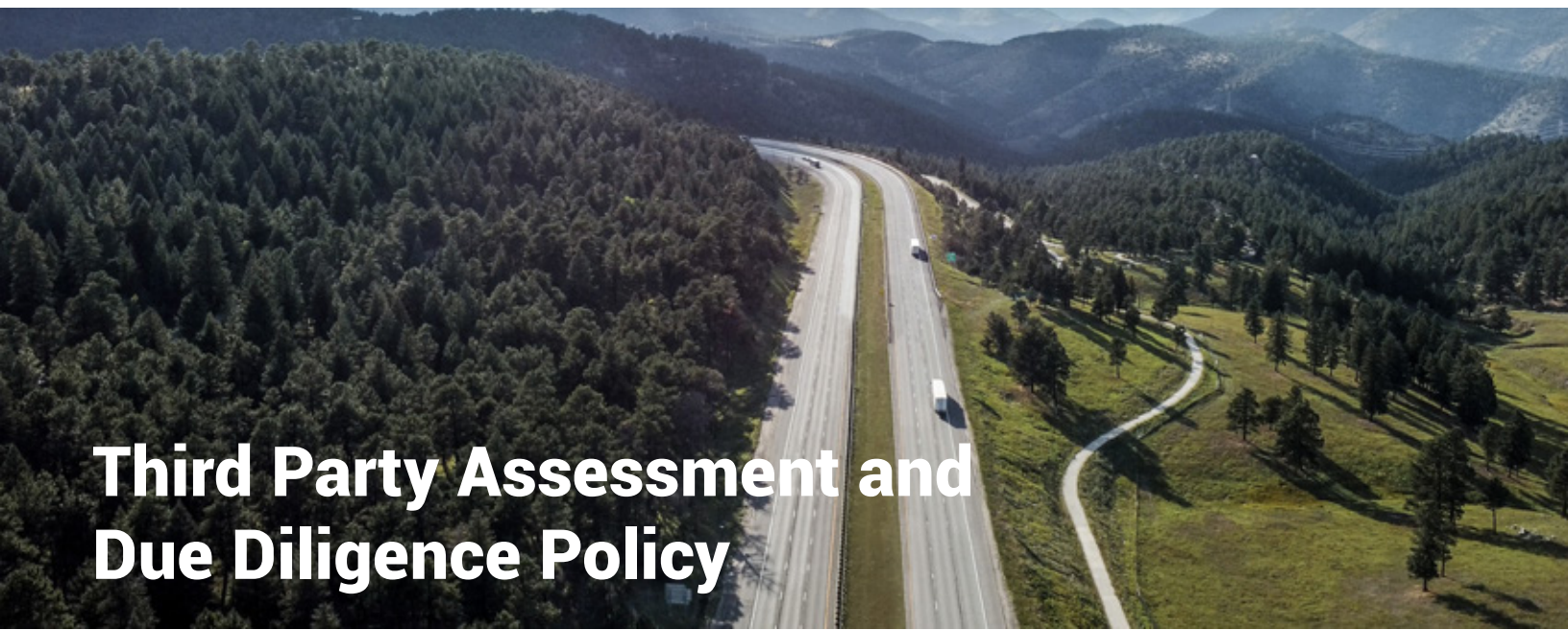




Third Party Assessment and Due Diligence Policy

1. Introduction, Purpose and Scope of Policy:

RXO, Inc. ("RXO") is committed to doing business with integrity and in full compliance with applicable laws. RXO will only do business with third parties who make the same commitment – to being truthful, honest and ethical in business dealings, and to abide by all applicable laws and regulations.

RXO's Third Party Due Diligence procedures are designed to detect and prevent corruption and bribery by third party entities. Each business unit is responsible for implementing this policy within their unit.

This policy applies to any relationship with a third party entity (a "Third Party"), which includes but is not limited to vendors, customers, agents, contractors, and consultants. There are no exemptions to this policy, and any exception to or deviation from this Policy must be approved in writing by the RXO Chief Compliance Officer. Any questions about this policy should be directed to Ethics and Compliance, owners of this policy, at 3PDD@RXO.com.

2. Risk Levels Allocated to Third Parties:

Risk factors are identified using external indices and RXO's internal corruption risk mapping exercises which determines the risk level of the Third Parties with which RXO does business.

The level of risk determines what type of assessment and due diligence is required for each class of Third Party. The risk levels are BASIC, MEDIUM, HIGH and VERY HIGH as set out at Appendix 1.

Assessment and due diligence must be carried out at the appropriate level, as set forth in Appendix 3, for each category of Third Party.

3. Due Diligence Requirements:

The due diligence procedures contained in this policy must be completed before any new Third Party will be authorized to work with RXO. The procedures must also be performed regularly over the life of the relationship, as set forth in Appendix 1. All Third Parties with whom RXO does business are required to have at least the Basic Level of due diligence performed.

3.1 Basic Level Due Diligence Assessment:

The Basic Level due diligence assessment must establish at a minimum;

- The full and correct legal name of the Third Party
- The country of registration of the Third Party
- The registered office address of the Third Party
- The corporate registration number of the Third Party

- The bank account details of the Third Party
- The Third Party is not on any Restricted Party Screening list.

Initial basic judgement and evaluation of the Third Party must be performed by the employees that collect the data.

3.2 Enhanced Due Diligence Assessment:

RXO requires that an Enhanced Due Diligence Assessment is undertaken for those Third Parties identified as "Covered Parties" set out at Appendix 2. This Enhanced Due Diligence Assessment must be initiated by the business unit wishing to enter into the relationship. RXO's Enhanced Due Diligence Assessment is outlined in the tables set out at Appendix 3.

Enhanced Due Diligence Assessment incorporates an internal Business Justification Statement ("BJS") and an external Due Diligence Questionnaire ("DDQ"). Each of these questionnaires, the type of Covered Party and Corruption Perceptions Index ("CPI") are considered when determining the level of due diligence necessary. The Covered Party will also receive a link to RXO's Code of Business Ethics as a part of the DDQ.

Generally, a business unit must complete an internal Business Justification Statement ("BJS") for any Third Party that is defined as a "Covered Party" in Appendix 2. Some Third Parties may be viewed as Medium Risk from the BJS. However, if it is determined from the BJS that a Third Party presents a High Risk, then the Third Party must complete a Due Diligence Questionnaire (DDQ). Depending on the results of the DDQs, it may require that additional due diligence be conducted.

Ethics and Compliance will keep a record on Third Parties that do not pass the company's due diligence or are terminated for compliance-related reasons to help the business unit ensure that such Third Parties are not hired or re-hired at a later date absent any changed circumstances.

4. Process:

Please consult RXO's Compliance procedures which can be found on the SharePoint site entitled, "Compliance Collaboration" or from Ethics and Compliance at Ethics@rxo.com.

5. Audit and Monitoring:

Ethics and Compliance will monitor compliance with this policy. Overall compliance with this policy will be subject to audit by the RXO Internal Audit team.

6. Reporting:

All persons with knowledge or suspicion of violation of this policy must immediately report any misconduct or potential violations of this policy. RXO does not permit retaliation against any person who, in good faith, reports any concerns, misconduct, and/or potential violations of RXO policy or applicable laws. Please see RXO's Code of Business Ethics <https://ethics.RXO.com> for reporting options.

7. Failure to Comply:

Failure to comply with this Policy could have serious consequences for RXO and the individuals involved, including civil or criminal prosecution, fines and possible imprisonment. Violations of this Policy may also result in serious disciplinary action, including termination of employment.

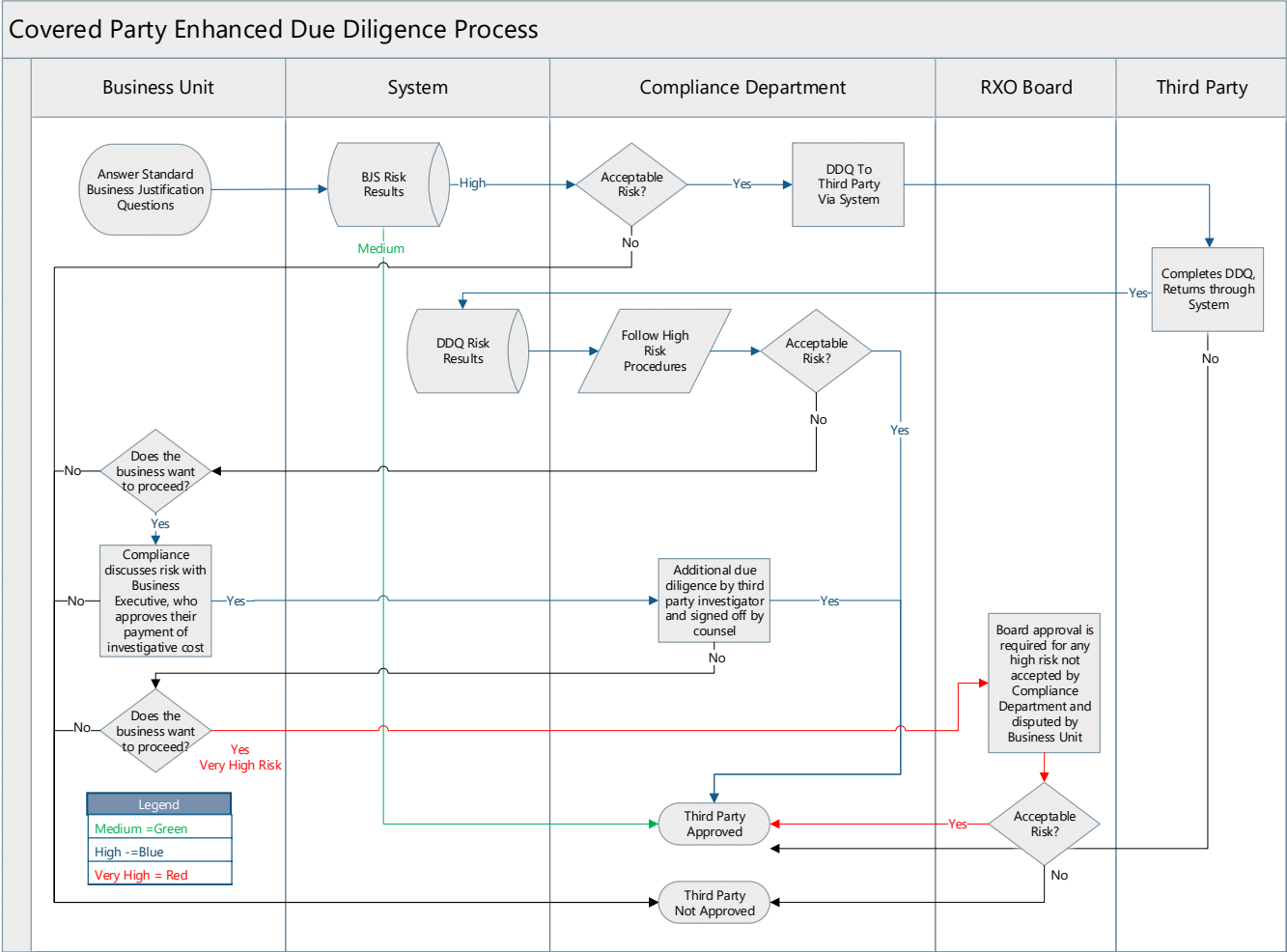
APPENDIX 1: Due Diligence Requirements

Risk	Basic	Medium	High	Very High
Types of Third Parties	All Third Parties	Covered Parties - Sales agents - Transport Subcontractors - Temporary Labor Agencies - Customs Brokers - Government agents - Landlords - Government Consultants - Joint Venture Partners - Freight Forwarding agents Bonded warehouse and Free Trade Zone Operators	Covered Parties - Sales agents - Transport Subcontractors - Temporary Labor Agencies - Customs Brokers - Government agents - Landlords - Government Consultants - Joint Venture Partners - Freight Forwarding agents Bonded warehouse and Free Trade Zone Operators	Covered Parties - Sales agents - Transport Subcontractors - Temporary Labor Agencies - Customs Brokers - Government agents - Landlords - Government Consultants - Joint Venture Partners - Freight Forwarding agents Bonded warehouse and Free Trade Zone Operators
Perform Enhanced Due Diligence Assessment?	No	Yes - Required	Yes - Required	Yes - Required
Due Diligence Procedures	Procedures to include validation of legal entity name, country of registration, bank, among others.	Basic plus Business Justification Statement (BJS)	Basic plus Business Justification Statement (BJS) and Due Diligence Questionnaire (DDQ)	Basic plus Business Justification Statement (BJS), Due Diligence Questionnaire (DDQ) plus additional investigative analysis.
Frequency of Assessment	The earlier of 5 years or contract renewal. Existing third parties must be evaluated at contract renewal or repricing.	The earlier of 5 years or contract renewal	The earlier of 5 years or contract renewal and ongoing adverse media and/or restricted party screenings through external compliance monitoring system.	The earlier of 3 years or contract renewal and ongoing adverse media and/or Restricted Party Screenings through external compliance monitoring system.
RXO Approver	Business Unit	Business Unit & Compliance Department	Business Unit & Compliance Department	Business Unit Executive, Compliance Department & RXO Board
Record Retention	Information is retained in RXO Finance systems in accordance with RXO's Document Retention Policy and for a minimum of 5 years.	Basic plus records will be retained by the Compliance Department for a minimum of 5 years following the end of the business relationship.	Basic plus records will be retained by the Compliance Department for a minimum of 5 years following the end of the business relationship.	Basic plus records will be retained by the Compliance Department for a minimum of 5 years following the end of the business relationship.

APPENDIX 2: Third Party Definitions (Covered Parties)

- **Customs Brokers** (any company or individual retained by RXO to provide customs brokerage services on behalf of RXO or its customers)
- **Freight Forwarding Agents** (any company or individual retained by RXO to provide freight forwarding services on behalf of RXO or its customers)
- **Sales Agents** (any company or individual retained by RXO as an independent contractor to perform sales and marketing assistance to RXO)
- **Transport Sub-contractors** (who work across borders)
- **Temporary Labor Agencies**
- **Landlords/Property Developers** (for the development of customer sites where the landlord/property developer was designated by the customer) in CPI Countries <50
- **Government Consultants** (any company or individual retained by RXO to provide regulatory, lobbying or advocacy services and that will meet or communicate with government officials in order to obtain a license, regulatory benefit or other approval or advantage from the government for RXO or its customers)
- **Joint Venture Partners** (any company with which RXO enters into a joint venture or similar legal arrangement to perform a joint commercial enterprise)
- **Bonded Warehouse Operators and Free Trade Zone Operators**

Appendix 3. Covered Party Enhanced Due Diligence Process



Version	Date	Description
Original Policy	11/02/2022	Initial policy publication