



DANNY HERMAN TRUCKING, INC.

Committed to Quality Service

Disaster Recovery and Business Continuity Statement

Danny Herman Trucking, Inc. is 100% committed to ensuring that our business operations continue in the event of a major disaster. This is not only necessary for the success of our business, but also for mitigating any interruption in our customer's business operations. A risk analysis process has been completed that evaluated both internal and external threats to business continuity that included short term and long term impact scenarios. Vulnerabilities were defined and addressed. Plans and procedures for responding to exposures and mitigation techniques were developed in order to be able to continue business operations.

The comprehensive analysis was conducted by a team of internal stakeholders that were charged with the development of the Disaster Recovery and Business Continuity Plan (DRBCP). Major sections included in the plan are:

- Internal Plans and Policies
- Codes and Regulations (Fire, Electrical and OSHA)
- Critical Services and Operations
- Internal Resources and Capabilities
- External Resources
- Emergency Management Elements and Response Procedures
- Support Documents
- Resuscitation Processes
- Plan Implementation and Distribution
- Employee Training
- Plan Evaluation and Modification

The plan in its entirety is specific and lengthy. We recognize the importance of ensuring contingency plans are in place in every link of the supply chain. Great care is taken to safeguard vital internal information. However, in order to communicate our preparedness for service disruption, we provide this statement to our business partners to serve as an overview of our Disaster Recovery and Business Continuity Plan. Below you will find a brief of Danny Herman Trucking's DRBCP. It is our intention to demonstrate our ability to recover mission critical operations procedures in an effective and timely manner as to not impact our operational processes or those of our business partners.

Danny Herman Trucking has conducted a thorough customer impact analysis, taking into consideration each geographical location and type of commodity that we carry for our customers, in order to develop specific plans to ensure uninterrupted service. Personnel and equipment needs have also been considered and plans and procedures are in place and have been tested for successful reaction for all levels of disaster. Inventory of all hardware, software and other operating systems has been conducted and decisions have been made as to what order the systems will be replaced. Critical operating documents including financial data are scanned and stored securely off site. Intellectual capital has been considered and procedures are in place to ensure direct contact with those staff.



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Danny Herman Trucking maintains an off-site backup server that is located over 1,500 miles from our production server, which is maintained in a controlled, secured environment. This great distance reduces the likelihood of a regional disaster affecting both servers. All data from our production server is replicated to the back up server in real-time. This process eliminates the time needed to load backup data from tapes or other forms of storage. The Recovery Time Objective (RTO) has been determined to be about one (1) hour. This includes swapping system production to the backup server and the resuscitation of all critical operational processes. Battery backups and generators provide power during outages, and we have a backup office facility in the event our corporate offices are no longer available due to a disaster. Backup procedures are tested periodically and improvements are made to the DRBCP as necessary. In addition, office employees have been trained in fire extinguishing and prevention.

Security is also a concern that affects our business and that of our customers. We have been awarded C-TPAT certification from the department of Customs and Border Protection and Homeland Security. This program creates global uniform standards, which govern not only procedures pertaining to protecting the supply chain coming into and going out of the U.S., but also requires us to demonstrate secure business practices such as Disaster Recovery and Business Continuity plans. Danny Herman Trucking successfully completed a validation audit in March 2011 and was awarded Tier II status in the C-TPAT program.

Policies and procedures are designed and practiced to prevent tampering and theft of cargo and are designed to prevent unauthorized access to our computer systems. This is further accomplished by restricting employee access to only the sections of the operating systems that are necessary to complete tasks that are directly related to their positions and responsibilities. We also require that our vendors have active Disaster Recovery and Business Continuity plans in place as well. In the event of such an occurrence, these policies and procedures call for the timely detection and reporting of an incident. All incidents are reviewed by a panel and recommendations are enacted as necessary. In addition to these policies and procedures, there are security surveillance cameras at our terminals which are monitored around the clock by Danny Herman Trucking staff in order to detect unauthorized persons and to control any other situations that may arise.

We trust this statement instills a confidence in Danny Herman Trucking that we take our responsibility to provide uninterrupted service to our customers seriously. We have successfully executed responses and provided uninterrupted service through many disasters during our forty-plus year history in the transportation industry, including severe weather conditions and events, and during the world-stopping terrorist attacks on our nation.