If unit has a sliding fifth wheel ensure that it is locked in place.

Check Left Rear of Tractor

- Tires, wheels, lugs and nuts (note rocks in between tires)

Back of Tractor

- Check mud flaps
- Reflectors
- Tail lights
- License plate and light
- Left turn signal
- Fifth wheel jaws closed
- King pin properly seated
- Differential fluid leaks

Front of Trailer

- Marker lights (top and bottom)
- Reflectors (amber)

Check Landing Gear Up

Center Trailer

- Marker lights & reflectors (amber)

Trailer Bogie

- Check slack adjusters angle (all 4 of them)

- Drain Tank – Check booster lines
- Suspension
- Watch brakes release for freedom of movement
- Check inside sidewalls of the tires
- Close drain cock

Check Left Rear Side Trailer

- Tires, Wheels, Lugs & Nuts
- Hub oil levels
- Center suspension hangars
- Corner markers and reflectors (red)

Back of Trailer

- Rear marker lights (red)
- Tail lights
- Reflectors
- Left turn signal
- Door security (top and bottom)
- License plate and light
- Rear suspension hangars
- Mud flaps
- Read slack adjusters freedom of movement (if not already done)
- Check for seal security
- Check for additional compartments that may pose a security risk

Driver in Cab

- Left turn signal off
- Toot air horn
- Make one or two light brake applications
- Right signal on
- Check windshield wipers

Back of Trailer

- Check right turn signal

Check Right Rear Side of Trailer

- Corner markers and reflectors (red)
- Tires, wheels, lugs & nuts
- Center suspension hangars
- Hub oil level

Center Trailer

- Marker lights and reflectors (amber)
- Door security (top and bottom)

Check Landing Gear Up and Locked in Low Gear

Front of Trailer

- Marker lights (top and bottom) (amber)
- Reflector

Right Rear of Tractor

- Check right turn signal
- Check suspension
- Check tires, wheels, lugs & nuts

Check interior of trailer

- Check for signs of pests, rodents and / or seeds and soil
- Check trailer for any holes or false walls
- Check for water leaks
- Check to ensure floor is clean

Drain Dry Tank

- Check left slack adjuster angle
- Check right spring brake dust cover
- Check fifth wheel locked
- Check glad hands secure
- Check electric line secure
- Check muffler secure

Close Drain Cock

Check Batteries

Check Right Fuel Tank

- Tire, wheels, lugs & nuts
- Check rear spring hangar
- Check booster line

Front of Tractor

- Check right turn signal

In Cab

Check:

- All lights
- Turn signals off
- Adjust seat
- Adjust mirrors

- Check windshield wipers
- Check electric horn
- Driver's window (opens and closes)
- Steering wheel play
- Four way flashers
- Glass condition
- Documents (insurance, registration ect.)
- Fire extinguisher
- Flags and flares

It is the driver's responsibility to report any damages or have any repairs made to lights etc.

En route Inspection Procedure

Once you stop:

Complete a walk around your truck and trailer.

Check the following:

- all lights
- all tires and wheels
- all air lines and hoses
- that seals and/or locks are intact and in place
- for any security breaches

Before you leave:

Check for the following:

- all lights
- all tires and wheels
- all air lines and hoses
- that seals and/or locks are intact and in place
- for any security breaches
- windows and mirrors
- headlights and taillights

Upon discovery of any structural changes or hidden compartments all drivers must notify US Customs IMMEDIATELY by phone to the CBP Anti-Terrorism Contraband Enforcement Team at 1-800-232-5378

Trailers

The integrity of the trailer must be maintained at all times to avoid the introduction of unauthorized persons, product, pests, rodents, seeds or soil. Additionally the driver must ensure that while in transit to the border no loading of contraband or human trafficking can occur. There are a number of security measures that Spady Transport has in place to handle this.

1. Pre-trip, Enroute, All Stops and Post Trip inspections.
2. The use of high security PAS ISO 17712 compliant seals on all loads destined to cross into USA. Using the V.V.T.T. procedure (View, verify , tug and twist)
3. Storage of loaded trailers ONLY at the Pacific Customs Brokers Canada Customs Bonded Warehouse

Spady has a developed contact immediately procedure, this is to be enforced upon any security breach or anomalies. In the event of a problem the driver must immediately notify their supervisor who in turn would escalate the reporting of this to Margaret Spady, who will immediately notify the authorities, CBP, CBSA and RCMP if the situation requires their assistance or intervention. If Margaret Spady is unavailable, report to Jennifer Danyluk

Conveyance Tracking

All Tractor and Trailer units are monitored via Satellite, the satellite updates at 15 minute increments day and night.

Each unit is checked to make to make sure that it is on route, as determined by PC Miler or ProMiles practical routing, and On Time. Drivers are required to obtain authorization from their Supervisor prior to any routing changes. Drivers are required to notify their supervisor immediately of any road closures, re-routing or delays.

Spady Transport also randomly checks drivers trip sheets and logs to verify that all information is correct and compliant.

Trailers Seals, LTL Seals and Padlocks

In order to comply with C-TPAT regulations all drivers will be required to seal ALL loads destined for the USA with a PAS ISO 17712 certified seal.

These seals will be provided at no charge by Spady Transport Ltd.

Drivers Must use the V.V.T.T method. **V**iew the seal to make sure it's a bolt seal, **V**erify the number is correct and on the paperwork, **T**ug and **T**wist to ensure secured properly

When drivers are issued their seals they will also be issued a Seal log to record when the seals are used

This form will be pre-filled with the seal number that correspond to the seals that they are issued.

After the driver has loaded, they must seal their trailer and record the Shipper, Consignee and Trailer # on the seal log. They must then record the seal # and seal location on the B/L.

If the driver has multiple pick ups the trailer must be sealed between each pick up with an ISO seal. When the driver arrives at each additional pick up they remove the seal that is on the trailer and replace it with a new one once they have completed the pick up and record the new seal number. In the comments section the driver must record the reason for the seal replacement.

All seal logs must be returned to the office completed prior to the issuance of any additional seals. Drivers will not be allowed to go south unless they have seals so it is imperative to take extreme care of both the seals and the seal log.

The Driver **MUST** notify their Supervisor **IMMEDIATELY** if the seal is broken and by whom. This information must also be recorded on the Seal Log and Bill of Lading and a new seal used to replace it. The supervisor **MUST** then notify the Shipper, Customs Broker and Importer of Seal # and placement of the second seal.

For additional security, once trailers are loaded and sealed the driver should use a High Security Padlock to secure the trailers doors.

Human Trafficking

Any and all suspicions of Human Trafficking are to be reported immediately to Margaret Spady. Margaret will review the report and if suspicion is justified the appropriate authorities will be notified and a file started and action taken.

Human Trafficking is the recruitment, transport, or holding of victims to exploit them or to help someone else exploit them, generally for sexual purpose or work. Traffickers get their victims to comply through different forms of coercion.

Possible signs of Human Trafficking:

- New relationship with someone older or richer.
- Gifts or cash gifts given for no reason
- The relationship takes a sudden negative turn
- Intimate images are shared with others
- Feeling of intimidation or control
- A job offer that seems too good to be true
- An employer that threatens deportation or reporting to immigration to get you to do something
- An employer asking for money for you to work for them
- Employer withholds personal identification
- Feeling that their life or their loved ones lives are in danger if they do not work long hours or accept a lower wage
- Having to relocate for work with few details and no payment upfront
- Working in isolated/ remote areas
- Lacking access to services and support and information on legal rights
- Living or working in brutal conditions

IF ANYONE YOU KNOW OR SEE IN YOUR PRIVATE LIFE OR WORK LIFE FITS IN ANY OF THE ABOVE DESCRIPTIONS OF HUMAN TRAFFICKING REPORT TO MARGARET SPADY IMMEDIATELY

Section

4

Physical Access Controls

Employees

At the start of employment Employees who are required to work off hours and need a company phone, will be given office keys and phones. A photo will be taken for a building ID and a company ID. This information is to be recorded in the Employee's File.

Employees will only be granted permission to access programs and areas as required for the employee to complete their daily duties. The IT Department will issue all required codes to computers and programs.

Upon termination all keys, phones, security codes, ID's must be returned to Spady Transport Ltd before leaving the building. Access to programs, the computer systems will be cut off immediately by our IT provider and building security will be notified immediately.

Visitors, Vendors & Service Providers

All visitors are required to present Photo ID upon arrival which is to be recorded on the Visitor's Log or Covid 19 screening log. Visitors are then issued a temporary Visitor's ID Badge.

All visitors are to be escorted by a staff member at all times while in the office.

Unauthorized Persons

All employees are made aware of, at the time of hire, our policy on Visitors to the facility.

Unauthorized entry to restricted areas is clearly marked and must be adhered to at all times. All visitors are considered unauthorized persons.

In order to gain entrance to our office they will be required to present Photo ID, sign in on the Visitor's Log, wear temporary ID, have temperature taken and be escorted at all times by a staff member.

Refusal to comply with the above requirements will result in the unauthorized person being asked to leave. Should the unauthorized person fail to comply with the request to leave then the authorities are to be contacted and requested to remove the individual.

The panic button is located on station 2 on the left side of the main office just above the top shelf at the very left side (currently used as Lauries desk) . This button will alert PCB security who will come immediately and may result in the police being called.

Employment Verification

All employees are required to submit a resume to be considered for employment. Following the initial interview references are contacted, previous employment is confirmed and a Criminal Records check is required to be submitted.

All drivers are required to complete an Employment Application and include the last 10 years work experience. The driver's Claims History and current NSC Abstract is obtained and then references are contacted and previous employment is confirmed. Drivers are also required to obtain a criminal record check. Drivers abstracts are required annually.

All current drivers will also take part in a Criminal Records check via their FAST applications.

Background Checks

Spady Transport Ltd. completes a background check on all potential Employees, Drivers and Owner Operators.

Before an offer of employment will be made to an employee or a contract offered to a Driver the reference check and criminal record check must come back with favorable results.

All Employees and Drivers are subject to periodic rechecks as needed. Certain positions with access to sensitive information may warrant rechecks periodically as situations arise during the employment or contract term.

Termination

Upon termination of employment and prior to the release of final pay all employees and Drivers are required to return all Spady Transport property including Keys, Fuel Cards, Parking Passes, Cell Phones and accessories, Training Manuals, Policy & Procedure Manuals, Building and Spady ID's and any other property assigned during employment or contract term.

Additionally, all passwords and access codes are to be cancelled by the IT Department and security notified of the termination.

The return of these items and the cancellation of passwords and codes is to be recorded in the Employee File.

Before passwords and access codes are cancelled, a random check of texts, sent and inbound emails are checked as well as browser history on internet level by management only. In the event that any criminal activity is found, a report will be made to the appropriate authorities and a record of findings and events that followed recorded in employee file.

Procedural Security

Document Review & Processing including Cargo, Bills of Lading & Manifesting

All documents for Customs Clearance are to be sent to the Spady Transport office. These documents are then reviewed by dispatch to ensure that they are legible, complete and accurate before they are transmitted to the appropriate customs broker for processing.

All dispatch personnel are trained to review manifests and other customs documents in order to identify any errors, omissions or discrepancies or suspicious shipments. Additionally, they check for anything that is out of the ordinary such as unusual shipping or receiving locations or methods, unusual payment methods or other erroneous information. Spady Transport Ltd. only works with reputable companies and does not accept cash transactions, unless requested by the Company as C.O.D. to ensure payment.

Bills of Lading are required to show the first foreign location where Spady Transport takes possession of the Cargo.

All Cargo must be marked and manifested to include accurate weights and piece counts and must match all paperwork sent to the office for customs clearance.

All suspicious cargo or illegal or suspicious activities are reported to the authorities by Margaret Spady as included in our Contact Immediately Procedure. This is done for all shipments transported by Spady Transport Ltd.

All forms such as Manifests, PAPS and PARS stickers, Bills of Lading etc. are kept in the office in an area restricted to office staff only. Additionally, they are kept in a locked cabinet.

Section

7

Physical Security

Fencing

All loaded equipment is required to be parked at all times in the Pacific Customs Broker Customs Bonded Warehouse compound.

This compound is fully fenced and monitored 24 hours a day by a security guard at the main entrance gatehouse.

Gates & Gatehouses & Parking

Spady Transport Ltd. has its own truck yard which is located at Pacific Customs Broker Customs Bonded Warehouse.

This compound is fully fenced and monitored 24 hours a day by a security guard at the main entrance gatehouse. Additionally regular yard checks are done by the guard on duty.

All loaded equipment is required to be parked at all times in the Pacific Customs Brokers Customs Bonded Warehouse compound.

Empty trailers must be dropped where requested by dispatch. This may be a number of places including various shippers or Pacific Customs Brokers Customs Bonded Warehouse. Drivers are required to park their trucks at PCB Bonded Warehouse compound or at another yard approved by Spady Transport Ltd

Office staff is assigned parking either at various stalls around the PCB property or in the common area parking.

Building Structure

Spady Transport operates its office from a warehouse / office building complex. All exterior building doors are locked. All doors to Spady Transport offices have their own separate locks which are monitored by a live security guard on site 24/7.

All buildings are inspected and maintained by the PCB Warehouse security and management.

24/7 security is to report any unlocked doors or security breaches to Margaret Spady or Jennifer Danyluk immediately. In the event of a call, an investigation would be done and recorded. If authorities needed to be contacted, they would be contacted at this time by either Margaret Spady or Jennifer Danyluk

Locking Devices & Key Control

All interior doors to Spady Transport offices have their own separate locks which are monitored by live on-site 24 hr security personnel

Keys are issued to office employees only at start of employment and are recorded. Upon termination and prior to the now former employee departing, Keys must be returned. In the event this does not happen PCB security would be notified immediately.

Lighting

Adequate lighting is provided inside and outside the Spady offices at all entrances and exits to the building. Any lights that are not operational need to be reported to Safety officer immediately, who in turn will arrange repair with Robert at PCB.

Video Cameras

There are no video cameras operational for Spady Transport Ltd.

Section

8

Security Training & Threat Awareness

Threat Awareness Program

As part of our ongoing commitment to security and safety within our organization, any change in the security threat level in United States or in Canada would be communicated verbally in an emergency meeting.

Also, as part of increasing our Security Awareness we check the Threat Level status via the US Customs website. In the event the level has risen this is communicated throughout our organizations and our level of security is increased to reflect the level of status.

Password Protection

Spady transport has IT support team that is responsible for developing and maintaining guidelines to secure our Information technology systems.

All systems that require internet/email must run a security firewall. This is determined by the I.T. support team, to ensure all data and systems are secure from outside access, theft and/or damage.

PASSWORD POLICY:

- All systems must be password protected.
- It is our policy to have the system automatically force users to change their passwords every three months, or immediately if they suspect a breach in our security.
- We do not maintain a log of passwords and the distribution of passwords is strictly prohibited amongst users.
- The IT administrator has the authority to re-set a user password at the server level if deemed necessary for security.
- To check for file server violations/exposures, system support must run and review the security utility on a regular basis, to check for invalid access attempts – login and password attempts, use of supervisor or equivalent accounts.

Upon hire each employee is instructed on the handling of confidential and sensitive information and instructed that all passwords must remain confidential and never under any circumstances should they be given to another individual.

Accountability

We use firewalls which prohibit outside access to files.

Any systems abuse is subject to disciplinary action which can result in termination.

Transponder Control

All transponder requests are processed through one key person designated in the management division of our company.

A transponder request must be completed prior to any orders taking place. The form specifies whether the transponder is an initial first order, replacement order or a transfer from another company.

For initial orders all requests are done by email.

For replacement orders drivers email to advise they need a new transponder when their windshield is replaced.

Once completed the original request on the customs website is filed in the truck file in the secure office filing cabinet accessible to approved office staff only, as well as a copy is given to the driver for his/her records (owner operator) all company truck copies are put into the cab.