

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-32172

**XPO**

**XPO, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)  
Five American Lane  
Greenwich, CT  
(Address of principal executive offices)

03-0450326  
(I.R.S. Employer  
Identification No.)

06831  
(Zip Code)

(855) 976-6951

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value \$0.001 per share	XPO	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of April 28, 2023, there were 115,857,013 shares of the registrant's common stock, par value \$0.001 per share, outstanding.

XPO, Inc.  
Quarterly Report on Form 10-Q  
For the Quarterly Period Ended March 31, 2023  
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**Part I—Financial Information**
**Item 1. Financial Statements.**

**XPO, Inc.**  
**Condensed Consolidated Balance Sheets**  
**(Unaudited)**

<i>(In millions, except per share data)</i>	March 31, 2023	December 31, 2022
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 309	\$ 460
Accounts receivable, net of allowances of \$48 and \$43, respectively	1,019	954
Other current assets	221	199
Current assets of discontinued operations	16	17
<b>Total current assets</b>	<b>1,565</b>	<b>1,630</b>
<b>Long-term assets</b>		
Property and equipment, net of \$1,743 and \$1,679 in accumulated depreciation, respectively	1,978	1,832
Operating lease assets	717	719
Goodwill	1,483	1,472
Identifiable intangible assets, net of \$407 and \$392 in accumulated amortization, respectively	396	407
Other long-term assets	209	209
<b>Total long-term assets</b>	<b>4,783</b>	<b>4,639</b>
<b>Total assets</b>	<b>\$ 6,348</b>	<b>\$ 6,269</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 505	\$ 521
Accrued expenses	792	774
Short-term borrowings and current maturities of long-term debt	66	59
Short-term operating lease liabilities	110	107
Other current liabilities	58	30
Current liabilities of discontinued operations	15	16
<b>Total current liabilities</b>	<b>1,546</b>	<b>1,507</b>
<b>Long-term liabilities</b>		
Long-term debt	2,478	2,473
Deferred tax liability	307	319
Employee benefit obligations	92	93
Long-term operating lease liabilities	606	606
Other long-term liabilities	264	259
<b>Total long-term liabilities</b>	<b>3,747</b>	<b>3,750</b>
<b>Stockholders' equity</b>		
Common stock, \$0.001 par value; 300 shares authorized; 116 and 115 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	—	—
Additional paid-in capital	1,252	1,238
Retained earnings (accumulated deficit)	10	(4)
Accumulated other comprehensive loss	(207)	(222)
<b>Total equity</b>	<b>1,055</b>	<b>1,012</b>
<b>Total liabilities and equity</b>	<b>\$ 6,348</b>	<b>\$ 6,269</b>

See accompanying notes to condensed consolidated financial statements.

**XPO, Inc.**  
**Condensed Consolidated Statements of Income**  
**(Unaudited)**

<i>(In millions, except per share data)</i>	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenue</b>	\$ 1,907	\$ 1,894
Salaries, wages and employee benefits	762	725
Purchased transportation	457	510
Fuel, operating expenses and supplies	427	418
Operating taxes and licenses	15	16
Insurance and claims	44	56
Gains on sales of property and equipment	(3)	(1)
Depreciation and amortization expense	101	94
Transaction and integration costs	22	7
Restructuring costs	24	6
<b>Operating income</b>	<b>58</b>	<b>63</b>
Other income	(5)	(14)
Interest expense	42	37
<b>Income from continuing operations before income tax provision</b>	<b>21</b>	<b>40</b>
Income tax provision	4	8
<b>Income from continuing operations</b>	<b>17</b>	<b>32</b>
Income (loss) from discontinued operations, net of taxes	(3)	456
<b>Net income attributable to XPO</b>	<b>\$ 14</b>	<b>\$ 488</b>
<b>Net income (loss) attributable to common shareholders</b>		
Continuing operations	\$ 17	\$ 32
Discontinued operations	(3)	456
Net income attributable to common shareholders	<b>\$ 14</b>	<b>\$ 488</b>
<b>Earnings (loss) per share data</b>		
Basic earnings per share from continuing operations	\$ 0.15	\$ 0.28
Basic earnings (loss) per share from discontinued operations	(0.02)	3.97
Basic earnings per share attributable to common shareholders	<b>\$ 0.13</b>	<b>\$ 4.25</b>
Diluted earnings per share from continuing operations	\$ 0.15	\$ 0.28
Diluted earnings (loss) per share from discontinued operations	(0.02)	3.94
Diluted earnings per share attributable to common shareholders	<b>\$ 0.13</b>	<b>\$ 4.22</b>
<b>Weighted-average common shares outstanding</b>		
Basic weighted-average common shares outstanding	116	115
Diluted weighted-average common shares outstanding	116	116

See accompanying notes to condensed consolidated financial statements.

**XPO, Inc.**  
**Condensed Consolidated Statements of Comprehensive Income**  
**(Unaudited)**

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
<b>Net income</b>	\$ 14	\$ 488
<b>Other comprehensive income (loss), net of tax</b>		
Foreign currency translation gain (loss), net of tax effect of \$8 and \$(2)	\$ 13	\$ (26)
Unrealized gain on financial assets/liabilities designated as hedging instruments, net of tax effect of \$1 and \$—	2	1
<b>Other comprehensive income (loss)</b>	15	(25)
<b>Comprehensive income attributable to XPO</b>	\$ 29	\$ 463

See accompanying notes to condensed consolidated financial statements.

XPO, Inc.  
Condensed Consolidated Statements of Cash Flows  
(Unaudited)

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
<b>Cash flows from operating activities of continuing operations</b>		
Net income	\$ 14	\$ 488
Income (loss) from discontinued operations, net of taxes	(3)	456
Income from continuing operations	17	32
<b>Adjustments to reconcile income from continuing operations to net cash from operating activities</b>		
Depreciation, amortization and net lease activity	101	94
Stock compensation expense	22	6
Accretion of debt	3	4
Deferred tax expense (benefit)	(2)	5
Gains on sales of property and equipment	(3)	(1)
Other	17	6
<b>Changes in assets and liabilities</b>		
Accounts receivable	(69)	(154)
Other assets	(24)	(37)
Accounts payable	(8)	117
Accrued expenses and other liabilities	22	116
<b>Net cash provided by operating activities from continuing operations</b>	76	188
<b>Cash flows from investing activities of continuing operations</b>		
Payment for purchases of property and equipment	(224)	(123)
Proceeds from sale of property and equipment	8	3
<b>Net cash used in investing activities from continuing operations</b>	(216)	(120)
<b>Cash flows from financing activities of continuing operations</b>		
Repayment of debt and finance leases	(16)	(16)
Change in bank overdrafts	19	3
Payment for tax withholdings for restricted shares	(12)	(12)
Other	(1)	1
<b>Net cash used in financing activities from continuing operations</b>	(10)	(24)
<b>Cash flows from discontinued operations</b>		
Operating activities of discontinued operations	(8)	13
Investing activities of discontinued operations	1	691
<b>Net cash provided by (used in) discontinued operations</b>	(7)	704
Effect of exchange rates on cash, cash equivalents and restricted cash	2	(3)
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	(155)	745
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	470	273
<b>Cash, cash equivalents and restricted cash, end of period</b>	315	1,018
<b>Less: Cash, cash equivalents and restricted cash of discontinued operations, end of period</b>	—	50
<b>Cash, cash equivalents and restricted cash of continued operations, end of period</b>	\$ 315	\$ 968
<b>Supplemental disclosure of cash flow information</b>		
Leased assets obtained in exchange for new operating lease liabilities	\$ 28	\$ 22
Leased assets obtained in exchange for new finance lease liabilities	19	4
Cash paid for interest	39	13
Cash paid for income taxes	3	3

See accompanying notes to condensed consolidated financial statements.

**XPO, Inc.**  
**Condensed Consolidated Statements of Changes in Equity**  
**(Unaudited)**

<i>(Shares in thousands, dollars in millions)</i>	Common Stock		Additional Paid- In Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Amount				
<b>Balance as of December 31, 2022</b>	115,435	\$ —	\$ 1,238	\$ (4)	\$ (222)	\$ 1,012
Net income	—	—	—	14	—	14
Other comprehensive income	—	—	—	—	15	15
Exercise and vesting of stock compensation awards	315	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	(8)	—	—	(8)
Stock compensation expense	—	—	22	—	—	22
<b>Balance as of March 31, 2023</b>	<b>115,750</b>	<b>\$ —</b>	<b>\$ 1,252</b>	<b>\$ 10</b>	<b>\$ (207)</b>	<b>\$ 1,055</b>

<i>(Shares in thousands, dollars in millions)</i>	Common Stock		Additional Paid- In Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
	Shares	Amount				
<b>Balance as of December 31, 2021</b>	114,737	\$ —	\$ 1,179	\$ 43	\$ (84)	\$ 1,138
Net income	—	—	—	488	—	488
Other comprehensive loss	—	—	—	—	(25)	(25)
Exercise and vesting of stock compensation awards	245	—	—	—	—	—
Tax withholdings related to vesting of stock compensation awards	—	—	(12)	—	—	(12)
Stock compensation expense	—	—	8	—	—	8
Other	—	—	1	—	—	1
<b>Balance as of March 31, 2022</b>	<b>114,982</b>	<b>\$ —</b>	<b>\$ 1,176</b>	<b>\$ 531</b>	<b>\$ (109)</b>	<b>\$ 1,598</b>

See accompanying notes to condensed consolidated financial statements.

**XPO, Inc.**

**Notes to Condensed Consolidated Financial Statements**

**(Unaudited)**

**1. Organization, Description of Business and Basis of Presentation**

XPO, Inc., together with its subsidiaries (“XPO” or “we”), is a leading provider of freight transportation services. We use our proprietary technology to move goods efficiently through our customers’ supply chains in North America and Europe. See Note 3—Segment Reporting for additional information on our operations.

***2022 RXO Spin-Off and Intermodal Sale***

On November 1, 2022, we completed the spin-off of RXO, Inc. (“RXO”), our tech-enabled brokered transportation platform as a publicly traded company (the “RXO spin-off”). The historical results of operations and the financial positions of RXO and our intermodal operation, which was sold in March 2022, are presented as discontinued operations in our Condensed Consolidated Financial Statements. For information on our discontinued operations, see Note 2—Discontinued Operations.

***Basis of Presentation***

We prepared our Condensed Consolidated Financial Statements in accordance with U.S. generally accepted accounting principles (“GAAP”) and on the same basis as the accounting policies described in our Annual Report on Form 10-K for the year ended December 31, 2022 (the “2022 Form 10-K”). The interim reporting requirements of Form 10-Q allow certain information and note disclosures normally included in annual consolidated financial statements to be condensed or omitted. These Condensed Consolidated Financial Statements should be read in conjunction with the 2022 Form 10-K.

The Condensed Consolidated Financial Statements are not audited but reflect all adjustments that are of a normal recurring nature and are necessary for a fair presentation of the financial condition, operating results and cash flows for the interim periods presented. Operating results for the three months ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

In the first quarter of 2023, we made certain changes to our financial reporting to increase transparency and improve comparability. Specifically, we changed the expense captions within Operating income in the Condensed Consolidated Statements of Income to reflect the nature of the expense. The change to natural expense classification had no impact on consolidated Revenues or Operating income. We have recast prior period amounts to conform to the current year’s presentation.

***Restricted Cash***

As of March 31, 2023 and December 31, 2022, our restricted cash included in Other long-term assets on our Condensed Consolidated Balance Sheets was \$6 million and \$10 million, respectively.

***Trade Receivables Securitization and Factoring Programs***

We sell certain of our trade accounts receivable on a non-recourse basis to third-party financial institutions under factoring agreements. We also sell trade accounts receivable under a securitization program for our European transportation business. We use trade receivables securitization and factoring programs to help manage our cash flows and offset the impact of extended payment terms for some of our customers.

The maximum amount of net cash proceeds available at any one time under our securitization program, inclusive of any unsecured borrowings, is €200 million (approximately \$217 million as of March 31, 2023). As of March 31, 2023, the maximum amount available under the program was utilized. The weighted average interest rate was 3.41% as of March 31, 2023. In May 2023, we entered into an agreement to extend the securitization program, which was scheduled to expire in July 2024, through July 2026. The terms and conditions of the extended securitization program are materially consistent with the prior program.

Information related to the trade receivables sold was as follows:

<i>(In millions)</i>	Three Months Ended March 31,	
	2023	2022
<b>Securitization programs</b>		
Receivables sold in period	\$ 440	\$ 447
Cash consideration	440	447
<b>Factoring programs</b>		
Receivables sold in period	24	21
Cash consideration	24	21

**Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The levels of inputs used to measure fair value are:

- Level 1—Quoted prices for identical instruments in active markets;
- Level 2—Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and
- Level 3—Valuations based on inputs that are unobservable, generally utilizing pricing models or other valuation techniques that reflect management’s judgment and estimates.

We base our fair value estimates on market assumptions and available information. The carrying values of cash and cash equivalents, accounts receivable, accounts payable, accrued expenses and current maturities of long-term debt approximated their fair values as of March 31, 2023 and December 31, 2022 due to their short-term nature and/or being receivable or payable on demand. The Level 1 cash equivalents include money market funds valued using quoted prices in active markets and a cash deposit for the securitization program. For information on the fair value hierarchy of our derivative instruments, see Note 6—Derivative Instruments; and for further information on financial liabilities, see Note 7—Debt.

The fair value hierarchy of cash equivalents was as follows:

<i>(In millions)</i>	Carrying Value	Fair Value	Level 1
March 31, 2023	\$ 238	\$ 238	\$ 238
December 31, 2022	402	402	402

**Adoption of New Accounting Standard**

In September 2022, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2022-04, “Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations.” The ASU increases the transparency surrounding supplier finance programs by requiring the buyer to disclose information on an annual basis about the key terms of the program, the outstanding obligation amounts as of the end of the period, a rollforward of such amounts, and the balance sheet presentation of the related amounts. Additionally, the obligation amount outstanding at the end of the period must be disclosed in interim periods. We adopted this standard on January 1, 2023, on a prospective basis. The adoption, which is limited to financial statement disclosures, did not have a material impact on our financial statements.

In March 2020, the FASB issued ASU 2020-04, “Reference rate reform (Topic 848): Facilitation of the effects of reference rate reform on financial reporting.” The ASU provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions affected by reference rate reform. The amendments apply only to contracts and hedging relationships that reference London Interbank Offered Rate (“LIBOR”) or another reference rate expected to be discontinued due to reference rate reform. The amendments are elective and

are effective upon issuance. In December 2022, the FASB issued ASU 2022-06, “Reference rate reform (Topic 848): Deferral of the sunset date of Topic 848” which defers the expiration date for Topic 848 from December 31, 2022 until December 31, 2024. At December 31, 2022, our revolving loan credit agreement (the “ABL Facility”) and the senior secured term loan credit agreement, as amended (the “Term Loan Facility”), provide for an interest rate based on LIBOR. In February 2023, we amended the terms of our ABL Facility, including transitioning the interest rate from LIBOR to other base rates, and we expect to similarly modify the interest rate basis in the Term Loan Facility in 2023. We do not expect the modifications of these facilities to have a material impact on our consolidated financial statements.

## 2. Discontinued Operations

As discussed above, the results of RXO and intermodal are presented as discontinued operations. In addition, discontinued operations include GXO Logistics, Inc. (“GXO”), our former logistics segment that we spun off in August 2021.

The following table summarizes the results of operations from discontinued operations:

<i>(In millions)</i>	<b>Three Months Ended March</b>	
	<b>31,</b>	
	<b>2022</b>	
<b>Revenue</b>	<b>\$</b>	<b>1,645</b>
Salaries, wages and employee benefits		164
Purchased transportation		1,221
Fuel, operating expenses and supplies		115
Operating taxes and licenses		1
Insurance and claims		9
Depreciation and amortization expense		22
Gain on sale of business		(450)
Transaction and other operating costs		2
<b>Operating income</b>		<b>561</b>
Income tax provision		105
<b>Net income from discontinued operations attributable to discontinued operations</b>	<b>\$</b>	<b>456</b>

For the three months ended March 31, 2023, we incurred approximately \$24 million of costs related to the RXO spin-off, of which \$4 million are reflected within income (loss) from discontinued operations in our Condensed Consolidated Statements of Income. For the three months ended March 31, 2022, we incurred approximately \$4 million of costs related to the GXO spin-off all of which are reflected within income from continuing operations in our Condensed Consolidated Statements of income.

In accordance with a separation and distribution agreement, GXO has agreed to indemnify XPO for payments XPO makes with respect to certain self-insurance matters that were incurred by the logistics segment prior to the spin-off and remain obligations of XPO. The receivable and reserve for these matters was approximately \$16 million and \$15 million, respectively, as of March 31, 2023 and approximately \$17 million and \$16 million, respectively, as of December 31, 2022.

## 3. Segment Reporting

We are organized into two reportable segments: North American LTL, the largest component of our business, and European Transportation.

In our asset-based North American LTL segment, we provide shippers with geographic density and day-definite domestic and cross-border services to the U.S., as well as Mexico, Canada and the Caribbean. Our North American LTL segment also includes the results of our trailer manufacturing operations.

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In our European Transportation segment, we serve a large base of customers with consumer, trade and industrial markets. We offer dedicated truckload, LTL, truck brokerage, managed transportation, last mile, freight forwarding and multimodal solutions, such as road-rail and road-short sea combinations.

Corporate includes corporate headquarters costs for executive officers and certain legal and financial functions, and other costs and credits not attributed to our reportable segments.

Our chief operating decision maker (“CODM”) regularly reviews financial information at the operating segment level to allocate resources to the segments and to assess their performance. We include items directly attributable to a segment, and those that can be allocated on a reasonable basis, in segment results reported to the CODM. We do not provide asset information by segment to the CODM. Our CODM evaluates segment profit (loss) based on adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”), which we define as income from continuing operations before interest expense, income tax, depreciation and amortization expense, transaction and integration costs, restructuring costs and other adjustments. Segment Adjusted EBITDA has historically reflected an allocation of corporate costs. In the first quarter of 2023, we began allocating incremental corporate costs from Corporate to North American LTL. Prior periods have been recast to reflect these incremental allocations, which approximate \$80 million annually.

Selected financial data for our segments is as follows:

(in millions)	Three Months Ended March 31,	
	2023	2022
<b>Revenue</b>		
North American LTL	\$ 1,120	\$ 1,107
European Transportation	787	787
<b>Total</b>	<u>\$ 1,907</u>	<u>\$ 1,894</u>
<b>Adjusted EBITDA</b>		
North American LTL	\$ 182	\$ 186
European Transportation	37	38
Corporate	(9)	(40)
<b>Total Adjusted EBITDA</b>	210	184
Less:		
Interest expense	42	37
Income tax provision	4	8
Depreciation and amortization expense	101	94
Transaction and integration costs <sup>(1)</sup>	22	7
Restructuring costs <sup>(2)</sup>	24	6
<b>Income from continuing operations</b>	<u>\$ 17</u>	<u>\$ 32</u>
<b>Depreciation and amortization expense</b>		
North American LTL	\$ 68	\$ 56
European Transportation	32	33
Corporate	1	5
<b>Total</b>	<u>\$ 101</u>	<u>\$ 94</u>

(1) Transaction and integration costs for the first quarter of 2023 are primarily comprised of stock-based compensation for certain employees related to strategic initiatives. Transaction and integration costs for the first quarter of 2022 are primarily comprised of third-party professional fees related to strategic initiatives as well as retention awards paid to certain employees. Transaction and integration costs for the three months ended March 31, 2023 and 2022 include \$1 million and \$2 million, respectively, related to our European Transportation segment and \$21 million and \$5 million, respectively, related to Corporate.

(2) See Note 5— Restructuring Charges for further information on our restructuring actions.

#### 4. Revenue Recognition

##### Disaggregation of Revenues

Our revenue disaggregated by geographic area based on sales office location was as follows:

<i>(In millions)</i>	Three Months Ended March 31, 2023		
	North American LTL	European Transportation	Total
<b>Revenue</b>			
United States	\$ 1,097	\$ —	\$ 1,097
North America (excluding United States)	23	—	23
France	—	340	340
United Kingdom	—	224	224
Europe (excluding France and United Kingdom)	—	223	223
<b>Total</b>	<b>\$ 1,120</b>	<b>\$ 787</b>	<b>\$ 1,907</b>

<i>(In millions)</i>	Three Months Ended March 31, 2022		
	North American LTL	European Transportation	Total
<b>Revenue</b>			
United States	\$ 1,084	\$ —	\$ 1,084
North America (excluding United States)	23	—	23
France	—	352	352
United Kingdom	—	225	225
Europe (excluding France and United Kingdom)	—	210	210
<b>Total</b>	<b>\$ 1,107</b>	<b>\$ 787</b>	<b>\$ 1,894</b>

#### 5. Restructuring Charges

We engage in restructuring actions as part of our ongoing efforts to best use our resources and infrastructure, including actions in connection with spin-offs and other divestment activities. These actions generally include severance and facility-related costs, including impairment of lease assets, as well as contract termination costs, and are intended to improve our efficiency and profitability.

Our restructuring-related activity was as follows:

<i>(In millions)</i>	Reserve Balance as of December 31, 2022	Three Months Ended March 31, 2023			Reserve Balance as of March 31, 2023
		Charges Incurred	Payments	Foreign Exchange and Other	
<b>Severance</b>					
North American LTL	\$ 2	\$ —	\$ (1)	\$ —	\$ 1
European Transportation	1	7	(2)	—	6
Corporate	19	11	(6)	(1)	23
<b>Total</b>	<b>\$ 22</b>	<b>\$ 18</b>	<b>\$ (9)</b>	<b>\$ (1)</b>	<b>\$ 30</b>

In addition to the severance charges noted in the table above, we recorded a non-cash lease impairment charge of \$6 million in our North American LTL segment in the first quarter of 2023.

We expect that the majority of the cash outlays related to the severance charges incurred in the first three months of 2023 will be completed within 12 months.

## 6. Derivative Instruments

In the normal course of business, we are exposed to risks arising from business operations and economic factors, including fluctuations in interest rates and foreign currencies. We use derivative instruments to manage the volatility related to these exposures. The objective of these derivative instruments is to reduce fluctuations in our earnings and cash flows associated with changes in foreign currency exchange rates and interest rates. These financial instruments are not used for trading or other speculative purposes. Historically, we have not incurred, and do not expect to incur in the future, any losses as a result of counterparty default.

The fair value of our derivative instruments and the related notional amounts were as follows:

March 31, 2023					
(In millions)	Notional Amount	Derivative Assets		Derivative Liabilities	
		Balance Sheet Caption	Fair Value	Balance Sheet Caption	Fair Value
Derivatives designated as hedges					
Cross-currency swap agreements	\$ 617	Other current assets	\$ —	Other current liabilities	\$ (21)
Cross-currency swap agreements	57	Other long-term assets	2	Other long-term liabilities	—
Interest rate swaps	1,882	Other current assets	—	Other current liabilities	—
<b>Total</b>			<b>\$ 2</b>		<b>\$ (21)</b>

  

December 31, 2022					
(In millions)	Notional Amount	Derivative Assets		Derivative Liabilities	
		Balance Sheet Caption	Fair Value	Balance Sheet Caption	Fair Value
Derivatives designated as hedges					
Cross-currency swap agreements	\$ 332	Other current assets	\$ —	Other current liabilities	\$ (11)
Cross-currency swap agreements	68	Other long-term assets	3	Other long-term liabilities	—
Interest rate swaps	1,882	Other current assets	—	Other current liabilities	(1)
<b>Total</b>			<b>\$ 3</b>		<b>\$ (12)</b>

The derivatives are classified as Level 2 within the fair value hierarchy. The derivatives are valued using inputs other than quoted prices, such as foreign exchange rates and yield curves.

The effect of derivative and nonderivative instruments designated as hedges on our Condensed Consolidated Statements of Income was as follows:

(In millions)	Amount of Gain (Loss) Recognized in Other Comprehensive Loss on Derivatives		Amount of Gain Recognized in Income on Derivative (Amount Excluded from Effectiveness Testing)	
	Three Months Ended March 31,			
	2023	2022	2023	2022
Derivatives designated as cash flow hedges				
Interest rate swaps	1	1	—	—
Derivatives designated as net investment hedges				
Cross-currency swap agreements	(10)	9	2	1
<b>Total</b>	<b>\$ (9)</b>	<b>\$ 10</b>	<b>\$ 2</b>	<b>\$ 1</b>

**Cross-Currency Swap Agreements**

We enter into cross-currency swap agreements to manage the foreign currency exchange risk related to our international operations by effectively converting our fixed-rate USD-denominated debt, including the associated interest payments, to fixed-rate, euro (“EUR”)-denominated debt. The risk management objective of these transactions is to manage foreign currency risk relating to net investments in subsidiaries denominated in foreign currencies and reduce the variability in the functional currency equivalent cash flows of this debt.

During the term of the swap contracts, we will receive interest, either on a quarterly or semi-annual basis, from the counterparties based on USD fixed interest rates, and we will pay interest, also on a quarterly or semi-annual basis, to the counterparties based on EUR fixed interest rates. At maturity, we will repay the original principal amount in EUR and receive the principal amount in USD. These agreements expire at various dates through 2024.

We designated these cross-currency swaps as qualifying hedging instruments and account for them as net investment hedges. We apply the simplified method of assessing the effectiveness of our net investment hedging relationships. Under this method, for each reporting period, the change in the fair value of the cross-currency swaps is initially recognized in Accumulated other comprehensive income (“AOCI”). The change in the fair value due to foreign exchange remains in AOCI and the initial component excluded from effectiveness testing will initially remain in AOCI and then will be reclassified from AOCI to Interest expense each period in a systematic manner. Cash flows related to the periodic exchange of interest payments for these net investment hedges are included in Cash flows from operating activities of continuing operations on our Condensed Consolidated Statements of Cash Flows.

**Interest Rate Hedging**

We execute short-term interest rate swaps to mitigate variability in forecasted interest payments on our Senior Secured Term Loan Credit Agreement. The interest rate swaps convert floating-rate interest payments into fixed rate interest payments. We designated the interest rate swaps as qualifying hedging instruments and account for these derivatives as cash flow hedges. The outstanding interest rate swaps mature on various dates through 2023.

We record gains and losses resulting from fair value adjustments to the designated portion of interest rate swaps in AOCI and reclassify them to Interest expense on the dates that interest payments accrue. Cash flows related to the interest rate swaps are included in Cash flows from operating activities of continuing operations on our Condensed Consolidated Statements of Cash Flows.

**7. Debt**

<i>(In millions)</i>	March 31, 2023		December 31, 2022	
	Principal Balance	Carrying Value	Principal Balance	Carrying Value
Term loan facility	\$ 2,003	\$ 1,983	\$ 2,003	\$ 1,981
6.25% senior notes due 2025	112	112	112	111
6.70% senior debentures due 2034	300	218	300	217
Finance leases, asset financing and other	231	231	223	223
<b>Total debt</b>	<b>2,646</b>	<b>2,544</b>	<b>2,638</b>	<b>2,532</b>
Short-term borrowings and current maturities of long-term debt	66	66	59	59
<b>Long-term debt</b>	<b>\$ 2,580</b>	<b>\$ 2,478</b>	<b>\$ 2,579</b>	<b>\$ 2,473</b>

The fair value of our debt and classification in the fair value hierarchy was as follows:

<i>(In millions)</i>	Fair Value	Level 1	Level 2
March 31, 2023	\$ 2,616	\$ 395	\$ 2,221
December 31, 2022	2,601	392	2,209

We valued Level 1 debt using quoted prices in active markets. We valued Level 2 debt using bid evaluation pricing models or quoted prices of securities with similar characteristics.

**ABL Facility**

As of March 31, 2023, our borrowing base and availability under our revolving loan credit agreement (the “ABL Facility”) was \$502 million. Outstanding letters of credit were less than \$1 million as of March 31, 2023. As of March 31, 2023, we were in compliance with the ABL Facility’s financial covenants.

**Letters of Credit Facility**

As of March 31, 2023, we had issued \$154 million in aggregate face amount of letters of credit under our \$200 million uncommitted secured evergreen letter of credit facility.

**Term Loan Facility**

The interest rate on our term loan facility was 6.45% as of March 31, 2023.

**8. Earnings (Loss) per Share**

The computations of basic and diluted earnings per share were as follows:

<i>(In millions, except per share data)</i>	<b>Three Months Ended March 31,</b>	
	2023	2022
Net income from continuing operations attributable to common shares	\$ 17	\$ 32
Net income (loss) from discontinued operations, net of amounts attributable to noncontrolling interest	(3)	456
Net income attributable to common shares, basic	<u>\$ 14</u>	<u>\$ 488</u>
Basic weighted-average common shares	116	115
Dilutive effect of stock-based awards	—	1
Diluted weighted-average common shares	<u>116</u>	<u>116</u>
Basic earnings from continuing operations per share	\$ 0.15	\$ 0.28
Basic earnings (loss) from discontinued operations per share	(0.02)	3.97
Basic earnings per share	<u>\$ 0.13</u>	<u>\$ 4.25</u>
Diluted earnings from continuing operations per share	\$ 0.15	\$ 0.28
Diluted earnings (loss) from discontinued operations per share	(0.02)	3.94
Diluted earnings per share	<u>\$ 0.13</u>	<u>\$ 4.22</u>

**9. Commitments and Contingencies**

We are involved, and expect to continue to be involved, in numerous proceedings arising out of the conduct of our business. These proceedings may include claims for property damage or personal injury incurred in connection with the transportation of freight, environmental liability, commercial disputes, insurance coverage disputes and employment-related claims, including claims involving asserted breaches of employee restrictive covenants.

We establish accruals for specific legal proceedings when it is considered probable that a loss has been incurred and the amount of the loss can be reasonably estimated. We review and adjust accruals for loss contingencies quarterly and as additional information becomes available. If a loss is not both probable and reasonably estimable, or if an exposure to loss exists in excess of the amount accrued, we assess whether there is at least a reasonable possibility that a loss, or additional loss, may have been incurred. If there is a reasonable possibility that a loss, or additional loss, may have been incurred, we disclose the estimate of the possible loss or range of loss if it is material and an estimate can be made, or disclose that such an estimate cannot be made. The determination as to whether a loss can reasonably be considered to be possible or probable is based on our assessment, together with legal counsel, regarding the ultimate outcome of the matter.

We believe that we have adequately accrued for the potential impact of loss contingencies that are probable and reasonably estimable. We do not believe that the ultimate resolution of any matters to which we are presently a party will have a material adverse effect on our results of operations, financial condition or cash flows. However, the results of these matters cannot be predicted with certainty, and an unfavorable resolution of one or more of these matters could have a material adverse effect on our financial condition, results of operations or cash flows. Legal costs incurred related to these matters are expensed as incurred.

We carry liability and excess umbrella insurance policies that we deem sufficient to cover potential legal claims arising in the normal course of conducting our operations as a transportation company. In the event we are required to satisfy a legal claim outside the scope of the coverage provided by insurance, our financial condition, results of operations or cash flows could be negatively impacted.

#### *Insurance Contribution Litigation*

In April 2012, Allianz Global Risks US Insurance Company sued eighteen insurance companies in a case captioned Allianz Global Risks US Ins. Co. v. ACE Property & Casualty Ins. Co., et al., Multnomah County Circuit Court (Case No. 1204-04552). Allianz Global Risks US Ins. Co. (“Allianz”) sought contribution on environmental and product liability claims that Allianz agreed to defend and indemnify on behalf of its insured, Daimler Trucks North America (“DTNA”). Defendants had insured Freightliner’s assets, which DTNA acquired in 1981. Con-way, Freightliner’s former parent company, intervened. We acquired Con-way in 2015. Con-way and Freightliner had self-insured under fronting agreements with defendant insurers ACE, Westport, and General. Under those agreements, Con-way agreed to indemnify the fronting carriers for damages assessed under the fronting policies. Con-way’s captive insurer, Centron, was also a named defendant. After a seven-week jury trial in 2014, the jury found that Con-way and the fronting insurers never intended that the insurers defend or indemnify any claims against Freightliner. In June 2015, Allianz appealed to the Oregon Court of Appeals. In May 2019, the Oregon Court of Appeals upheld the jury verdict. In September 2019, Allianz appealed to the Oregon Supreme Court. In March 2021, the Oregon Supreme Court reversed the jury verdict, holding that it was an error to allow the jury to decide how the parties intended the fronting policies to operate, and also holding that the trial court improperly instructed the jury concerning one of the pollution exclusions at issue. In July of 2021, the matter was remanded to the trial court for further proceedings consistent with the Oregon Supreme Court’s decision. There is no date yet set for the next stages of the proceeding. The parties have filed cross-motions for summary judgment concerning the interpretation of certain of the fronting policies, which are yet to be decided. Following summary judgment, we anticipate a jury trial on the pollution exclusion, then a bench trial on allocation of defense costs among the subject insurance policies. We have accrued an immaterial amount for the potential exposure associated with Centron in the bench trial regarding allocation. As any losses that may arise in connection with the fronting policies issued by defendant insurers ACE, Westport, and General are not reasonably estimable at this time, no liability has been accrued in the accompanying interim consolidated financial statements for those potential exposures.

#### *California Environmental Matters*

In August 2022, the Company received a letter from the San Bernardino County District Attorney’s Office, written in cooperation with certain other California District Attorneys and the Los Angeles City Attorney, notifying the Company of an investigation into alleged violations with respect to underground storage tanks, hazardous materials, and hazardous waste in California, and offering a meeting. On October 20, 2022 and April 6, 2023, the Company met with the County Attorneys and the Los Angeles City Attorney. We are assessing the allegations and the underlying facts, and continue to engage with the County and Los Angeles City Attorneys to address the alleged violations. No discussion of potential monetary sanctions or settlement amount has occurred to date, nor can we reasonably estimate potential costs at this time.

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

### **Cautionary Statement Regarding Forward-Looking Statements**

*This Quarterly Report on Form 10-Q and other written reports and oral statements we make from time to time contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. In some cases, forward-looking statements can be identified by the use of forward-looking terms such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target," "trajectory" or the negative of these terms or other comparable terms. However, the absence of these words does not mean that the statements are not forward-looking. These forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause or contribute to a material difference include those discussed below and the risks discussed in the Company's other filings with the Securities and Exchange Commission (the "SEC"). All forward-looking statements set forth in this Quarterly Report are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by the Company will be realized or, even if substantially realized, that they will have the expected consequence to or effects on the Company or its business or operations. The following discussion should be read in conjunction with the Company's unaudited Condensed Consolidated Financial Statements and related notes thereto included elsewhere in this Quarterly Report, and with the audited consolidated financial statements and related notes thereto included in the 2022 Form 10-K. Forward-looking statements set forth in this Quarterly Report speak only as of the date hereof, and we do not undertake any obligation to update forward-looking statements to reflect subsequent events or circumstances, changes in expectations or the occurrence of unanticipated events, except to the extent required by law.*

### **Executive Summary**

XPO, Inc., together with its subsidiaries ("XPO," or "we"), is a leading provider of freight transportation services with company-specific avenues for value creation. We use our proprietary technology to move goods efficiently through our customers' supply chains in North America and Europe. As of March 31, 2023, we had approximately 38,000 employees and 558 locations in 17 countries serving approximately 48,000 customers.

Our company has two reportable segments: North American Less-Than-Truckload ("LTL"), the largest component of our business, and European Transportation. Our North American LTL segment includes the results of our trailer manufacturing operations.

In the first quarter of 2023, we made certain changes to our financial reporting to increase transparency and improve comparability. Specifically, we changed the expense captions within Operating income in the Condensed Consolidated Statements of Income to reflect the nature of the expense. The change to natural expense classification had no impact on consolidated Revenues or Operating income. We have recast prior period amounts to conform to the current year's presentation. We provided certain unaudited recast financial information for fiscal years 2020, 2021 and 2022 in a Form 8-K filed with the U.S. Securities and Exchange Commission on April 11, 2023.

#### *North American Less-Than-Truckload Segment*

LTL in North America is a bedrock industry providing a critical service to the economy, with favorable pricing dynamics and a stable competitive landscape. We have one of the largest LTL networks in North America, with approximately 8% share of the \$59 billion U.S. market as of December 31, 2022.

Our LTL sales and service professionals and network of drivers, tractors, trailers and terminals serve approximately 27,000 customers in North America. We provide shippers with critical geographic density and day-definite domestic and cross-border services to approximately 99% of U.S. zip codes, as well as Mexico, Canada and the Caribbean.

Together, our capacity and reach give us the ability to manage large freight volumes efficiently and balance our network to leverage fixed costs. For the trailing 12 months ended March 31, 2023, we delivered approximately 18 billion pounds of freight.

Importantly, our LTL business historically has generated a high return on invested capital and robust free cash flow. This supports our ongoing investments in the expansion of our network capacity and the enhancement of our proprietary technology. We are managing the business to specific objectives, such as high customer service scores for on-time delivery and damage-free freight, the optimal sourcing of linehaul transportation, and the addition of 900 net new doors to our terminal footprint by the first quarter of 2024 from an October 2021 baseline. Since implementing our LTL 2.0 growth plan in the fourth quarter of 2021, we added six terminals to our network, representing 369 net new doors.

Additionally, we are continuing to execute a host of initiatives that are specific to XPO and largely independent of the macroeconomic environment. We produced 4,705 trailers at our in-house trailer manufacturing facility in 2022, nearly doubling the 2021 output. Our goal is to produce more than 6,000 trailers in 2023. We are also investing in expanding the number of drivers trained at our 130 commercial driver schools. Our in-house trailer manufacturing and driver schools are examples of idiosyncratic, self-reliant capabilities that are advantageous to XPO, particularly when industry constraints on equipment or drivers exist.

Specific to our technology, we believe we have a large opportunity to drive further growth and profitability in our LTL network through innovation. For further information, see the “Technology and Sustainability” section below.

#### *European Transportation Segment*

XPO has a unique pan-European transportation platform with leading positions in key geographies: we are the #1 full truckload broker and the #1 pallet network (LTL) provider in France; the #1 full truckload broker and the #1 LTL provider in Iberia (Spain and Portugal); and a top-tier dedicated truckload provider in the U.K., where we also have the largest single-owner LTL network. We serve a large base of customers within the consumer, trade and industrial markets, including many sector leaders that have long-tenured relationships with us.

Our range of services in Europe encompasses dedicated truckload, LTL, truck brokerage, managed transportation, last mile, freight forwarding and, increasingly, multimodal solutions, such as road-rail and road-short sea combinations that we tailor to customer needs. Our operators use our proprietary XPO Connect<sup>®</sup> technology to manage these services within our digital ecosystem in Europe.

#### *Technology and Sustainability*

One of the ways in which we deliver superior service to our customers is by empowering our employees with technology. Our industry is evolving, and customers want to de-risk their supply chains by forming relationships with reliable service providers that have invested in innovation.

We have built a highly scalable ecosystem on the cloud that deploys our software consistently across our operating footprint. In our North American LTL business, the caliber of our technology is mission-critical to our success; it optimizes linehaul, pickup-and-delivery and pricing — the main components of the service we provide. An LTL network of our scale has hundreds of thousands of activities underway at any given time, all managed on our technology. For the trailing 12 months ended March 31, 2023, we moved 18 billion pounds of freight 773 million miles, including moving linehaul freight an average of 2.5 million miles a day.

With intelligent route-building, we can reduce empty miles in our linehaul network, improve load factor and mitigate cargo damage. Our proprietary bypass models make recommendations to enhance trailer utilization, assimilating massive amounts of data and taking volume, density, and freight dimensions into account. We use our visualization tools to reduce costs with pickups and deliveries, and we developed piece-level tracking to identify individual pallets to enhance shipment loading and visibility. We also developed a robust pricing platform for contractual account management and automated, dynamic pricing for local accounts.

Importantly, our technology also helps our company meet its environmental, social and governance (“ESG”) goals, such as a reduction in our carbon footprint, and can help our customers meet their own goals. For a detailed discussion of our philosophy relating to innovation and ESG matters, see the Company Overview included in our 2022 Form 10-K, as well as our current Sustainability Report at [sustainability.xpo.com](https://sustainability.xpo.com).

## Impacts of Notable External Conditions

As a leading provider of freight transportation services, our business can be impacted to varying degrees by factors beyond our control. The COVID-19 virus that emerged in 2020 affected economic activity broadly and customer sectors served by our industry. Labor shortages, particularly a shortage of truck drivers and dockworkers, and equipment shortages continue to present challenges to many transportation-related industries. Disruptions in supply chains for industrial materials and supplies, such as semiconductor chips, have impacted some of the end-market activities that create demand for our services. We cannot predict how long these dynamics will last, or whether future challenges, if any, will adversely affect our results of operations.

Additionally, economic inflation can have a negative impact on our operating costs, such as the rising costs of fleet maintenance, fuel and purchased transportation we experienced in 2022. We mitigate these costs by mechanisms in our customer contracts, including fuel surcharge clauses and general rate increases. In addition, the rise in interest rates increased our cost of capital in 2022. An economic recession could depress customer demand for transportation services.

Regarding the war between Russia and Ukraine, we have no direct exposure to those geographies. We cannot predict how global supply chain activities or the economy at large may be impacted by a prolonged war in Ukraine or sanctions imposed in response to the war, or whether future conflicts, if any, may adversely affect our results of operations.

## Consolidated Summary Financial Table

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Percent of Revenue		Change
	2023	2022	2023	2022	2023 vs. 2022
<b>Revenue</b>	\$ 1,907	\$ 1,894	100.0 %	100.0 %	0.7 %
Salaries, wages and employee benefits	762	725	40.0 %	38.3 %	5.1 %
Purchased transportation	457	510	24.0 %	26.9 %	(10.4)%
Fuel, operating expenses and supplies	427	418	22.4 %	22.1 %	2.2 %
Operating taxes and licenses	15	16	0.8 %	0.8 %	(6.3)%
Insurance and claims	44	56	2.3 %	3.0 %	(21.4)%
Gains on sales of property and equipment	(3)	(1)	(0.2)%	(0.1)%	200.0 %
Depreciation and amortization expense	101	94	5.3 %	5.0 %	7.4 %
Transaction and integration costs	22	7	1.2 %	0.4 %	214.3 %
Restructuring costs	24	6	1.3 %	0.3 %	300.0 %
<b>Operating income</b>	<b>58</b>	<b>63</b>	<b>3.0 %</b>	<b>3.3 %</b>	<b>(7.9)%</b>
Other income	(5)	(14)	(0.3)%	(0.7)%	(64.3)%
Interest expense	42	37	2.2 %	2.0 %	13.5 %
<b>Income from continuing operations before income tax provision</b>	<b>21</b>	<b>40</b>	<b>1.1 %</b>	<b>2.1 %</b>	<b>(47.5)%</b>
Income tax provision	4	8	0.2 %	0.4 %	(50.0)%
<b>Income from continuing operations</b>	<b>17</b>	<b>32</b>	<b>0.9 %</b>	<b>1.7 %</b>	<b>(46.9)%</b>
Income (loss) from discontinued operations, net of taxes	(3)	456	(0.2)%	24.1 %	(100.7)%
<b>Net income</b>	<b>\$ 14</b>	<b>\$ 488</b>	<b>0.7 %</b>	<b>25.8 %</b>	<b>(97.1)%</b>

### Three Months Ended March 31, 2023 Compared with Three Months Ended March 31, 2022

Our consolidated revenue for the first quarter of 2023 increased 0.7% to \$1.9 billion, compared with the same quarter in 2022. The increase reflects growth in fuel surcharge revenue in our LTL segment, due primarily to higher diesel prices. Foreign currency movement decreased revenue by approximately 2.5 percentage points in the first quarter of 2023.

Salaries, wages and employee benefits includes compensation-related costs for our employees, including salaries, wages, healthcare-related costs and payroll taxes, and covers drivers and dockworkers, operations and facility workers and employees in support roles and other positions. Salaries, wages and employee benefits for the first quarter of 2023 was \$762 million, or 40.0% of revenue, compared with \$725 million, or 38.3% of revenue, for the same quarter in 2022. The year-over-year increase as a percentage of revenue primarily reflects the impact of inflation on our cost base, partially offset by lower headcount.

Purchased transportation includes costs of procuring third-party freight transportation. Purchased transportation for the first quarter of 2023 was \$457 million, or 24.0% of revenue, compared with \$510 million, or 26.9% of revenue, for the same quarter in 2022. The year-over-year decrease as a percentage of revenue primarily reflects lower rates paid to third-party providers for purchased transportation miles and the insourcing of a greater proportion of linehaul from third-party transportation providers.

Fuel, operating expenses and supplies includes the cost of fuel purchased for use in our vehicles as well as related taxes, maintenance and lease costs for our equipment, including tractors and trailers, costs related to operating our owned and leased facilities, bad debt expense, third-party professional fees, information technology expenses and supplies expense. Fuel, operating expenses and supplies for the first quarter of 2023 was \$427 million, or 22.4% of revenue, compared with \$418 million, or 22.1% of revenue, for the same quarter in 2022. The year-over-year increase primarily reflects higher lease costs and bad debt expense, partially offset by lower third-party information technology expenses.

Operating taxes and licenses includes tax expenses related to our vehicles and our owned and leased facilities as well as license expenses to operate our vehicles.

Insurance and claims includes costs related to vehicular and cargo claims for both purchased insurance and self-insurance programs. Insurance and claims for the first quarter of 2023 was \$44 million, compared with \$56 million for the same quarter in 2022. The year-over-year decrease reflects lower cargo insurance expense due to improved operating performance related to damaged shipments.

Depreciation and amortization expense for the first quarter of 2023 was \$101 million, compared with \$94 million for the same quarter in 2022. The year-over-year increase reflects the impact of capital investments, in particular tractors and trailers.

Transaction and integration costs for the first quarter of 2023 were \$22 million, compared with \$7 million for the same quarter in 2022. Transaction and integration costs for the first quarter of 2023 are primarily comprised of stock-based compensation for certain employees related to strategic initiatives. Transaction and integration costs for the first quarter of 2022 are primarily comprised of third-party professional fees related to strategic initiatives as well as retention awards paid to certain employees. We expect to incur additional transaction and integration costs related to rebranding and stock-based compensation in 2023 and 2024.

Restructuring costs for the first quarter of 2023 were \$24 million, compared with \$6 million for the same quarter in 2022. We engage in restructuring actions as part of our ongoing efforts to best use our resources and infrastructure, including actions in connection with spin-offs and other divestment activities. For more information, see Note 5—Restructuring Charges to our Condensed Consolidated Financial Statements.

Other income primarily consists of pension income. Other income for the first quarter of 2023 was \$5 million, compared with \$14 million for the same quarter in 2022. The year-over-year decrease reflects \$11 million of lower net periodic pension income in the first quarter of 2023 primarily due to a rise in interest rates and a lower expected return on plan assets.

Interest expense increased to \$42 million for the first three months of 2023 from \$37 million for the first three months of 2022. The increase in interest expense is primarily due to a higher floating interest rate on our Term Loan Facilities, partially offset by the impact of the redemption of \$1.1 billion of our 6.25% senior notes due 2025 in 2022.

Our effective income tax rates were 18.3% and 19.6% for the first three months of 2023 and 2022, respectively. The effective tax rates for the first quarter of 2023 and 2022 were based on forecasted full-year effective tax rates, adjusted for discrete items that occurred within the periods presented. The decrease in our effective income tax rate for the first three months of 2023 compared to the same quarter of 2022 was primarily driven by an increased impact

from discrete items due to lower pre-tax book income. The primary items impacting the effective tax rate for the first quarter of 2023 are \$2 million of discrete tax benefits from revaluing deferred state taxes partially offset by forecasted non-deductible executive compensation expense. The primary item impacting the effective tax rate for the first quarter of 2022 was a discrete tax benefit of \$2 million from stock-based compensation.

### Segment Financial Results

Our chief operating decision maker (“CODM”) regularly reviews financial information at the operating segment level to allocate resources to the segments and to assess their performance. Our CODM evaluates segment profit (loss) based on adjusted earnings before interest, taxes, depreciation and amortization (“Adjusted EBITDA”), which we define as income from continuing operations before interest expense, income tax, depreciation and amortization expense, transaction and integration costs, restructuring costs and other adjustments. Segment Adjusted EBITDA has historically reflected an allocation of corporate costs. In the first quarter of 2023, we began allocating incremental corporate costs from Corporate to North American LTL. Prior periods have been recast to reflect these incremental allocations, which approximate \$80 million annually. See Note 3—Segment Reporting to our Condensed Consolidated Financial Statements for further information and a reconciliation of Adjusted EBITDA to Income from continuing operations.

#### North American Less-Than-Truckload Segment

(Dollars in millions)	Three Months Ended March 31,		Percent of Revenue		Change
	2023	2022	2023	2022	2023 vs. 2022
<b>Revenue</b>	\$ 1,120	\$ 1,107	100.0 %	100.0 %	1.2 %
<b>Adjusted EBITDA</b>	182	186	16.3 %	16.8 %	(2.2)%
<b>Depreciation and amortization</b>	68	56	6.1 %	5.1 %	21.4 %

Revenue in our North American LTL segment increased 1.2% to \$1.12 billion for the first quarter of 2023, compared with \$1.11 billion for the same quarter in 2022. Revenue included fuel surcharge revenue of \$217 million and \$207 million, respectively, for the first three months of 2023 and 2022. The increase in fuel surcharge revenue primarily reflects higher diesel prices.

We evaluate the revenue performance of our LTL business using several commonly used metrics, including volume (weight per day in pounds) and yield, which is a commonly used measure of LTL pricing trends. We measure yield using gross revenue per hundredweight, excluding fuel surcharges. Impacts on yield can include weight per shipment and length of haul, among other factors. The following table summarizes our key revenue metrics:

	Three Months Ended March 31,		
	2023	2022	Change %
Pounds per day (thousands)	68,889	70,176	(1.8)%
Gross revenue per hundredweight, excluding fuel surcharges	\$ 21.06	\$ 20.76	1.4 %

The year-over-year increase in revenue, excluding fuel surcharge revenue, for the first quarter of 2023 reflects an increase in gross revenue per hundredweight, almost entirely offset by lower volume. The decrease in weight per day for the first quarter reflects lower average weight per shipment, partially offset by higher shipments per day. In the month of April 2023, as compared to April 2022, weight per day decreased 2.0% while shipments per day increased 3.1%.

Adjusted EBITDA was \$182 million, or 16.3% of revenue, for the first three months of 2023, compared with \$186 million, or 16.8% of revenue, for the same quarter in 2022. The decrease in Adjusted EBITDA in the first quarter of 2023 reflected higher salaries, wages and employee benefits, primarily due to cost inflation and, to a lesser extent, higher headcount, \$11 million of lower pension income and higher fuel costs and bad debt expense. These items were almost entirely offset by lower purchased transportation, primarily due to lower rates paid to third-party providers for purchased transportation miles and the insourcing of a greater proportion of linehaul from third-party transportation providers.

Depreciation and amortization expense increased to \$68 million in the first quarter of 2023 compared with \$56 million for the same quarter in 2022 due to the impact of capital investments, in particular tractors and trailers.

### European Transportation Segment

<i>(Dollars in millions)</i>	Three Months Ended March 31,		Percent of Revenue		Change
	2023	2022	2023	2022	2023 vs. 2022
<b>Revenue</b>	\$ 787	\$ 787	100.0 %	100.0 %	— %
<b>Adjusted EBITDA</b>	37	38	4.7 %	4.9 %	(2.6)%
<b>Depreciation and amortization</b>	32	33	4.1 %	4.2 %	(3.0)%

Revenue in our European Transportation segment was \$787 million in each of the first quarters of 2023 and 2022. Foreign currency movement decreased revenue by approximately 6.1 percentage points in the first quarter of 2023. The increase in revenue compared to the first quarter of 2022, after taking into effect the impact of foreign currency movement, primarily reflects price increases to cover cost inflation as well as higher volume.

Adjusted EBITDA was \$37 million, or 4.7% of revenue, for the first three months of 2023, compared with \$38 million, or 4.9% of revenue, for the same quarter in 2022. The decrease in Adjusted EBITDA was primarily driven by higher salaries, wages and employee benefits due to the impact of cost inflation and bonuses paid to certain French employees in connection with a government program (PPV: Prime de Partage de la Valeur), almost entirely offset by lower purchased transportation and higher gains on sales of property and equipment.

### Liquidity and Capital Resources

Our cash and cash equivalents balance was \$309 million as of March 31, 2023, compared to \$460 million as of December 31, 2022. Our principal existing sources of cash are: (i) cash generated from operations; (ii) borrowings available under our Second Amended and Restated Revolving Loan Credit Agreement, as amended (the “ABL Facility”); (iii) proceeds from the issuance of other debt; and (iv) proceeds from divestiture activities. As of March 31, 2023, we have \$502 million available to draw under our ABL Facility, based on a borrowing base of \$502 million and outstanding letters of credit of less than \$1 million. Additionally, we have a \$200 million uncommitted secured evergreen letter of credit facility, under which we had issued \$154 million in aggregate face amount of letters of credit as of March 31, 2023.

As of March 31, 2023, we had approximately \$811 million of total liquidity. We continually evaluate our liquidity requirements in light of our operating needs, growth initiatives and capital resources. We believe that our existing liquidity and sources of capital are sufficient to support our operations over the next 12 months.

### Trade Receivables Securitization and Factoring Programs

We sell certain of our trade accounts receivable on a non-recourse basis to third-party financial institutions under factoring agreements. We also sell trade accounts receivable under a securitization program for our European transportation business. We use trade receivables securitization and factoring programs to help manage our cash flows and offset the impact of extended payment terms for some of our customers. For more information, see Note 1—Organization, Description of Business and Basis of Presentation to our Condensed Consolidated Financial Statements.

The maximum amount of net cash proceeds available at any one time under our securitization program, inclusive of any unsecured borrowings, is €200 million (approximately \$217 million as of March 31, 2023). As of March 31, 2023, the maximum amount available under the program was utilized. Under the securitization program, we service the receivables we sell on behalf of the purchasers. In May 2023, we entered into an agreement to extend the securitization program, which was scheduled to expire in July 2024, through July 2026. The terms and conditions of the extended securitization program are materially consistent with the prior program.

### Loan Covenants and Compliance

As of March 31, 2023, we were in compliance with the covenants and other provisions of our debt agreements. Any failure to comply with any material provision or covenant of these agreements could have a material adverse effect on our liquidity and operations.

### Sources and Uses of Cash

(In millions)	Three Months Ended March 31,	
	2023	2022
Net cash provided by operating activities from continuing operations	\$ 76	\$ 188
Net cash used in investing activities from continuing operations	(216)	(120)
Net cash used in financing activities from continuing operations	(10)	(24)

During the three months ended March 31, 2023, we generated cash from operating activities from continuing operations of \$76 million. We used cash during this period primarily to: (i) purchase property and equipment of \$224 million; (ii) make payments on debt and finance leases of \$16 million; and (iii) make payments of \$12 million related to tax withholding obligations in connection with the vesting of restricted shares.

During the three months ended March 31, 2022, we generated cash from operating activities from continuing operations of \$188 million. We used cash during this period primarily to: (i) purchase property and equipment of \$123 million; (ii) make payments on debt and finance leases of \$16 million; and (iii) make payments of \$12 million related to tax withholding obligations in connection with the vesting of restricted shares.

Cash flows from operating activities from continuing operations for the three months ended March 31, 2023 decreased by \$112 million, compared with the same period in 2022. The decrease reflects the impact of operating assets and liabilities utilizing \$79 million of cash in the three months ended March 31, 2023, compared with generating \$42 million of cash during the same period in 2022. Within operating assets and liabilities, for the three months ended March 31, 2023, compared with the same period in 2022: (i) accounts payable utilized \$125 million more cash primarily due to the timing of payments; and (ii) accrued expenses and other liabilities generated \$94 million less cash primarily due to the accrual of a tax obligation related to the sale of our intermodal operation in the first quarter of 2022. Partially offsetting these items, accounts receivable utilized \$85 million less cash in the first quarter of 2023 as compared to the first quarter of 2022 primarily as a result of a lower sequential increase in revenues.

Investing activities from continuing operations used \$216 million of cash in the three months ended March 31, 2023 and \$120 million of cash in the three months ended March 31, 2022. During the three months ended March 31, 2023, we used \$224 million to purchase property and equipment, as compared to a \$123 million usage of cash in the same period in 2022. The increase reflects our continued investment, primarily in tractors and trailers, to support our long-term growth targets.

Financing activities from continuing operations used \$10 million of cash in the three months ended March 31, 2023 and \$24 million of cash in the three months ended March 31, 2022. The primary uses of cash from financing activities in each of the first three months of 2023 and 2022 were \$16 million used to repay borrowings and \$12 million to make payments for tax withholdings on restricted shares. The primary source of cash from financing activities during the first three months of 2023 was \$19 million of proceeds from bank overdrafts, as compared to \$3 million in the same period of 2022.

There were no material changes to our December 31, 2022 contractual obligations during the three months ended March 31, 2023. We anticipate full year gross capital expenditures to be between \$500 million and \$600 million in 2023, funded by cash on hand and available liquidity.

### New Accounting Standards

Information related to new accounting standards is included in Note 1—Organization, Description of Business and Basis of Presentation to our Condensed Consolidated Financial Statements in this Quarterly Report on Form 10-Q.

### Item 3. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to market risk related to changes in interest rates, foreign currency exchange rates and commodity prices. There have been no material changes to our quantitative and qualitative disclosures about market risk related to our continuing operations during the three months ended March 31, 2023, as compared with the quantitative and qualitative disclosures about market risk described in our 2022 Form 10-K.

**Item 4. Controls and Procedures.**

**Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”), we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Securities Exchange Act of 1934, as amended, as of March 31, 2023. Based on that evaluation, our CEO and CFO concluded that our disclosure controls and procedures were effective as of March 31, 2023, such that the information required to be included in our Securities and Exchange Commission (“SEC”) reports is: (i) recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to the Company, including our consolidated subsidiaries; and (ii) accumulated and communicated to our management, including our CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

**Changes in Internal Control Over Financial Reporting**

There have not been any changes in our internal control over financial reporting during the quarter ended March 31, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**Part II—Other Information**

**Item 1. Legal Proceedings.**

For information related to our legal proceedings, refer to “Legal Proceedings” in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 and Note 9—Commitments and Contingencies of Item 1, “Financial Statements” of this Quarterly Report on Form 10-Q.

**Item 1A. Risk Factors.**

There are no material changes to the risk factors previously disclosed in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

None.

**Item 3. Defaults upon Senior Securities.**

None.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

None.

**Item 6. Exhibits.**

Exhibit Number	Description
10.1*+	<a href="#">Offer Letter, dated February 14, 2023, between the registrant and Wendy Cassity.</a>
10.2*+	<a href="#">Change in Control and Severance Agreement, dated February 14, 2023, between the registrant and Wendy Cassity.</a>
10.3*+	<a href="#">Form of Time-Based Restricted Stock Unit Award Agreement for executive chairman and CEO (2016 Omnibus Incentive Compensation Plan).</a>
10.4*+	<a href="#">Form of Performance-Based Restricted Stock Unit Award Agreement for executive chairman and CEO (2016 Omnibus Incentive Compensation Plan).</a>
10.5*+	<a href="#">Form of Performance-Based Restricted Stock Unit Award Agreement (2016 Omnibus Incentive Compensation Plan).</a>
10.6*+	<a href="#">Offer Letter, dated April 17, 2023, between the registrant and David Bates.</a>
10.7*+	<a href="#">Change in Control and Severance Agreement, dated April 17, 2023, between the registrant and David Bates.</a>
31.1 *	<a href="#">Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023.</a>
31.2 *	<a href="#">Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023.</a>
32.1 **	<a href="#">Certification of the Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023.</a>
32.2 **	<a href="#">Certification of the Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, with respect to the registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2023.</a>
101.INS *	<i>XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.</i>
101.SCH *	<i>XBRL Taxonomy Extension Schema.</i>
101.CAL *	<i>XBRL Taxonomy Extension Calculation Linkbase.</i>
101.DEF *	<i>XBRL Taxonomy Extension Definition Linkbase.</i>
101.LAB *	<i>XBRL Taxonomy Extension Label Linkbase.</i>
101.PRE *	<i>XBRL Taxonomy Extension Presentation Linkbase.</i>
104 *	<i>Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101).</i>
*	Filed herewith.
**	Furnished herewith.
+	This exhibit is a management contract or compensatory plan or arrangement.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

XPO, INC.

By: /s/ Mario Harik  
Mario Harik  
Chief Executive Officer  
(Principal Executive Officer)

By: /s/ Carl D. Anderson II  
Carl D. Anderson II  
Chief Financial Officer  
(Principal Financial Officer)

Date: May 4, 2023

2/14/2023

Wendy Cassity

Delivered via email to [redacted]

Hello Wendy,

On behalf of XPO, Inc., I'm happy to offer you the position of Chief Legal Officer and Corporate Secretary. I know I speak for the rest of our team when I say how pleased we are to make you this offer.

In this role, you'll report directly to Mario Harik, Chief Executive Officer, and you'll be based out of our Boston, MA office, tentatively beginning on 03/13/2023.

### Your salary and compensation

We'd like to offer you the following compensation package:

- **Base Salary:** You'll receive \$11,057.70, paid on a weekly basis, or \$575,000 annually, less all applicable withholdings and deductions, and pro-rated for any partial period worked.
- **Annual Incentive:** The annual incentive amount is based on a target percentage of your base salary. The target incentive for you is 100% of your base salary. Your annual incentive will not be prorated based on your start date, if your service begins on or before March 31, 2023.
- **Long-term Incentive:** You will be eligible for an annual long-term incentive award, starting in 2023, with a target grant date value of \$1,000,000, with the form, structure, timing, vesting conditions and schedule determined annually by the Compensation Committee. The underlying number of stock units will generally be determined based on XPO's closing stock price on date of grant (subject to variation from time-to-time), in the form generally as follows, with vesting to occur over a three-year schedule, or as otherwise determined annually by the Compensation Committee:
  - **Time-Based Restricted Stock Units (RSUs):** \$500,000 of grant date value will be awarded to you in the form of RSUs, subject to your continuing employment with the Company through each applicable vest date.
  - **Performance-Based Restricted Stock Units (PRSUs):** \$500,000 of target grant date value will be awarded to you in the form of PRSUs, subject to achievement of the applicable performance goals and continued service through each applicable vest date.
- Annual and long-term incentive awards will be reflective of your individual performance and contributions, Company and/or business unit performance, as applicable, and the scope and expectations of your position/role in the Company and/or your business unit.

As an at will employee, annual and long-term incentives are subject to change at the sole discretion of the Company.

- **Cash Sign-On:** You'll receive a \$570,000 sign-on bonus, which is taxable income. If you voluntarily leave the Company before 12 months of continuous employment, you're required to repay 100% of the bonus. That figure drops to 50% if you leave after 12 months but before 24 months of continuous employment. The sign on bonus will be paid in accordance with the Company's payroll procedures on the normal payroll date following 30 days of your continuous employment.
- **Equity Buyout Incentive:** Subject to the approval of the Compensation Committee of XPO's Board of Directors ("the Compensation Committee"), you will be granted a one-time long-term incentive award of \$370,000 in the form of Restricted Stock Units (RSUs).

Unless otherwise determined by the Compensation Committee, the number of RSUs to be granted will be the nearest whole number as determined by dividing \$370,000 by the closing market price of the Company's common stock as listed on the New York Stock Exchange on your Grant Date. The RSU grant date would be the 15<sup>th</sup> of the month following the later of 1) your start date or 2) the approval of the award by the Compensation Committee.

Subject to the terms and conditions set forth in a separate award agreement that will be provided to you as soon as practicable after your start date, this RSU award shall vest in three equal installments on the first three anniversaries of the grant date.

### **Your benefits**

At XPO, we're committed to hiring the best talent. That's why we offer a competitive benefits package—including healthcare coverage, personal time off, life/disability insurance, retirement planning and more. Additional details related to our benefits package are included with your new hire materials.

### **Severance benefits**

You will be eligible for severance payments and other benefits upon certain qualifying termination events, subject to the terms and conditions of the attached Change in Control and Severance Agreement (the "Severance Agreement"), provided that you timely return a signed copy of the Severance Agreement.

### **Legal considerations**

In your work for the Company, you are expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have a confidentiality obligation. You are expected to use only generally known information which is used by persons with training and experience comparable to your own, which is common in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. As a condition of your continued employment, you are expected to abide by the Company's rules and policies as may be published from time to time. During our discussions about your proposed job duties, you assured us that you would be able to perform those duties within the guidelines just described.

You confirm that you have carefully reviewed your files (including emails, computer files and hard copies, whether personal or business) and deleted, and not retained copies of, any files prepared, generated or used during any prior employment that could contain confidential

information or trade secrets of your current or former employer. You agree not to bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you owe a confidentiality obligation.

Your employment with the Company will be “at-will.” This means that either you or the Company may terminate the employment relationship at any time and for any reason, with or without cause or advance notice. We request that, in the event of your resignation, you give the Company at least 30 days advance notice.

### **Confidential Information Protection Agreement**

Your acceptance of this offer and commencement of employment with the Company is contingent upon your acceptance of the Company’s Confidential Information Protection Agreement (“CIPA”), which prohibits unauthorized use or disclosure of the Company’s confidential and proprietary information and includes a 12-month non-competition provision and a two-year non-solicitation provision following the termination of your employment with XPO.

### **Pre-Hire Screening and Work Authorization**

This employment offer is contingent on the satisfactory conclusion of appropriate background check and a pre-employment drug screen as applicable. Although your employment at XPO may begin prior to the completion of the background check or drug screen at the Company’s discretion, your continued employment remains subject to the satisfactory completion of the background check and drug screen. As required by law, this offer is subject to satisfactory proof of your right to work in the United States.

### **Entire Offer**

This letter, along with the CIPA and Severance Agreement, contains the entire agreement and understanding between you and the Company regarding the employment relationship and supersedes any prior or contemporaneous agreements, understandings, communications, offers, representations, warranties, or commitments by or on behalf of the Company (oral or written). Neither this offer letter nor any other written materials issued by the Company constitutes a contract between you and the Company for employment, express or implied, for any specific duration.

### **Taking the next step**

As you know, XPO has generated tremendous momentum, thanks to the efforts of our people. With you on our team, we’re sure to continue along this trajectory and move forward to greater success. Please make sure you’ve read the offer letter completely, including all enclosures. Then sign and return the offer letter, CIPA and Severance Agreement by e-mail to [redacted] within ten (10) business days of the same being sent to you. This offer will terminate if it is not accepted, signed, and returned by that date, unless otherwise mutually agreed between the parties.

If you have any questions, please reach out to me at [redacted] or [redacted].

Best regards,

Josephine Berisha  
Chief Human Resources Officer

XPO

Enclosures: Confidential Information Protection Agreement; Severance Agreement

**EMPLOYMENT ACCEPTANCE**

I accept employment with XPO, Inc., as Chief Legal Officer and Corporate Secretary reporting to work on 03/13/2023.

/s/ Wendy Cassity  
Wendy Cassity

2/14/2023  
Date

## CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This CHANGE IN CONTROL AND SEVERANCE AGREEMENT (this “**Agreement**”) is made and entered into by and between XPO, INC., a Delaware corporation (the “**Company**”), and Wendy Cassity (“**Employee**”). Certain capitalized terms used in this Agreement are defined in Section 7 below.

WHEREAS, Employee and the Company are entering into an offer letter (the “**Offer Letter**”) and Confidential Information Protection Agreement (“**CIPA**”) concurrently with the execution of this Agreement;

WHEREAS, the Board of Directors of the Company (the “**Board**”) recognizes the possibility of an involuntary termination or reduction in responsibility that may cause Employee to consider alternative employment opportunities, and as such, the Board has determined it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Employee, notwithstanding the possibility, threat or occurrence of such an event; and

WHEREAS, the Board believes that it is imperative to provide Employee with severance benefits upon certain terminations of Employee’s service to the Company that enhance Employee’s financial security and provide incentive to Employee to remain with the Company notwithstanding the possibility of such an event.

NOW THEREFORE, in consideration of the promises and mutual covenants herein and for other good and valuable consideration, Employee and the Company agree as follows:

1. **Term of Agreement.** Except to the extent renewed as set forth in this Section 1, this Agreement shall become effective as of March 13th, 2023 (the “**Effective Date**”) and terminate the earlier of: (a) the fourth (4<sup>th</sup>) anniversary of the Effective Date (the “**Expiration Date**”); (b) the Date of Termination of Employee’s employment with the Company for a reason other than a Qualifying Termination or Qualifying CIC Termination; or (c) the date that all obligations of the parties hereto with respect to this Agreement have been satisfied. This Agreement shall renew automatically and continue in effect for one (1) year periods measured from the initial Expiration Date and each subsequent Expiration Date, unless the Company provides Employee notice of non-renewal at least ninety (90) days prior to the date on which this Agreement would otherwise renew. For the avoidance of doubt, and notwithstanding anything to the contrary in Section 3 or 4 hereof, the Company’s non-renewal of this Agreement shall not constitute a Qualifying Termination or Qualifying CIC Termination, as applicable.

2. **At-Will Employment.** The Company and Employee acknowledge that Employee’s employment is and shall continue to be “at-will,” as defined under applicable law. If Employee’s employment terminates for any reason, Employee shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement, pursuant to the terms of any incentive award agreement or employee benefit plan or required under applicable law.

3. **Qualifying Termination.** In the event of a Qualifying Termination, subject to the terms and conditions of Section 6 hereof, Employee shall be entitled to:

(a) the Accrued Benefits;

(b) cash payments (the “**Severance Payments**”) equal to (i) twelve (12) months’ Base Salary, as in effect on the Date of Termination, plus (ii) the Employee’s Target Bonus (each payable subject to the terms of Section 6 of this Agreement), which shall be paid in substantially equal installments over the 12-month period, following the Date of Termination, consistent with the Company’s payroll practices, with the first installment to be paid within 65 days after the Date of Termination and with any installments that would otherwise have been paid prior to such date accumulated and paid in a lump sum on the first date on which payments are made in accordance with the terms of this sentence; provided that (A) any monies Employee earns from any other work, whether as an employee or as an independent contractor, while Employee is receiving the Severance Payments shall reduce, on a dollar-

for-dollar basis, the amount that the Company is obligated to pay Employee under this Section 3(b) and (B) Employee shall provide written notice to the Company, within two (2) business days from Employee's receipt of any monies Employee earns from any other work while Employee is receiving the Severance Payments by detailing the date of receipt, gross and net amount, and source of such monies, by U.S. Mail and e-mail to Kimberly Wawro, Vice President, Human Resources, XPO, Five American Lane, Greenwich, CT 06831; e-mail [redacted]. Any monies the Company may deduct from the Severance Payments shall not include monies Employee is entitled to from her previous employer nor any monies Employee may earn from future Director roles in any public or private company;

(c) a cash payment equal to the prorated bonus for the performance year for the year in which the Date of Termination occurs, defined as the product of (A) the Target Bonus and (B) a fraction, the numerator of which is the number of days from January 1 in the year in which the Date of Termination occurs (or from the Effective Date, if the Date of Termination occurs in 2023) through the Date of Termination and the denominator of which is 365, which shall be payable in one lump sum within 65 days after the Date of Termination;

(d) to the extent Employee is eligible to elect to continue coverage under the Company's group medical and dental benefits pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") and elects such benefits, the Company shall pay Employee's COBRA premiums for medical and dental coverage as in effect on the Date of Termination for a period of six (6) months from the Date of Termination. If, however, Employee secures other employment at any time during the six (6) month period following her Date of Termination and becomes eligible for any medical and dental benefits through such other employment, the Company's obligation to pay Employee's COBRA premiums for any medical or dental benefits under this Section 3(d) shall cease as of the end of the month in which Employee becomes eligible for any medical and dental benefits through such other employer. Employee shall provide written notice to the Company, within two (2) business days from Employee's eligibility for any medical and dental benefits through such other employer, by U.S. Mail and e-mail to Kimberly Wawro, Vice President, Human Resources, XPO, Five American Lane, Greenwich, CT 06831; e-mail [redacted]. Any continuation of Employee's coverage under the Company's group medical and dental benefits after the six (6) month period following her Date of Termination or after the month in which Employee becomes eligible for medical and dental benefits through such other employer shall be at the Employee's sole expense.

4. Qualifying CIC Termination. In the event of a Qualifying CIC Termination, subject to the terms and conditions of Section 6 hereof, Employee shall be entitled to the following payments, which shall be paid in one lump sum within 65 days after the Date of Termination (other than the Accrued Benefits, which shall be payable within 30 days of the Date of Termination or sooner when required under applicable law):

(a) the Accrued Benefits;

(b) a cash payment (the "**CIC Severance Payment**") equal to two (2) times the sum of (i) the Base Salary and (ii) the Employee's Target Bonus;

(c) a cash payment equal to the product of (A) the Employee's Target Bonus and (B) a fraction, the numerator of which is the number of days from January 1 in the year in which the Date of Termination occurs (or from the Effective Date, if the Date of Termination occurs in 2023) through the Date of Termination and the denominator of which is 365;

(d) a cash payment equal to the amount of any annual bonus that the Company has notified Employee in writing that Employee has earned prior to the Date of Termination but is unpaid as of the Date of Termination; and

(e) to the extent Employee is eligible to elect to continue coverage under the Company's group medical and dental benefits pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") and elects such benefits, the Company shall pay Employee's COBRA premiums for medical and dental coverage as in effect on the Date of Termination for a period of twenty-four (24) months from the Date of Termination.

Notwithstanding the foregoing, if the CIC Severance Payment relates to a transaction that does not satisfy the requirements of Treas. Reg. § 1.409A-3(i)(5), any portion of the CIC Severance Payment that constitutes deferred compensation within the meaning of Section 409A, will be paid at the earliest date that is permitted in accordance with the schedule that is applicable to the Severance Payment.

5. **Other Terminations.** If Employee's employment with the Company is terminated by the Company or by Employee for any reason other than a Qualifying Termination or a Qualifying CIC Termination, the obligations of the Company to pay or provide Employee with compensation and benefits under Section 3 or Section 4 of this Agreement shall cease, and the Company shall have no further obligations to provide compensation or benefits to Employee hereunder except for payment of the Accrued Benefits.

6. **Conditions Precedent and Subsequent.** The payments and benefits provided under Sections 3 and 4 of this Agreement (other than the Accrued Benefits) are subject to and conditioned upon (a) Employee having provided, within 60 days after the Date of Termination (or such greater period as required by law), a waiver and general release agreement in a form satisfactory to the Company that has become effective and irrevocable in accordance with its terms, and (b) Employee's compliance with the CIPA. Employee shall, upon request by the Company, be required to immediately repay to the Company the net amount of the Severance Payments or CIC Severance Payment, as applicable, received by the Employee after all applicable minimum tax withholdings required by law, and the Company shall have no further obligation to pay, the Severance Payments or CIC Severance Payment, as applicable, in the event Employee receives, within six (6) months after the occurrence of the breach, written notice from the Company that, in the reasonable judgment of the Company, Employee has breached Employee's obligations under the CIPA or Employee shall be deemed to have been retroactively terminated for Cause; provided, however, that, in cases where Employee's breach of Employee's obligations under the CIPA is curable, Employee shall first be provided a 15-day cure period to cease, and to cure, such conduct.

7. **Definitions.** The following terms referred to in this Agreement shall have the following meanings:

(a) **"Accrued Benefits"** means payment by the Company to Employee for: (i) any unpaid Base Salary accrued by Employee through the Date of Termination; (ii) to the extent required by law, any unused vacation accrued by Employee through the Date of Termination, and (iii) any unpaid or unreimbursed business expenses accrued or incurred by Employee through the Date of Termination, which shall be paid to Employee within 30 days following the Date of Termination or earlier when required by applicable state law.

(b) **"Affiliate"** means (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Company and/or (ii) any entity in which the Company has a significant equity interest.

(c) **"Base Salary"** means Employee's annual base salary in effect immediately prior to Employee's termination.

(d) **"Cause"** means, as determined in the sole discretion of the Board, Employee's (i) gross negligence or willful failure to perform Employee's duties or willful refusal to follow any lawful directive of the Company's Chief Executive Officer or the Board; (ii) abuse of or dependency on alcohol or drugs (illicit or otherwise) that adversely affects Employee's performance of duties for the Company; (iii) commission of any fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of money or other assets of the Company; (iv) breach of any term of the CIPA or any agreement governing any of the long-term incentive compensation or equity compensation awards granted to Employee by the Company, its Affiliates or any of their respective predecessors or successors, or breach of Employee's fiduciary duties to the Company; (v) any willful act, or failure to act, in bad faith to the detriment of the Company; (vi) willful failure to cooperate in good faith with a governmental or internal investigation of the Company or any of its directors, managers, officers or employees, if the Company requests Employee's cooperation; (vii) failure to follow the Company's code of conduct or ethics policy; or (viii) conviction of, or plea of nolo contendere to, a felony or any serious crime; provided that, the Company

will provide Employee with written notice describing the facts and circumstances that the Company believes constitutes Cause and, in cases where cure is possible, Employee shall first be provided a 15-day cure period. If, subsequent to Employee's termination of employment for any reason other than by the Company for Cause, it is determined in good faith by the Reporting Person that Employee's employment could have been terminated by the Company for Cause, Employee's employment shall, at the election of the Reporting Person at any time up to two (2) years after the Date of Termination but in no event more than six (6) months after the Reporting Person learns of the facts or events that could give rise to the termination for Cause, be deemed to have been terminated for Cause retroactively to the date the events giving rise to Cause occurred, provided that the Company's ability to deem an Employee's employment under this sentence to be terminated for Cause shall lapse upon a Change in Control. Employee shall, upon request by the Company, be required to immediately repay to the Company the net amount of the Severance Payments or CIC Severance Payment, as applicable, received by the Employee after all applicable minimum tax withholdings required by law, and the Company shall have no further obligation to pay, the Severance Payments or CIC Severance Payment, as applicable, in the event Employee receives, within six (6) months after the Reporting Person learns of the facts or events that could give rise to the termination for Cause, written notice from the Company that, in the reasonable judgment of the Company, Employee shall be deemed to have been retroactively terminated for Cause.

(e) **"Change in Control"** means the occurrence of any of the following events:

(i) during any period, individuals who were directors of the Company on the first day of such period (the **"Incumbent Directors"**) cease for any reason to constitute a majority of the Board; provided, however, that any individual becoming a director subsequent to the first day of such period whose election, or nomination by the Board for election by the Company's stockholders, was approved by a vote of at least a majority of the Incumbent Directors shall be considered as though such individual were an Incumbent Director, but excluding for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person (as defined below) other than the Board (including without limitation any settlement thereof);

(ii) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction (but not, for the avoidance of doubt, a sale of assets) involving the Company (each, a **"Reorganization"**) if such Reorganization requires the approval of the Company's stockholders under the law of the Company's jurisdiction of organization (whether such approval is required for such Reorganization or for the issuance of securities of the Company in such Reorganization), unless, immediately following such Reorganization, (1) individuals and entities who were the "beneficial owners" (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time, or a successor rule thereto (the **"Exchange Act"**) of the securities eligible to vote for the election of the Board (**"Company Voting Securities"**) outstanding immediately prior to the consummation of such Reorganization continue to beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the corporation or other entity resulting from such Reorganization (including a corporation that, as a result of such transaction, owns the Company either directly or through one or more Subsidiaries) (the **"Continuing Company"**) in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Reorganization (excluding, for such purposes, any outstanding voting securities of the Continuing Company that such beneficial owners hold immediately following the consummation of the Reorganization as a result of their ownership prior to such consummation of voting securities of any corporation or other entity involved in or forming part of such Reorganization other than the Company), (2) no "person" (as such term is used in Section 13(d) of the Exchange Act) (each, a **"Person"**) (excluding (x) any employee benefit plan (or related trust) sponsored or maintained by the Continuing Company or any corporation controlled by the Continuing Company and (y) any one or more Specified Stockholder beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding voting securities of the Continuing Company and (3) at least 50% of the members of the board of directors of the Continuing Company (or equivalent body) were Incumbent Directors at the time of the execution of the definitive agreement providing for such Reorganization or, in the absence of such an agreement, at the time at which approval of the Board was obtained for such Reorganization;

(iii) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company unless such liquidation or dissolution is part of a transaction or series of transactions described in Section 7(e)(ii) above that does not otherwise constitute a Change in Control; or

(iv) any Person, corporation or other entity or “group” (as used in Section 14(d)(2) of the Exchange Act) (other than (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or an Affiliate, (C) any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the voting power of the Company Voting Securities or (D) any one or more Specified Stockholders, including any group in which a Specified Stockholder is a member) becomes the beneficial owner, directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company Voting Securities; provided, however, that for purposes of this subparagraph (iv), the following acquisitions shall not constitute a Change in Control: (w) any acquisition directly from the Company, (x) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or an Affiliate, (y) any acquisition by an underwriter temporarily holding such Company Voting Securities pursuant to an offering of such securities or any acquisition by a pledgee of Company Voting Securities holding such securities as collateral or temporarily holding such securities upon foreclosure of the underlying obligation or (z) any acquisition pursuant to a Reorganization that does not constitute a Change in Control for purposes of Section 7(e)(ii) above.

(f) “**Change in Control Period**” means the period of time commencing upon a Change in Control and ending two (2) years thereafter.

(g) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

(h) “**Date of Termination**” means the date of termination of Employee’s employment with the Company. Notwithstanding the foregoing, in no event shall the Date of Termination of any U.S. Taxpayer occur until the Employee experiences a “separation from service” within the meaning of Section 409A of the Code, and the date on which such separation from service takes place shall be the “Date of Termination.”

(i) “**Disability**” means the inability of Employee, due to illness, accident or any other physical or mental incapacity, to perform Employee’s duties for the Company for an aggregate of 180 days within any period of 12 consecutive months, which inability is determined to be total and permanent by a board-certified physician selected by the Company, and the determination of such physician shall be binding upon Employee and the Company.

(j) “**Good Reason**” means, without first obtaining Employee’s written consent: (i) the Company materially breaches the terms of this Agreement; (ii) the Company materially diminishes Employee’s title, duties, authorities, reporting relationship(s), responsibilities or position from any of those in effect immediately preceding the Change in Control (including by virtue of Employee not having duties of a senior executive of a publicly-traded company) or as subsequently increased or enhanced; (iii) the Company materially reduces the Base Salary or Target Bonus; (iv) the Company requires that Employee be based in a location that is more than 35 miles from the location of Employee’s employment immediately prior to a Change in Control; or (v) Employee is no longer reporting directly and exclusively to the chief executive officer of a publicly traded company; provided that, the Company shall first be provided a 30-day cure period (the “**Cure Period**”), following receipt of written notice setting forth in reasonable detail the specific event, circumstance or conduct of the Company that constitutes Good Reason, to cease, and to cure, any event, circumstance or conduct specified in such written notice, if curable; provided further, that such notice shall be provided to the Company within 45 days of the occurrence of the event, circumstance or conduct constituting Good Reason. If, at the end of the Cure Period, the event, circumstance or conduct that constitutes Good Reason has not been remedied, Employee will be entitled to terminate employment for Good Reason during the 90-day period that follows the end of the Cure Period. If Employee does not terminate employment during such 90-day period, Employee will not be permitted to terminate employment for Good Reason as a result of such event, circumstance or conduct.

(k) “**Specified Stockholder**” means Bradley S. Jacobs, Jacobs Private Equity LLC and its Affiliates, or any other entity or organization controlled, directly or indirectly, by Bradley S. Jacobs.

(l) “**Qualifying CIC Termination**” means a termination of Employee’s employment either by the Company without Cause (excluding by reason of Employee’s death or Disability) or by Employee for Good Reason, in either case, during the Change in Control Period.

(m) “**Qualifying Termination**” means a termination of Employee’s employment by the Company without Cause (excluding by reason of Employee’s death or Disability) outside of the Change in Control Period.

(n) “**Reporting Person**” means the Chief Executive Officer of the Company.

(o) “**Target Bonus**” means the performance-based bonus Employee will have the opportunity to earn for each year during Employee’s employment commencing in the 2023 fiscal year with a target as set forth in the Offer Letter, based upon Employee’s achievement of performance goals that will be determined in the sole discretion of the Company.

8. Miscellaneous.

(a) Notices.

(i) General Notices. Any notice or other communication required or permitted under this Agreement shall be effective only if it is in writing and shall be deemed to be given when delivered personally, or four days after it is mailed by registered or certified mail, postage prepaid, return receipt requested, or one day after it is sent by overnight courier service via UPS or FedEx and, in each case, addressed as follows (or if it is sent through any other method agreed upon by the parties) or to such other address as either party may designate by written notice to the other:

If to the Company, to:

XPO, Inc.  
Five American Lane  
Greenwich, CT 06831  
Attention: Chief Human Resources Officer

If to Employee, to Employee’s principal residence as listed in the records of the Company.

(ii) Notice of Termination. Any termination of Employee’s employment by the Company for Cause will be communicated by a notice of termination to Employee, and any termination of Employee’s employment by Employee for Good Reason will be communicated by a notice of termination to the Company, in each case given in accordance with Section 8(a)(i) of this Agreement. The notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than 30 days after the later of (A) the giving of the notice or (B) the end of any applicable cure period).

(b) Resignation. The termination of Employee’s employment with the Company for any reason will also constitute, without any further required action by Employee, Employee’s voluntary resignation from all officer and/or director positions held with the Company or any of its subsidiaries or controlled affiliates, and at the Board’s request, Employee shall execute any documents reasonably necessary to reflect the resignations.

(c) Section 409A.

(i) General. The obligations under this Agreement are intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A of the Code. Any payments that qualify for the “short-term deferral” exception, the separation pay exception or another exception under Section 409A of the Code shall be paid under the applicable exception to the maximum extent possible. For purposes of nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. All payments to be made upon a termination of employment under this Agreement may only be made upon a “separation from service” under Section 409A of the Code to the extent necessary in order to avoid the imposition of penalty taxes on Employee pursuant to Section 409A of the Code. In no event may Employee, directly or indirectly, designate the calendar year of any payment under this Agreement.

(ii) Delay of Payments. Notwithstanding any other provision in this Agreement to the contrary, if Employee is considered a “specified employee” for purposes of Section 409A of the Code (as determined in accordance with the methodology established by the Company as in effect on the Date of Termination), any payment or benefit that constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code that is otherwise due to be paid to Employee under this Agreement during the six-month period immediately following the Employee’s separation from service (as determined in accordance with Section 409A of the Code) on account of Employee’s separation from service shall be accumulated and paid to Employee with Interest (based on the rate in effect for the month in which Employee’s separation from service occurs) on the first business day of the seventh month following the Employee’s separation from service (the “**Delayed Payment Date**”), to the extent necessary to avoid penalty taxes or accelerated taxation pursuant to Section 409A of the Code. If Employee dies during the postponement period, the amounts and entitlements delayed on account of Section 409A of the Code shall be paid to the personal representative of Employee’s estate on the first to occur of the Delayed Payment Date or 30 calendar days after the date of Employee’s death.

(iii) Reimbursements. With respect to reimbursements under this Agreement that are not exempt from Section 409A of the Code, the following rules shall apply: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year, (ii) in the case of any reimbursements of eligible expenses, reimbursement shall be made on or before the last day of the taxable year following the taxable year in which the expense was incurred, and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(d) Section 280G.

(i) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 4 of this Agreement, being hereinafter referred to as the “**Total Payments**”), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the “**Excise Tax**”), then the Total Payments shall be to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (A) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (B) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Employee would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(ii) The payment reduction contemplated in this Section 8(d) shall be implemented by reducing the payments/benefits in the same order as they are received by Employee. If several payments/benefits are received simultaneously and their collective amount exceeds the remaining amount of reduction hereunder, such payments shall be reduced ratably, proportional to their individual amount.

(iii) All determinations regarding the application of this Section 8(d) shall be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), subject to the final determination by the Internal Revenue Service or the court of competent jurisdiction if and when such final determination occurs. For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Accounting Firm (A) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) or (B) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

(e) Waiver; Amendment. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Employee and by an authorized officer of the Company (other than Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(f) Clawbacks. Employee hereby acknowledges and agrees that, notwithstanding any provision of this Agreement to the contrary, Employee will be subject to any legally mandated policy relating to the recovery of compensation, solely to the extent that the Company is required to implement such policy pursuant to applicable law, whether pursuant to the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or otherwise.

(g) Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 8(g) or which becomes bound by the terms of this Agreement by operation of law. The terms of this Agreement and all rights of Employee hereunder shall inure to the benefit of, and be enforceable by, Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(h) Governing Law; Arbitration; Consent to Jurisdiction; and Waiver of Jury Trial.

(i) This Agreement shall be governed by and construed in accordance with its express terms, and otherwise in accordance with the laws of the State of Delaware without reference to its principles of conflicts of law.

(ii) Any claim initiated by Employee arising out of or relating to this Agreement, or the breach thereof, shall be resolved by binding arbitration before a single arbitrator in the State of Delaware administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(iii) Any claim initiated by the Company arising out of or relating to this Agreement, or breach thereof, shall, at the election of the Company, be resolved in accordance with Section 8(h)(ii) or Section 8(h)(iv) of this Agreement.

(iv) Employee hereby irrevocably submits to the jurisdiction of any state or federal court located in the State of Delaware; provided, however, that nothing herein shall preclude the Company from bringing any suit, action or proceeding in any other court for the purposes of enforcing the provisions of this Section 8 or enforcing any judgment or award obtained by the Company. Employee waives, to the fullest extent permitted by applicable law, any objection which Employee now or hereafter has to personal jurisdiction or to the laying of venue of any such suit, action or proceeding brought in an

applicable court described in this Section 8(h)(iv), and agrees that Employee shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any court. Employee agrees that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any suit, action or proceeding brought in any applicable court described in this Section 8(h)(iv) shall be conclusive and binding upon Employee and may be enforced in any other jurisdiction. EMPLOYEE EXPRESSLY AND KNOWINGLY WAIVES ANY RIGHT TO A JURY TRIAL IN THE EVENT THAT ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH THEREOF IS LITIGATED OR HEARD IN ANY COURT.

(v) The prevailing party shall be entitled to recover all legal fees and costs (including reasonable attorney's fees and the fees of experts) from the losing party in connection with any claim arising under this Agreement.

(i) Entire Agreement. This Agreement, the Offer Letter and the CIPA represent the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior arrangements and understandings regarding same.

(j) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

(k) Withholdings. All payments and benefits under this Agreement will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local, and/or foreign taxes required to be withheld from the payments or benefits and make any other required payroll deductions.

(l) Counterparts and Headings. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Signatures delivered by facsimile or electronic means (including by "pdf") shall be deemed effective for all purposes. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

*Signature Page Follows.*

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the date set forth below.

**XPO, INC.**

By: /s/ Josephine Berisha  
Josephine Berisha  
Chief Human Resources Officer

Date: 2/14/2023

**EMPLOYEE**

By: /s/ Wendy Cassity  
Wendy Cassity

Date: 2/14/2023

*Signature page to Change in Control and Severance Agreement*

RESTRICTED STOCK UNIT AWARD AGREEMENT UNDER THE XPO LOGISTICS,  
INC. 2016 OMNIBUS INCENTIVE COMPENSATION PLAN, dated as of **###GRANT\_DATE###**  
(the "Grant Date") between XPO, INC., a Delaware corporation (the "Company"), and  
**###PARTICIPANT###**

This Restricted Stock Unit Award Agreement (this "Award Agreement") sets forth the terms and conditions of an award of performance-based restricted stock units with respect to a target number of shares (the "Target Amount") of the Company's Common Stock, \$0.001 par value ("Share") equal to **###TOTAL\_AWARDS###** restricted stock units stock units (this "Award"), that is subject to the terms and conditions specified herein (each such restricted stock unit, an "RSU") and that are granted to you under the XPO Logistics, Inc. 2016 Omnibus Incentive Compensation Plan (the "Plan"). This Award provides you with the opportunity to earn, subject to the terms of this Award Agreement, Shares or cash, as set forth in Section 3 of this Award Agreement.

THIS AWARD IS SUBJECT TO ALL TERMS AND CONDITIONS OF THE PLAN AND THIS AWARD AGREEMENT, INCLUDING THE DISPUTE RESOLUTION PROVISIONS SET FORTH IN SECTION 10 OF THIS AWARD AGREEMENT. BY SIGNING YOUR NAME BELOW, YOU SHALL HAVE CONFIRMED YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS AWARD AGREEMENT.

SECTION 1. The Plan. This Award is made pursuant to the Plan, all the terms of which are hereby incorporated in this Award Agreement, including the provisions of Section 6(e) of the Plan. In the event of any conflict between the terms of the Plan and the terms of this Award Agreement, the terms of the Plan shall govern.

SECTION 2. Definitions. Capitalized terms used in this Award Agreement that are not defined in this Award Agreement have the meanings as used or defined in the Plan. As used in this Award Agreement, the following terms have the meanings set forth below:

"Board" shall mean the Board of Directors of the Company.

"Business Day" means a day that is not a Saturday, a Sunday or a day on which banking institutions are legally permitted to be closed in the City of New York.

"Cause" shall have the meaning given to such term in your Employment Agreement or, if there is no Employment Agreement in effect at the time of your termination, the meaning given to such term in the Plan.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Compensation Committee of the Board of Directors of the Company.

"Disability" shall have the meaning set forth in your Employment Agreement.

“Employment Agreement” means any individual employment agreement, change in control and severance agreement, or confidential information protection agreement between you and the Company or any of its Subsidiaries.

“Good Reason” shall have the meaning given to such term in your Employment Agreement, or, if there is no Employment Agreement in effect at the time of your termination, the meaning given to such term in the Plan.

“Section 409A” means Section 409A of the Code, and the regulations and other interpretive guidance promulgated thereunder, as in effect from time to time.

(a) “Separation from Service” means, at such time you cease to be both an employee of the Company and cease to serve on the Board as a non-employee director.

(b) “Settlement Date” means on, or as soon as reasonably practicable (and in any event no later than ten (10) calendar days) following the Determination Date; provided that with respect to any portion of the Award that becomes vested on your termination of employment pursuant to Section 3(b) or a Change of Control pursuant to Section 3(c), the Settlement Date shall mean the effective date of such termination of employment or Change of Control.

(c) “Termination Without Cause as a Non-Employee Director” means, at any time after you cease to be an employee of the Company but continue to serve on the Board as a non-employee director, your cessation of service on the Board, if (i) you are removed from the Board without Cause or (ii) you are not nominated for election to the Board despite your willingness to continue to serve as a non-employee director, or (iii) you are nominated for election but not re-elected to the Board.

### SECTION 3. Vesting and Settlement.

(a) Regularly Scheduled Vesting. Except as otherwise provided in this Award Agreement, you will vest in the number of RSUs that corresponds to such Vesting Date, as specified in the table below, contingent upon your continued employment through each such Vesting Date (except as otherwise provided in Sections 3(b)(i) and 3(b)(ii).

###VEST\_SCHEDULE\_TABLE###

(b) Separation from Service. Notwithstanding anything to the contrary in this Award Agreement or the Plan to the contrary but subject to Section 3(c), all unvested RSUs will be forfeited upon your Separation from Service for any reason prior to the Vesting Date, except that:

(i) if your Separation from Service occurs by reason of your death, [*an involuntary termination by the Company without Cause, you incur a Termination Without Cause as a Non-Employee Director or you resign pursuant to clause (i) or clause (ii) of the definition of Good Reason set forth in your Employment Agreement*<sup>1</sup>] prior to the Vesting Date, then 100% of the Target Amount of RSUs shall vest immediately; and

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<sup>1</sup> Brad Jacobs

(ii) if your Separation from Service occurs as a result of your [*Disability*<sup>1</sup>] [*Termination Without Cause as a Non-Employee Director*<sup>2</sup>], (A) you shall vest in a number of RSUs, solely with respect to the RSUs scheduled and eligible to vest on the Vesting Date immediately following the date of termination, equal to the product of (x) the number of such RSUs scheduled and eligible to vest on the Vesting Date immediately following the date of termination and (y) a fraction, the numerator of which is the number of days from the Vesting Date immediately preceding the date of termination (or, if such termination is after the Grant Date but prior to the first Vesting Date, the Grant Date) through the date of termination of your employment and the denominator of which is the number of days from the Vesting Date immediately preceding the date of termination (or, if such termination is after the Grant Date but prior to the first Vesting Date, the Grant Date) through the Vesting Date immediately following the date of termination, and (B) the remainder of the RSUs shall be forfeited.

(c) Change of Control. Upon a Change of Control that occurs prior to the last Determination Date, if you remain employed at the time of such Change of Control, all outstanding RSUs (including any RSUs replaced in compliance with Section 8(b) of the Plan) shall remain outstanding and unvested, and shall continue to vest in accordance with the time-based vesting conditions set forth in Section 3(a), subject to your continued employment through the applicable Vesting Dates, or upon your earlier termination of employment by the Company without Cause (and other than due to your disability) or by you for Good Reason. Or, if such RSUs are not replaced in compliance with Section 8(b) of the Plan, such RSUs shall vest immediately prior to the completion of the Change of Control.

(d) Settlement of RSU Award. If RSUs vest pursuant to the foregoing provisions of this Section 3, then no later than the applicable Settlement Date, the Company shall deliver to you or your legal representative either (i) one Share or (ii) a cash payment equal to the Fair Market Value determined as of the Settlement Date of one Share, in each case, for each RSU that has been deemed earned and vested in accordance with the terms of this Award Agreement; provided, that the Company shall have sole discretion to determine whether to settle such RSUs in Shares, cash or a combination thereof.

SECTION 4. Forfeiture of RSUs. If you (a) breach any restrictive covenant (which, for the avoidance of doubt, includes any non-compete, non-solicit, non-disparagement or confidentiality provisions) contained in any arrangements with the Company (including any Employment Documents and the confidentiality covenant contained in Section 10(c) hereof) to which you are subject or (b) engage in fraud or willful misconduct that contributes materially to any financial restatement or material loss to the Company or any of its Subsidiaries, your rights with respect to the RSUs shall immediately terminate, and you shall be entitled to no further payments or benefits with respect thereto and, if the RSUs are vested and/or settled, the Company may require you to forfeit or remit to the Company any amount payable, or the after-tax net amount paid or received by you, in respect of any RSUs; provided, however, that (i) the Company shall make such demand that you forfeit or remit any such amount no later than six

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<sup>2</sup> Mario Harik

months after learning of the conduct described in this Section 4 and (ii) in cases where cure is possible, you shall first be provided a [15-day<sup>2</sup>] [30-day<sup>1</sup>] cure period to cease, and to cure, such conduct.

SECTION 5. No Rights as a Stockholder. You shall not have any rights or privileges of a stockholder with respect to the RSUs subject to this Award Agreement unless and until certificates representing Shares are actually issued and delivered to you or your legal representative in settlement of this Award.

SECTION 6. Non-Transferability of RSUs. Unless otherwise provided by the Committee in its discretion, RSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 9(a) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of RSUs in violation of the provisions of this Section 6 and Section 9(a) of the Plan shall be void.

SECTION 7. Withholding, Consents and Legends.

(a) Withholding. The delivery of Shares or cash pursuant to Section 3 of this Award Agreement is conditioned on satisfaction of any applicable withholding taxes in accordance with this Section 7(a) and Section 9(d) of the Plan. No later than the date as of which an amount first becomes includible in your gross income for Federal, state, local or foreign income tax purposes with respect to any RSUs, you shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. In the event that there is withholding tax liability in connection with the settlement of the RSUs, if authorized by the Committee in its sole discretion, you may satisfy, in whole or in part, any withholding tax liability by having the Company withhold from the number of Shares or cash you would be entitled to receive upon settlement of the RSUs, an amount in cash or a number of Shares having a Fair Market Value (which shall either have the meaning set forth in the Plan or shall have such other meaning as determined by the Company in accordance with applicable withholding requirements) equal to such withholding tax liability.

(b) Consents. Your rights in respect of the RSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents that the Committee may determine to be necessary or advisable (including your consent to the Company's supplying to any third-party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan).

(c) Legends. The Company may affix to certificates for Shares issued pursuant to this Award Agreement any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws). The Company may advise the transfer agent to place a stop order against any leg ended Shares.

SECTION 8. Successors and Assigns of the Company. The terms and conditions of this Award Agreement shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 9. Committee Discretion. The Compensation Committee of the Board shall have full and plenary discretion with respect to any actions to be taken or determinations to be made in connection with this Award Agreement, and its determinations shall be final, binding and conclusive.

SECTION 10. Dispute Resolution.

(a) Jurisdiction and Venue. Notwithstanding any provision in your Employment Documents, you and the Company irrevocably submit to the exclusive jurisdiction of (i) the United States District Court for the Southern District of New York and (ii) the courts of the State of New York for the purposes of any suit, action or other proceeding arising out of this Award Agreement or the Plan. You and the Company agree to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or, if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the courts of the State of New York. You and the Company further agree that service of any process, summons, notice or document by U.S. registered mail to the other party's address set forth below shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which you have submitted to jurisdiction in this Section 10(a). You and the Company irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Award Agreement or the Plan in (A) the United States District Court for the Southern District of New York or (B) the courts of the State of New York, and hereby and thereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Waiver of Jury Trial. You and the Company hereby waive, to the fullest extent permitted by applicable law, any right either of you may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Award Agreement or the Plan.

(c) Confidentiality. You hereby agree to keep confidential the existence of, and any information concerning, a dispute described in this Section 10, except that you may disclose information concerning such dispute to the court that is considering such dispute or to your legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute).

SECTION 11. Notice. All notices, requests, demands and other communications required or permitted to be given under the terms of this Award Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three Business Days after they have been mailed by U.S. certified or registered mail, return receipt requested, postage prepaid, addressed to the other party as set forth below:

If to the Company:	XPO, Inc. Five American Lane Greenwich, CT 06831 Attention: Chief Human Resources Officer
If to you:	To your address as most recently supplied to the Company and set forth in the Company's records

The parties may change the address to which notices under this Award Agreement shall be sent by providing written notice to the other in the manner specified above.

SECTION 12. Governing Law. This Award Agreement shall be deemed to be made in the State of Delaware, and the validity, construction and effect of this Award Agreement in all respects shall be determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of law principles thereof.

SECTION 13. Headings and Construction. Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof. Whenever the words “include,” “includes” or “including” are used in this Award Agreement, they shall be deemed to be followed by the words “but not limited to”. The term “or” is not exclusive.

SECTION 14. Amendment of this Award Agreement. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Agreement prospectively or retroactively; provided, however, that, except as set forth in Section 15(d) of this Award Agreement, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely impair your rights under this Award Agreement shall not to that extent be effective without your consent (it being understood, notwithstanding the foregoing proviso, that this Award Agreement and the RSUs shall be subject to the provisions of Section 7(c) of the Plan).

SECTION 15. Section 409A.

(a) It is intended that the provisions of this Award Agreement comply with Section 409A, and all provisions of this Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(b) Neither you nor any of your creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Award Agreement to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to you or for your benefit under this Award Agreement may not be reduced by, or offset against, any amount owing by you to the Company or any of its Affiliates.

(c) If, at the time of your separation from service (within the meaning of Section 409A), (i) you shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest (except as otherwise provided in your Employment Documents), on the first Business Day after such six-month period. For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulations Section 1.409A-2(b)(2) (iii).

(d) Notwithstanding any provision of this Award Agreement to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Award Agreement as

the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, you shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you or for your account in connection with this Award Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties.

SECTION 16. Counterparts. This Award Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. You and the Company hereby acknowledge and agree that signatures delivered by facsimile or electronic means (including by “pdf”) shall be deemed effective for all purposes.

SECTION 17. Securities Trade Monitoring Policy. You are required to maintain a securities brokerage account with the Company’s preferred broker in order to receive any Shares issuable under this Award, in accordance with the Company securities trade monitoring policy (the “Trade Monitoring Policy”). The Company’s preferred broker is currently Morgan Stanley. Any Shares issued to you pursuant to this Award Agreement shall be deposited in your account with the Company’s preferred broker in accordance with the terms set forth herein. You hereby acknowledge that you have reviewed, and agree to comply with, the terms of the Trade Monitoring Policy, and that this Award, and the value of any Shares issued pursuant to this Award Agreement, shall be subject to forfeiture or recoupment by the Company, as applicable, in the event of your noncompliance with the Trade Monitoring Policy, as it may be in effect from time to time.

IN WITNESS WHEREOF, the parties have duly executed this Award Agreement as of the date first written above.

XPO, INC.

by

\_\_\_\_\_  
Name: Josephine Berisha

Title: Chief Human Resources Officer

PARTICIPANT

\_\_\_\_\_

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT UNDER THE XPO LOGISTICS, INC. 2016 OMNIBUS INCENTIVE COMPENSATION PLAN, dated as of **###GRANT\_DATE###** (the “Grant Date”) between XPO, INC., a Delaware corporation (the “Company”), and **###PARTICIPANT###**

This Performance-Based Restricted Stock Unit Award Agreement (this “Award Agreement”) sets forth the terms and conditions of an award of performance-based restricted stock units with respect to a target number of shares (the “Target Amount”) of the Company’s Common Stock, \$0.001 par value (“Share”) equal to **###TOTAL\_AWARDS###** performance-based restricted stock units (this “Award”), that is subject to the terms and conditions specified herein (each such restricted stock unit, an “RSU”) and that are granted to you under the XPO Logistics, Inc. 2016 Omnibus Incentive Compensation Plan (the “Plan”). This Award provides you with the opportunity to earn, subject to the terms of this Award Agreement, Shares or cash, as set forth in Section 3 of this Award Agreement.

THIS AWARD IS SUBJECT TO ALL TERMS AND CONDITIONS OF THE PLAN AND THIS AWARD AGREEMENT, INCLUDING THE DISPUTE RESOLUTION PROVISIONS SET FORTH IN SECTION 10 OF THIS AWARD AGREEMENT. BY SIGNING YOUR NAME BELOW, YOU SHALL HAVE CONFIRMED YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS AWARD AGREEMENT.

SECTION 1. The Plan. This Award is made pursuant to the Plan, all the terms of which are hereby incorporated in this Award Agreement, including the provisions of Section 6(e) of the Plan. In the event of any conflict between the terms of the Plan and the terms of this Award Agreement, the terms of the Plan shall govern.

SECTION 2. Definitions. Capitalized terms used in this Award Agreement that are not defined in this Award Agreement have the meanings as used or defined in the Plan. As used in this Award Agreement, the following terms have the meanings set forth below:

“Board” shall mean the Board of Directors of the Company.

“Cause” shall have the meaning given to such term in your Employment Agreement or, if there is no Employment Agreement in effect at the time of your termination, the meaning given to such term in the Plan.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Compensation Committee of the Board of Directors of the Company.

“Determination Date” means, with respect to the Performance Period, the date following the completion of such Performance Period on which the Committee certifies the level of achievement of the applicable Performance Goals, which shall be no later than March 10 immediately following the Performance Period.

“Disability” shall have the meaning set forth in your Employment Agreement..

“Earned Amount” means the number of RSUs earned with respect to the Award based on the level of achievement of the Performance Goals or otherwise in accordance with this Award Agreement.

“Employment Agreement” means any individual employment agreement, change in control and severance agreement, or confidential information protection agreement between you and the Company or any of its Subsidiaries.

“Good Reason” shall have the meaning given to such term in your Employment Agreement, or, if there is no Employment Agreement in effect at the time of your termination, the meaning given to such term in the Plan.

“Performance Goals” means the performance goals applicable to the Award as set forth in Exhibit A.

“Performance Period” means the performance period applicable to each performance goal of the Award as set forth in Exhibit A.

“Section 409A” means Section 409A of the Code, and the regulations and other interpretive guidance promulgated thereunder, as in effect from time to time.

(a) “Separation from Service” means, at such time you cease to be both an employee of the Company and cease to serve on the Board as a non-employee director.

(b) “Settlement Date” means on, or as soon as reasonably practicable (and in any event no later than ten (10) calendar days) following the Determination Date; provided that with respect to any portion of the Award that becomes vested on your termination of employment pursuant to Section 3(b) or a Change of Control pursuant to Section 3(c), the Settlement Date shall mean the effective date of such termination of employment or Change of Control.

(c) “Termination Without Cause as a Non-Employee Director” means, at any time after you cease to be an employee of the Company but continue to serve on the Board as a non-employee director, your cessation of service on the Board, if (i) you are removed from the Board without Cause or (ii) you are not nominated for election to the Board despite your willingness to continue to serve as a non-employee director, or (iii) you are nominated for election but not re-elected to the Board.

“Vesting Date” means March 6, 2026.

### SECTION 3. Vesting and Settlement.

(a) Regularly Scheduled Vesting. Except as otherwise provided in this Award Agreement, the Earned Amount, determined based on the level of achievement of the Performance Goals during the Performance Period as certified by the Committee, shall vest on the Vesting Date contingent upon your continued employment through the Vesting Date (except as otherwise provided in Sections 3(b)(i) and 3(b)(ii)). Except as otherwise provided in this Award Agreement, no RSUs shall be earned and payable with respect to the Award unless the Committee has certified the level of achievement of the Performance Goals. The Committee shall have sole discretion to determine the level of achievement of the Performance Goals.

(b) Separation from Service. Notwithstanding anything to the contrary in this Award Agreement or the Plan to the contrary but subject to Section 3(c), all unvested RSUs will be forfeited upon your Separation from Service for any reason prior to the Vesting Date, except that:

(i) if your Separation from Service occurs by reason of your death, [an involuntary termination by the Company without Cause, you incur a Termination Without Cause as a Non-Employee Director or you resign pursuant to clause (i) or clause (ii) of the definition of Good Reason set forth in your Employment Agreement<sup>1</sup>] prior to the Vesting Date, then 100% of the Target Amount of RSUs shall vest immediately; and

(ii) if your Separation from Service occurs as a result of your [Disability<sup>1</sup>] [Termination Without Cause as a Non-Employee Director<sup>2</sup>], then you shall vest in a prorated portion of the Target Amount of RSUs, with proration based on a fraction, the numerator of which is the number of days from the Grant Date through the date of your termination of employment and the denominator of which is 1,096 days.

(c) Change of Control. Upon a Change of Control that occurs prior to the last Determination Date, if you remain employed at the time of such Change of Control, all outstanding RSUs (including any RSUs replaced in compliance with Section 8(b) of the Plan) shall remain outstanding and unvested, and shall continue to vest in accordance with the time-based vesting conditions set forth in Section 3(a), subject to your continued employment through the applicable Vesting Dates, or upon your earlier termination of employment by the Company without Cause (and other than due to your disability) or by you for Good Reason. The Earned Amount shall be determined upon the completion of the Change of Control and shall be deemed to be equal to the greater of (A) the Target Amount of RSUs and (B) the amount of RSUs that would be earned based on the actual level of achievement of the Performance Goals through the latest practicable date prior to the date of the Change of Control as determined by the Committee. Or, if such RSUs are not replaced in compliance with Section 8(b) of the Plan, such RSUs shall vest immediately, with the Earned Amount equal to (A) if such Change of Control occurs prior to the Determination Date for such Performance Period, the Target Amount or (B) if such Change of Control occurs on or after the Determination Date for such Performance Period, the amount determined based on the actual level of achievement of the Performance Goals for such Performance Period as certified by the Committee prior to the Change of Control.

(d) Settlement of RSU Award. If RSUs vest pursuant to the foregoing provisions of this Section 3, then no later than the applicable Settlement Date, the Company shall deliver to you or your legal representative either (i) one Share or (ii) a cash payment equal to the Fair Market Value determined as of the Settlement Date of one Share, in each case, for each RSU that has been deemed earned and vested in accordance with the terms of this Award Agreement; provided, that the Company shall have sole discretion to determine whether to settle such RSUs in Shares, cash or a combination thereof.

SECTION 4. Forfeiture of RSUs. If you (a) breach any restrictive covenant (which, for the avoidance of doubt, includes any non-compete, non-solicit, non-disparagement or confidentiality provisions) contained in any arrangements with the Company (including any Employment Documents and the confidentiality covenant contained in Section 10(c) hereof) to which you are subject or (b) engage in fraud or willful misconduct that contributes materially to any financial restatement or material loss to the Company or any of its Subsidiaries, your rights with respect to the RSUs shall immediately terminate, and you shall be entitled to no further payments or benefits with respect thereto and, if the RSUs are vested and/or settled, the

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<sup>1</sup> Brad Jacobs

<sup>2</sup> Mario Harik

Company may require you to forfeit or remit to the Company any amount payable, or the after-tax net amount paid or received by you, in respect of any RSUs; provided, however, that (i) the Company shall make such demand that you forfeit or remit any such amount no later than six months after learning of the conduct described in this Section 4 and (ii) in cases where cure is possible, you shall first be provided a [15-day<sup>2</sup>] [30-day<sup>2</sup>] cure period to cease, and to cure, such conduct.

SECTION 5. No Rights as a Stockholder. You shall not have any rights or privileges of a stockholder with respect to the RSUs subject to this Award Agreement unless and until certificates representing Shares are actually issued and delivered to you or your legal representative in settlement of this Award.

SECTION 6. Non-Transferability of RSUs. Unless otherwise provided by the Committee in its discretion, RSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 9(a) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of RSUs in violation of the provisions of this Section 6 and Section 9(a) of the Plan shall be void.

SECTION 7. Withholding, Consents and Legends.

(a) Withholding. The delivery of Shares or cash pursuant to Section 3 of this Award Agreement is conditioned on satisfaction of any applicable withholding taxes in accordance with this Section 7(a) and Section 9(d) of the Plan. No later than the date as of which an amount first becomes includible in your gross income for Federal, state, local or foreign income tax purposes with respect to any RSUs, you shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. In the event that there is withholding tax liability in connection with the settlement of the RSUs, if authorized by the Committee in its sole discretion, you may satisfy, in whole or in part, any withholding tax liability by having the Company withhold from the number of Shares or cash you would be entitled to receive upon settlement of the RSUs, an amount in cash or a number of Shares having a Fair Market Value (which shall either have the meaning set forth in the Plan or shall have such other meaning as determined by the Company in accordance with applicable withholding requirements) equal to such withholding tax liability.

(b) Consents. Your rights in respect of the RSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents that the Committee may determine to be necessary or advisable (including your consent to the Company's supplying to any third-party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan).

(c) Legends. The Company may affix to certificates for Shares issued pursuant to this Award Agreement any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws). The Company may advise the transfer agent to place a stop order against any leg ended Shares.

SECTION 8. Successors and Assigns of the Company. The terms and conditions of this Award Agreement shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 9. Committee Discretion. The Compensation Committee of the Board shall have full and plenary discretion with respect to any actions to be taken or

determinations to be made in connection with this Award Agreement, and its determinations shall be final, binding and conclusive.

SECTION 10. Dispute Resolution.

(a) Jurisdiction and Venue. Notwithstanding any provision in your Employment Documents, you and the Company irrevocably submit to the exclusive jurisdiction of (i) the United States District Court for the Southern District of New York and (ii) the courts of the State of New York for the purposes of any suit, action or other proceeding arising out of this Award Agreement or the Plan. You and the Company agree to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or, if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the courts of the State of New York. You and the Company further agree that service of any process, summons, notice or document by U.S. registered mail to the other party's address set forth below shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which you have submitted to jurisdiction in this Section 10(a). You and the Company irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Award Agreement or the Plan in (A) the United States District Court for the Southern District of New York or (B) the courts of the State of New York, and hereby and thereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Waiver of Jury Trial. You and the Company hereby waive, to the fullest extent permitted by applicable law, any right either of you may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Award Agreement or the Plan.

(c) Confidentiality. You hereby agree to keep confidential the existence of, and any information concerning, a dispute described in this Section 10, except that you may disclose information concerning such dispute to the court that is considering such dispute or to your legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute).

SECTION 11. Notice. All notices, requests, demands and other communications required or permitted to be given under the terms of this Award Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three Business Days after they have been mailed by U.S. certified or registered mail, return receipt requested, postage prepaid, addressed to the other party as set forth below:

If to the Company:	XPO, Inc. Five American Lane Greenwich, CT 06831 Attention: Chief Human Resources Officer
If to you:	To your address as most recently supplied to the Company and set forth in the Company's records

The parties may change the address to which notices under this Award Agreement shall be sent by providing written notice to the other in the manner specified above.

SECTION 12. Governing Law. This Award Agreement shall be deemed to be made in the State of Delaware, and the validity, construction and effect of this Award Agreement in all respects shall be determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of law principles thereof.

SECTION 13. Headings and Construction. Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof. Whenever the words “include,” “includes” or “including” are used in this Award Agreement, they shall be deemed to be followed by the words “but not limited to”. The term “or” is not exclusive.

SECTION 14. Amendment of this Award Agreement. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Agreement prospectively or retroactively; provided, however, that, except as set forth in Section 15(d) of this Award Agreement, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely impair your rights under this Award Agreement shall not to that extent be effective without your consent (it being understood, notwithstanding the foregoing proviso, that this Award Agreement and the RSUs shall be subject to the provisions of Section 7(c) of the Plan).

SECTION 15. Section 409A.

(a) It is intended that the provisions of this Award Agreement comply with Section 409A, and all provisions of this Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(b) Neither you nor any of your creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Award Agreement to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to you or for your benefit under this Award Agreement may not be reduced by, or offset against, any amount owing by you to the Company or any of its Affiliates.

(c) If, at the time of your separation from service (within the meaning of Section 409A), (i) you shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest (except as otherwise provided in your Employment Documents), on the first Business Day after such six-month period. For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulations Section 1.409A-2(b)(2) (iii).

(d) Notwithstanding any provision of this Award Agreement to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Award Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, you shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you or for your account in connection with this Award Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates

shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties.

SECTION 16. Counterparts. This Award Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. You and the Company hereby acknowledge and agree that signatures delivered by facsimile or electronic means (including by “pdf”) shall be deemed effective for all purposes.

SECTION 17. Securities Trade Monitoring Policy. You are required to maintain a securities brokerage account with the Company’s preferred broker in order to receive any Shares issuable under this Award, in accordance with the Company securities trade monitoring policy (the “Trade Monitoring Policy”). The Company’s preferred broker is currently Morgan Stanley. Any Shares issued to you pursuant to this Award Agreement shall be deposited in your account with the Company’s preferred broker in accordance with the terms set forth herein. You hereby acknowledge that you have reviewed, and agree to comply with, the terms of the Trade Monitoring Policy, and that this Award, and the value of any Shares issued pursuant to this Award Agreement, shall be subject to forfeiture or recoupment by the Company, as applicable, in the event of your noncompliance with the Trade Monitoring Policy, as it may be in effect from time to time.

SECTION 18. Lock-Up. Notwithstanding anything to the contrary in your Employment Agreement, the Plan or any Award Agreement under the Plan, any Shares issued to you under this Award Agreement shall be subject to a lock-up on sales, offers, pledges, contracts to sell, grants of any option, right or warrant to purchase, or other transfers or dispositions, whether directly or indirectly, from the date hereof until March 6, 2027 (or, if earlier, upon your death or a Change of Control); provided, however, that such lock-up may be waived in the sole discretion of the Company’s Chief Executive Officer or Chief Human Resources Officer; and provided, further, that the provisions of this Section 18 shall not apply to Shares withheld, sold or otherwise transferred to the Company to satisfy the applicable tax withholding in connection with the grant of any Shares. During the period that the Shares issued to you under this Award Agreement are subject to the lock-up, such Shares will bear a corresponding transfer restriction legend.

XPO, INC.

by

\_\_\_\_\_  
Name: Josephine Berisha  
Title: Chief Human Resources  
Officer

PARTICIPANT

\_\_\_\_\_

**Exhibit A**

**Details of Award**

<b>Performance Goal</b>	<b>Performance Goal Weighting</b>	<b>Performance Period</b>	<b>Vesting Date</b>
LTL Adjusted EBITDA Growth	40%	January 1, 2023 through December 31, 2025	Three (3) year anniversary of the Grant Date
LTL Adjusted Operating Ratio Improvement	20%		
Relative Total Shareholder Return (Index)	40%	March 6, 2023 through March 6, 2026	

## Exhibit B

### Performance Goals

(1) Performance Goals. For the applicable Performance Periods (as set forth in Exhibit A), the metrics for the Performance Goals shall be (a) LTL Adjusted EBITDA Growth (weighted 40%), (b) LTL Adjusted Operating Ratio Improvement (weighted 20%), and (c) the Company's Relative Total Shareholder Return (Index) (weighted 40%). The Performance Goal for each metric shall be as set forth below in this Section 1, unless the Committee shall determine in its discretion to reduce, or adjust the underlying elements of, the applicable Performance Goal based on changes in economic circumstances or government-related mandates that impact the Company's financial metrics, changes in the competitive market, or other factors that materially change the relevance of the metric in the performance period. The level of achievement of each Performance Goal shall be measured over the applicable Performance Period.

a. LTL Adjusted EBITDA Growth (weighted 40%).

i. **Target Performance Goal** – means the compound annual growth rate of the LTL Adjusted EBITDA during the Performance Period, measured by reference to the Company's full year 2022 LTL Adjusted EBITDA is at least eight percent (8%).

Payout based on Achievement of Financial Performance Goal	Shares Earned as Percentage of Target*
Less than 90% of target	0%
90% of target	50%
100% of target	100% of shares earned
120% of target	200% of shares earned

\* Linear interpolation shall be applied between each level.

b. LTL Adjusted Operating Ratio Improvement (weighted 20%):

- i. **Target Performance Goal** – 300 basis point improvement in the LTL Adjusted Operating Ratio. The payout scale is set forth below.

<b>Payout based on Achievement of Financial Performance Goal</b>	<b>Shares Earned as Percentage of Target*</b>
Below 200 basis points	0%
200 basis points	50% of shares earned
300 basis points	100% of shares earned
400 basis points	200% of shares earned

\* Linear interpolation shall be applied between each level.

c. Company's Total Shareholder Return Relative to Index TSR (weighted 40%):

- i. **Target Performance Goal** – The Performance Goal relating to the Company's stock price performance during the applicable Performance Period relative to the S&P Transportation Select Industry Index for the Performance Period (ranked in the order of lowest to highest TSR), calculated as follows:

<b>Company's Total Shareholder Return Percentile Position vs. Index Companies in the S&amp;P Transportation Select Industry Index</b>	<b>Value Earned as Percentage of Target*</b>
Greater than or equal to 75th percentile	200%
60th percentile	100%
50th percentile	65%
40 <sup>th</sup> percentile	25%
Below 40 <sup>th</sup> percentile	0%

\* Linear interpolation shall be applied between each threshold.

- (2) Determination of Performance Goal Achievement. Promptly following, and in any event no later than the March 10 immediately after, the completion of the Performance Period, the Committee shall certify the actual level of achievement of each Performance Goal applicable to the Performance Period.

- (3) Payout Formula. Except as otherwise expressly provided in Section 3(c) of the Award Agreement, the Earned Amount of each Performance Goal shall be equal to the sum of:
- a. LTL Adjusted EBITDA Growth. The product of (i) 40% of the Target Amount and (ii) the Value Earned as a Percentage of the Target Amount based on achievement of the Performance Goal, calculated as set forth in Section 1(a) above, plus
  - b. LTL Adjusted Operating Ratio Improvement. The product of (i) 20% of the Target Amount and (ii) the Value Earned as a Percentage of the Target Amount based on achievement of the Performance Goal, calculated as set forth in Section 1(b) above, plus
  - c. Company's Relative Total Shareholder Return vs. Index. The product of (i) 40% of the Target Amount and (ii) the Value Earned as a Percentage of the Target Amount based on achievement of the Performance Goal, calculated as set forth in Section 1(c) above.
- (4) Certain Definitions.
- a. "LTL Adjusted EBITDA Growth" means the compound annual growth rate of LTL Adjusted EBITDA (as defined below) during the Performance Period, measured by reference to the Company's full year 2022 LTL Adjusted EBITDA.
  - b. "LTL Adjusted EBITDA" means earnings for the Less-than-Truckload business before the payments of interest, taxes, depreciation and amortization expenses, in each case calculated in a manner consistent with the Company's externally reported figures. LTL Adjusted EBITDA shall exclude pension income and any contribution from gains on sales of real estate. At the Committee's discretion, the Committee may make adjustments to this calculation for items that the Committee, in good faith, determines appropriate (including, without limitation, extraordinary gains and extraordinary losses, or costs related to acquired organizations).
  - c. "LTL Adjusted Operating Ratio Improvement" means fiscal year 2025 adjusted operating ratio for the Less-than-Truckload business, less fiscal year 2022 adjusted operating ratio for the Less-than-Truckload business (measured in basis points) where "adjusted operating ratio" is calculated as  $(1 - (\text{Adjusted operating income divided by Revenue}))$  and adjusted operating income excludes the impact of gains on the sales of real estate, as well as pension income.
    - i. "Revenue" means revenue (as calculated in accordance with GAAP) of the Less-than-Truckload business, inclusive of fuel surcharge revenue.
  - d. "TSR" shall mean the quotient of (i) a company's Ending Price minus the company's Beginning Price plus the company's Dividends Paid, divided by (ii) the company's Beginning Price.
    - i. "Beginning Price" shall mean the average of the closing prices of shares of the Company or each company in the Index, as applicable, during the thirty (30) consecutive trading days preceding and inclusive

of March 6, 2023. This period would run from January 23, 2023 through March 6, 2023.

- ii. “Ending Price” shall mean the average of the closing prices of the shares of the Company or each company in the Index, as applicable, during the thirty (30) consecutive trading days leading up to and including March 6, 2026. In determining the Ending Price for the Company or a company in the Index, the Committee shall make such adjustments as it deems appropriate to reflect stock splits, spin-offs, and similar transactions that occurred during the Performance Period.
- iii. “Dividends Paid” shall mean all cash dividends paid by the applicable company with respect to an ex-dividend date that occurs during the Performance Period (whether or not the dividend payment date occurs during the Performance Period), which shall be deemed to have been reinvested in the underlying common shares and shall include cash dividends paid with respect to such reinvested dividends. As applied to the Index, Dividends Paid shall relate to dividends of the constituent companies and shall assume that they are reinvested in the constituent companies of the Index.
- iv. “Index” means the S&P Transportation Select Industry Index. For the avoidance of doubt, only those companies with a Beginning Price and Ending Price shall be included in the Index.

PERFORMANCE-BASED RESTRICTED STOCK UNIT AWARD AGREEMENT UNDER THE XPO LOGISTICS, INC. 2016 OMNIBUS INCENTIVE COMPENSATION PLAN, dated as of **###GRANT\_DATE###** (the “Grant Date”) between XPO, INC., a Delaware corporation (the “Company”), and **###PARTICIPANT###**

This Performance-Based Restricted Stock Unit Award Agreement (this “Award Agreement”) sets forth the terms and conditions of an award of performance-based restricted stock units with respect to a target number of shares (the “Target Amount”) of the Company’s Common Stock, \$0.001 par value (“Share”) equal to **###TOTAL\_AWARDS###** performance-based restricted stock units (this “Award”), that is subject to the terms and conditions specified herein (each such restricted stock unit, an “RSU”) and that are granted to you under the XPO Logistics, Inc. 2016 Omnibus Incentive Compensation Plan (the “Plan”). This Award provides you with the opportunity to earn, subject to the terms of this Award Agreement, Shares or cash, as set forth in Section 3 of this Award Agreement.

THIS AWARD IS SUBJECT TO ALL TERMS AND CONDITIONS OF THE PLAN AND THIS AWARD AGREEMENT, INCLUDING THE DISPUTE RESOLUTION PROVISIONS SET FORTH IN SECTION 10 OF THIS AWARD AGREEMENT. BY SIGNING YOUR NAME BELOW, YOU SHALL HAVE CONFIRMED YOUR ACCEPTANCE OF THE TERMS AND CONDITIONS OF THIS AWARD AGREEMENT.

SECTION 1. The Plan. This Award is made pursuant to the Plan, all the terms of which are hereby incorporated in this Award Agreement, including the provisions of Section 6(e) of the Plan. In the event of any conflict between the terms of the Plan and the terms of this Award Agreement, the terms of the Plan shall govern.

SECTION 2. Definitions. Capitalized terms used in this Award Agreement that are not defined in this Award Agreement have the meanings as used or defined in the Plan. As used in this Award Agreement, the following terms have the meanings set forth below:

“Board” shall mean the Board of Directors of the Company.

“Cause” shall have the meaning given to such term in your Employment Agreement or, if there is no Employment Agreement in effect at the time of your termination, the meaning given to such term in the Plan.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Compensation Committee of the Board of Directors of the Company.

“Determination Date” means, with respect to the Performance Period, the date following the completion of such Performance Period on which the Committee certifies the level of achievement of the applicable Performance Goals, which shall be no later than March 10 immediately following the Performance Period.

“Earned Amount” means the number of RSUs earned with respect to the Award based on the level of achievement of the Performance Goals or otherwise in accordance with this Award Agreement.

“Employment Agreement” means any individual employment agreement, change in control and severance agreement, or confidential information protection agreement between you and the Company or any of its Subsidiaries.

“Good Reason” shall have the meaning given to such term in your Employment Agreement. or, if there is no Employment Agreement in effect at the time of your termination, the meaning given to such term in the Plan.

“Performance Goals” means the performance goals applicable to the Award as set forth in Exhibit A.

“Performance Period” means the performance period applicable to each performance goal of the Award as set forth in Exhibit A.

“Section 409A” means Section 409A of the Code, and the regulations and other interpretive guidance promulgated thereunder, as in effect from time to time.

“Settlement Date” means on, or as soon as reasonably practicable (and in any event no later than ten (10) calendar days) following the Determination Date; provided that with respect to any portion of the Award that becomes vested on your termination of employment pursuant to Section 3(b) or a Change of Control pursuant to Section 3(c), the Settlement Date shall mean the effective date of such termination of employment or Change of Control.

“Vesting Date” means March 6, 2026.

### SECTION 3. Vesting and Settlement.

(a) Regularly Scheduled Vesting. Except as otherwise provided in this Award Agreement, the Earned Amount, determined based on the level of achievement of the Performance Goals during the Performance Period as certified by the Committee, shall vest on the Vesting Date contingent upon your continued employment through the Vesting Date (except as otherwise provided in Sections 3(b)(i) and 3(b)(ii)). Except as otherwise provided in this Award Agreement, no RSUs shall be earned and payable with respect to the Award unless the Committee has certified the level of achievement of the Performance Goals. The Committee shall have sole discretion to determine the level of achievement of the Performance Goals.

(b) Termination of Employment. Notwithstanding anything to the contrary in this Award Agreement or the Plan but subject to Section 3(c), all outstanding and unvested RSUs will be forfeited upon your termination of employment for any reason prior to the Vesting Date, except that:

(i) if your employment terminates by reason of your death prior to the Vesting Date, then 100% of the Target Amount of RSUs shall vest immediately; and

(ii) if your employment is involuntarily terminated by the Company without Cause, then you shall vest in a prorated portion of the Target Amount of RSUs, with proration based on a fraction, the numerator of which is the number of days from the Grant Date through the date of your termination of employment and the denominator of which is 1,096 days.

(c) Change of Control. Upon a Change of Control that occurs prior to the last Determination Date, if you remain employed at the time of such Change of Control, all

outstanding RSUs (including any RSUs replaced in compliance with Section 8(b) of the Plan) shall remain outstanding and unvested, and shall continue to vest in accordance with the time-based vesting conditions set forth in Section 3(a), subject to your continued employment through the applicable Vesting Dates, or upon your earlier termination of employment by the Company without Cause (and other than due to your disability) or by you for Good Reason. The Earned Amount shall be determined upon the completion of the Change of Control and shall be deemed to be equal to the greater of (A) the Target Amount of RSUs and (B) the amount of RSUs that would be earned based on the actual level of achievement of the Performance Goals through the latest practicable date prior to the date of the Change of Control as determined by the Committee. Or, if such RSUs are not replaced in compliance with Section 8(b) of the Plan, such RSUs shall vest immediately, with the Earned Amount equal to (A) if such Change of Control occurs prior to the Determination Date for such Performance Period, the Target Amount or (B) if such Change of Control occurs on or after the Determination Date for such Performance Period, the amount determined based on the actual level of achievement of the Performance Goals for such Performance Period as certified by the Committee prior to the Change of Control.

(d) Settlement of RSU Award. If RSUs vest pursuant to the foregoing provisions of this Section 3, then no later than the applicable Settlement Date, the Company shall deliver to you or your legal representative either (i) one Share or (ii) a cash payment equal to the Fair Market Value determined as of the Settlement Date of one Share, in each case, for each RSU that has been deemed earned and vested in accordance with the terms of this Award Agreement; provided, that the Company shall have sole discretion to determine whether to settle such RSUs in Shares, cash or a combination thereof.

SECTION 4. Forfeiture of RSUs. If you (a) breach any restrictive covenant (which, for the avoidance of doubt, includes any non-compete, non-solicit, non-disparagement or confidentiality provisions) contained in any arrangements with the Company (including any Employment Documents and the confidentiality covenant contained in Section 10(c) hereof) to which you are subject or (b) engage in fraud or willful misconduct that contributes materially to any financial restatement or material loss to the Company or any of its Subsidiaries, your rights with respect to the RSUs shall immediately terminate, and you shall be entitled to no further payments or benefits with respect thereto and, if the RSUs are vested and/or settled, the Company may require you to forfeit or remit to the Company any amount payable, or the after-tax net amount paid or received by you, in respect of any RSUs; provided, however, that (i) the Company shall make such demand that you forfeit or remit any such amount no later than six months after learning of the conduct described in this Section 4 and (ii) in cases where cure is possible, you shall first be provided a 15-day cure period to cease, and to cure, such conduct.

SECTION 5. No Rights as a Stockholder. You shall not have any rights or privileges of a stockholder with respect to the RSUs subject to this Award Agreement unless and until certificates representing Shares are actually issued and delivered to you or your legal representative in settlement of this Award.

SECTION 6. Non-Transferability of RSUs. Unless otherwise provided by the Committee in its discretion, RSUs may not be sold, assigned, alienated, transferred, pledged, attached or otherwise encumbered except as provided in Section 9(a) of the Plan. Any purported sale, assignment, alienation, transfer, pledge, attachment or other encumbrance of RSUs in violation of the provisions of this Section 6 and Section 9(a) of the Plan shall be void.

SECTION 7. Withholding, Consents and Legends.

(a) Withholding. The delivery of Shares or cash pursuant to Section 3 of this Award Agreement is conditioned on satisfaction of any applicable withholding taxes in accordance with this Section 7(a) and Section 9(d) of the Plan. No later than the date as of which an amount first becomes includible in your gross income for Federal, state, local or foreign income tax purposes with respect to any RSUs, you shall pay to the Company, or make arrangements satisfactory to the Company regarding the payment of, any Federal, state, local and foreign taxes that are required by applicable laws and regulations to be withheld with respect to such amount. In the event that there is withholding tax liability in connection with the settlement of the RSUs, if authorized by the Committee in its sole discretion, you may satisfy, in whole or in part, any withholding tax liability by having the Company withhold from the number of Shares or cash you would be entitled to receive upon settlement of the RSUs, an amount in cash or a number of Shares having a Fair Market Value (which shall either have the meaning set forth in the Plan or shall have such other meaning as determined by the Company in accordance with applicable withholding requirements) equal to such withholding tax liability.

(b) Consents. Your rights in respect of the RSUs are conditioned on the receipt to the full satisfaction of the Committee of any required consents that the Committee may determine to be necessary or advisable (including your consent to the Company's supplying to any third-party recordkeeper of the Plan such personal information as the Committee deems advisable to administer the Plan).

(c) Legends. The Company may affix to certificates for Shares issued pursuant to this Award Agreement any legend that the Committee determines to be necessary or advisable (including to reflect any restrictions to which you may be subject under any applicable securities laws). The Company may advise the transfer agent to place a stop order against any leg ended Shares.

SECTION 8. Successors and Assigns of the Company. The terms and conditions of this Award Agreement shall be binding upon and shall inure to the benefit of the Company and its successors and assigns.

SECTION 9. Committee Discretion. The Compensation Committee of the Board shall have full and plenary discretion with respect to any actions to be taken or determinations to be made in connection with this Award Agreement, and its determinations shall be final, binding and conclusive.

SECTION 10. Dispute Resolution.

(a) Jurisdiction and Venue. Notwithstanding any provision in your Employment Documents, you and the Company irrevocably submit to the exclusive jurisdiction of (i) the United States District Court for the Southern District of New York and (ii) the courts of the State of New York for the purposes of any suit, action or other proceeding arising out of this Award Agreement or the Plan. You and the Company agree to commence any such action, suit or proceeding either in the United States District Court for the Southern District of New York or, if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the courts of the State of New York. You and the Company further agree that service of any process, summons, notice or document by U.S. registered mail to the other party's address set forth below shall be effective service of process for any action, suit or proceeding in New York with respect to any matters to which you have submitted to jurisdiction in this Section 10(a). You and the Company irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Award Agreement or the Plan in (A) the United States District Court for the Southern District of New York or (B) the courts of the State of New York, and hereby and thereby further irrevocably and unconditionally waive and

agree not to plead or claim in any such court that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Waiver of Jury Trial. You and the Company hereby waive, to the fullest extent permitted by applicable law, any right either of you may have to a trial by jury in respect to any litigation directly or indirectly arising out of, under or in connection with this Award Agreement or the Plan.

(c) Confidentiality. You hereby agree to keep confidential the existence of, and any information concerning, a dispute described in this Section 10, except that you may disclose information concerning such dispute to the court that is considering such dispute or to your legal counsel (provided that such counsel agrees not to disclose any such information other than as necessary to the prosecution or defense of the dispute).

SECTION 11. Notice. All notices, requests, demands and other communications required or permitted to be given under the terms of this Award Agreement shall be in writing and shall be deemed to have been duly given when delivered by hand or overnight courier or three Business Days after they have been mailed by U.S. certified or registered mail, return receipt requested, postage prepaid, addressed to the other party as set forth below:

If to the Company:	XPO, Inc. Five American Lane Greenwich, CT 06831 Attention: Chief Human Resources Officer
If to you:	To your address as most recently supplied to the Company and set forth in the Company's records

The parties may change the address to which notices under this Award Agreement shall be sent by providing written notice to the other in the manner specified above.

SECTION 12. Governing Law. This Award Agreement shall be deemed to be made in the State of Delaware, and the validity, construction and effect of this Award Agreement in all respects shall be determined in accordance with the laws of the State of Delaware, without giving effect to the conflict of law principles thereof.

SECTION 13. Headings and Construction. Headings are given to the Sections and subsections of this Award Agreement solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of this Award Agreement or any provision thereof. Whenever the words "include," "includes" or "including" are used in this Award Agreement, they shall be deemed to be followed by the words "but not limited to". The term "or" is not exclusive.

SECTION 14. Amendment of this Award Agreement. The Committee may waive any conditions or rights under, amend any terms of, or alter, suspend, discontinue, cancel or terminate this Award Agreement prospectively or retroactively; provided, however, that, except as set forth in Section 15(d) of this Award Agreement, any such waiver, amendment, alteration, suspension, discontinuance, cancellation or termination that would materially and adversely impair your rights under this Award Agreement shall not to that extent be effective without your consent (it being understood, notwithstanding the foregoing proviso, that this Award Agreement and the RSUs shall be subject to the provisions of Section 7(c) of the Plan).

SECTION 15. Section 409A.

(a) It is intended that the provisions of this Award Agreement comply with Section 409A, and all provisions of this Award Agreement shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.

(b) Neither you nor any of your creditors or beneficiaries shall have the right to subject any deferred compensation (within the meaning of Section 409A) payable under this Award Agreement to any anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment or garnishment. Except as permitted under Section 409A, any deferred compensation (within the meaning of Section 409A) payable to you or for your benefit under this Award Agreement may not be reduced by, or offset against, any amount owing by you to the Company or any of its Affiliates.

(c) If, at the time of your separation from service (within the meaning of Section 409A), (i) you shall be a specified employee (within the meaning of Section 409A and using the identification methodology selected by the Company from time to time) and (ii) the Company shall make a good faith determination that an amount payable hereunder constitutes deferred compensation (within the meaning of Section 409A) the payment of which is required to be delayed pursuant to the six-month delay rule set forth in Section 409A in order to avoid taxes or penalties under Section 409A, then the Company shall not pay such amount on the otherwise scheduled payment date but shall instead pay it, without interest (except as otherwise provided in your Employment Documents), on the first Business Day after such six-month period. For purposes of Section 409A, each payment hereunder will be deemed to be a separate payment as permitted under Treasury Regulations Section 1.409A-2(b)(2) (iii).

(d) Notwithstanding any provision of this Award Agreement to the contrary, in light of the uncertainty with respect to the proper application of Section 409A, the Company reserves the right to make amendments to this Award Agreement as the Company deems necessary or desirable to avoid the imposition of taxes or penalties under Section 409A. In any case, you shall be solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on you or for your account in connection with this Award Agreement (including any taxes and penalties under Section 409A), and neither the Company nor any of its Affiliates shall have any obligation to indemnify or otherwise hold you harmless from any or all of such taxes or penalties.

SECTION 16. Counterparts. This Award Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. You and the Company hereby acknowledge and agree that signatures delivered by facsimile or electronic means (including by "pdf") shall be deemed effective for all purposes.

SECTION 17. Securities Trade Monitoring Policy. You are required to maintain a securities brokerage account with the Company's preferred broker in order to receive any Shares issuable under this Award, in accordance with the Company securities trade monitoring policy (the "Trade Monitoring Policy"). The Company's preferred broker is currently Morgan Stanley. Any Shares issued to you pursuant to this Award Agreement shall be deposited in your account with the Company's preferred broker in accordance with the terms set forth herein. You hereby acknowledge that you have reviewed, and agree to comply with, the terms of the Trade Monitoring Policy, and that this Award, and the value of any Shares issued pursuant to this Award Agreement, shall be subject to forfeiture or recoupment by the Company, as applicable, in the event of your noncompliance with the Trade Monitoring Policy, as it may be in effect from time to time.

SECTION 18. Lock-Up. Notwithstanding anything to the contrary in your Employment Agreement, the Plan or any Award Agreement under the Plan, any Shares issued to you under this Award Agreement shall be subject to a lock-up on sales, offers, pledges, contracts to sell, grants of any option, right or warrant to purchase, or other transfers or dispositions, whether directly or indirectly, from the date hereof until March 6, 2027 (or, if earlier, upon your death or a Change of Control); provided, however, that such lock-up may be waived in the sole discretion of the Company's Chief Executive Officer or Chief Human Resources Officer; and provided, further, that the provisions of this Section 18 shall not apply to Shares withheld, sold or otherwise transferred to the Company to satisfy the applicable tax withholding in connection with the grant of any Shares. During the period that the Shares issued to you under this Award Agreement are subject to the lock-up, such Shares will bear a corresponding transfer restriction legend.

XPO, INC.

by

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Name: Josephine Berisha

Title: Chief Human Resources  
Officer

PARTICIPANT

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**Exhibit A**

**Details of Award**

<b>Performance Goal</b>	<b>Performance Goal Weighting</b>	<b>Performance Period</b>	<b>Vesting Date</b>
LTL Adjusted EBITDA Growth	40%	January 1, 2023 through December 31, 2025	Three (3) year anniversary of the Grant Date
LTL Adjusted Operating Ratio Improvement	20%		
Relative Total Shareholder Return (Index)	40%	March 6, 2023 through March 6, 2026	

## Exhibit B

### Performance Goals

(1) Performance Goals. For the applicable Performance Periods (as set forth in Exhibit A), the metrics for the Performance Goals shall be (a) LTL Adjusted EBITDA Growth (weighted 40%), (b) LTL Adjusted Operating Ratio Improvement (weighted 20%), and (c) the Company's Relative Total Shareholder Return (Index) (weighted 40%). The Performance Goal for each metric shall be as set forth below in this Section 1, unless the Committee shall determine in its discretion to reduce, or adjust the underlying elements of, the applicable Performance Goal based on changes in economic circumstances or government-related mandates that impact the Company's financial metrics, changes in the competitive market, or other factors that materially change the relevance of the metric in the performance period. The level of achievement of each Performance Goal shall be measured over the applicable Performance Period.

a. LTL Adjusted EBITDA Growth (weighted 40%).

i. **Target Performance Goal** – means the compound annual growth rate of the LTL Adjusted EBITDA during the Performance Period, measured by reference to the Company's full year 2022 LTL Adjusted EBITDA is at least eight percent (8%).

Payout based on Achievement of Financial Performance Goal	Shares Earned as Percentage of Target*
Less than 90% of target	0%
90% of target	50%
100% of target	100% of shares earned
120% of target	200% of shares earned

\* Linear interpolation shall be applied between each level.

b. LTL Adjusted Operating Ratio Improvement (weighted 20%):

- i. **Target Performance Goal** – 300 basis point improvement in the LTL Adjusted Operating Ratio. The payout scale is set forth below.

<b>Payout based on Achievement of Financial Performance Goal</b>	<b>Shares Earned as Percentage of Target*</b>
Below 200 basis points	0%
200 basis points	50% of shares earned
300 basis points	100% of shares earned
400 basis points	200% of shares earned

\* Linear interpolation shall be applied between each level.

c. Company's Total Shareholder Return Relative to Index TSR (weighted 40%):

- i. **Target Performance Goal** – The Performance Goal relating to the Company's stock price performance during the applicable Performance Period relative to the S&P Transportation Select Industry Index for the Performance Period (ranked in the order of lowest to highest TSR), calculated as follows:

<b>Company's Total Shareholder Return Percentile Position vs. Index Companies in the S&amp;P Transportation Select Industry Index</b>	<b>Value Earned as Percentage of Target*</b>
Greater than or equal to 75th percentile	200%
60th percentile	100%
50th percentile	65%
40 <sup>th</sup> percentile	25%
Below 40 <sup>th</sup> percentile	0%

\* Linear interpolation shall be applied between each threshold.

- (2) Determination of Performance Goal Achievement. Promptly following, and in any event no later than the March 10 immediately after, the completion of the Performance Period, the Committee shall certify the actual level of achievement of each Performance Goal applicable to the Performance Period.

- (3) Payout Formula. Except as otherwise expressly provided in Section 3(c) of the Award Agreement, the Earned Amount of each Performance Goal shall be equal to the sum of:
- a. LTL Adjusted EBITDA Growth. The product of (i) 40% of the Target Amount and (ii) the Value Earned as a Percentage of the Target Amount based on achievement of the Performance Goal, calculated as set forth in Section 1(a) above, plus
  - b. LTL Adjusted Operating Ratio Improvement. The product of (i) 20% of the Target Amount and (ii) the Value Earned as a Percentage of the Target Amount based on achievement of the Performance Goal, calculated as set forth in Section 1(b) above, plus
  - c. Company's Relative Total Shareholder Return vs. Index. The product of (i) 40% of the Target Amount and (ii) the Value Earned as a Percentage of the Target Amount based on achievement of the Performance Goal, calculated as set forth in Section 1(c) above.
- (4) Certain Definitions.
- a. "LTL Adjusted EBITDA Growth" means the compound annual growth rate of LTL Adjusted EBITDA (as defined below) during the Performance Period, measured by reference to the Company's full year 2022 LTL Adjusted EBITDA.
  - b. "LTL Adjusted EBITDA" means earnings for the Less-than-Truckload business before the payments of interest, taxes, depreciation and amortization expenses, in each case calculated in a manner consistent with the Company's externally reported figures. LTL Adjusted EBITDA shall exclude pension income and any contribution from gains on sales of real estate. At the Committee's discretion, the Committee may make adjustments to this calculation for items that the Committee, in good faith, determines appropriate (including, without limitation, extraordinary gains and extraordinary losses, or costs related to acquired organizations).
  - c. "LTL Adjusted Operating Ratio Improvement" means fiscal year 2025 adjusted operating ratio for the Less-than-Truckload business, less fiscal year 2022 adjusted operating ratio for the Less-than-Truckload business (measured in basis points) where "adjusted operating ratio" is calculated as  $(1 - (\text{Adjusted operating income} / \text{Revenue}))$  and adjusted operating income excludes the impact of gains on the sales of real estate, as well as pension income.
    - i. "Revenue" means revenue (as calculated in accordance with GAAP) of the Less-than-Truckload business, inclusive of fuel surcharge revenue.
  - d. "TSR" shall mean the quotient of (i) a company's Ending Price minus the company's Beginning Price plus the company's Dividends Paid, divided by (ii) the company's Beginning Price.
    - i. "Beginning Price" shall mean the average of the closing prices of shares of the Company or each company in the Index, as applicable, during the thirty (30) consecutive trading days preceding and inclusive

of March 6, 2023. This period would run from January 23, 2023 through March 6, 2023.

- ii. “Ending Price” shall mean the average of the closing prices of the shares of the Company or each company in the Index, as applicable, during the thirty (30) consecutive trading days leading up to and including March 6, 2026. In determining the Ending Price for the Company or a company in the Index, the Committee shall make such adjustments as it deems appropriate to reflect stock splits, spin-offs, and similar transactions that occurred during the Performance Period.
- iii. “Dividends Paid” shall mean all cash dividends paid by the applicable company with respect to an ex-dividend date that occurs during the Performance Period (whether or not the dividend payment date occurs during the Performance Period), which shall be deemed to have been reinvested in the underlying common shares and shall include cash dividends paid with respect to such reinvested dividends. As applied to the Index, Dividends Paid shall relate to dividends of the constituent companies and shall assume that they are reinvested in the constituent companies of the Index.
- iv. “Index” means the S&P Transportation Select Industry Index. For the avoidance of doubt, only those companies with a Beginning Price and Ending Price shall be included in the Index.



4/17/2023

David Bates

Delivered via email to [redacted]

Hello David,

On behalf of XPO, Inc., I'm happy to offer you the position of Chief Operating Officer. I know I speak for the rest of our team when I say how pleased we are to make you this offer.

In this role, you'll report directly to Mario Harik, Chief Executive Officer, and you'll be based out of our Charlotte, NC office, beginning on 5/3/2023.

### **Your salary and compensation**

We'd like to offer you the following compensation package:

- **Base Salary:** You'll receive \$14,423.08, paid on a weekly basis, or \$750,000 annually, less all applicable withholdings and deductions, and pro-rated for any partial period worked.
- **Profit-Sharing Cash Incentive Program:** You will be eligible to participate in a profit-sharing cash incentive program, with a participation factor of 0.56% of the Company's LTL adjusted operating income. Your incentive will be paid quarterly in cash, less all applicable withholdings and deductions, as soon as practicable after the Company's quarterly earnings are publicly announced. The first incentive payment for which you will be eligible will be based upon the Company's Q2 2023 LTL adjusted operating income, prorated for your start date of employment. You must be employed through the date on which the Company's quarterly earnings are publicly announced in order to receive an incentive payment for such quarter. Incentive payments will be subject to the terms and conditions of the profit-sharing cash incentive program approved by the Compensation Committee.
- **Long-term Incentive:** You will be eligible for an annual long-term incentive award with a target grant date value of \$1,500,000, with the form, structure, timing, vesting conditions and schedule determined annually by the Compensation Committee. The underlying number of stock units will be determined based on XPO's closing stock price on date of grant (subject to variation from time-to-time), in the form as follows:
  - o **Time-Based Restricted Stock Units (RSUs):** \$525,000 of grant date value will be awarded to you in the form of RSUs, with vesting to occur on March 15th over a three-year schedule, or as otherwise determined annually by the Compensation Committee subject to your continuing employment with the Company through each applicable vest date.

- o **Performance-Based Restricted Stock Units (PRSUs):** \$975,000 of target grant date value will be awarded to you in the form of PRSUs, which will cliff vest on March 6th, 2026, or as otherwise determined annually by the Compensation Committee subject to achievement of the applicable performance goals and continued service through each applicable vest date.
- Profit-sharing cash incentives and long-term incentive awards will be reflective of your individual performance and contributions, Company and/or business unit performance, as applicable, and the scope and expectations of your position/role in the Company. As an at-will employee, profit-sharing cash incentives and long-term incentives are subject to change at the sole discretion of the Company.
- **Cash Sign-On:** You'll receive a \$1,500,000 sign-on bonus, which is taxable income. If you voluntarily leave the Company before 24 months of continuous employment, you're required to repay 100% of the bonus. The sign on bonus will be paid in accordance with the Company's payroll procedures and no later than May 26, 2023.
- **Payment of Forfeited Bonus:** In connection with your separation of employment from your current employer, if your current employer does not pay you any portion of the bonus that you earned in March 2023 that is payable to you April 28 (the "March bonus"), the Company will provide you with a cash payment equivalent to the value of the forfeited bonus, less applicable taxes and withholding, up to \$225,000. Payment of the forfeited bonus is contingent upon you providing the Company, within ten (10) business days following your start date, satisfactory proof that you (a) forfeited the payout of some or all of the March bonus and (b) the amount of March bonus you forfeited. If eligible, payment of the forfeited bonus will be made in the payroll cycle following 30 days of your continuous employment.
- **Equity Buyout Incentive:** You will be granted a one-time long-term incentive award of \$7,150,000 on your start date in the form of \$2,650,000 RSUs and \$4,500,000 PRSUs. The underlying number of stock units will be determined based on XPO's closing stock price on date of grant (subject to variation from time-to-time), in the form as follows:
  - o **RSUs:** \$2,650,000 of grant value will be awarded to you in the form of RSUs and will vest at 50% on the first anniversary of the grant date and 50% on the second anniversary, subject to your continuing employment with the Company through the vest date.
  - o **PRSUs:** \$4,500,000 of grant value will be awarded to you in the form of PRSUs and will vest on a 5-year cliff schedule, subject to achievement of the applicable performance goals (as detailed in the respective award agreement) and continued employment with the Company through the vest date.

### Your benefits

At XPO, we're committed to hiring the best talent. That's why we offer a competitive benefits package—including healthcare coverage, personal time off, life/disability insurance, retirement planning and more. Additional details related to our benefits package are included with your new hire materials.

### Severance benefits

You will be eligible for severance payments and other benefits upon certain qualifying termination events, subject to the terms and conditions of the attached Change in Control and Severance Agreement (the "Severance Agreement"), provided that you timely return a signed copy of the Severance Agreement.

### **Legal considerations**

In your work for the Company, you are expected not to use or disclose any confidential information, including trade secrets, of any former employer or other person to whom you have a confidentiality obligation. You are expected to use only generally known information which is used by persons with training and experience comparable to your own, which is common in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. As a condition of your continued employment, you are expected to abide by the Company's rules and policies as may be published from time to time. During our discussions about your proposed job duties, you assured us that you would be able to perform those duties within the guidelines just described.

You confirm that you have carefully reviewed your files (including emails, computer files and hard copies, whether personal or business) and deleted, and not retained copies of, any files prepared, generated or used during any prior employment that could contain confidential information or trade secrets of your current or former employer. You agree not to bring onto Company premises any unpublished documents or property belonging to any former employer or other person to whom you owe a confidentiality obligation.

Your employment with the Company will be "at-will." This means that either you or the Company may terminate the employment relationship at any time and for any reason, with or without cause or advance notice. We request that, in the event of your resignation, you give the Company at least 30 days advance notice.

### **Confidential Information Protection Agreement**

Your acceptance of this offer and commencement of employment with the Company is contingent upon your acceptance of the Company's Confidential Information Protection Agreement ("CIPA"), which prohibits unauthorized use or disclosure of the Company's confidential and proprietary information and includes an 18-month non-competition provision and a two-year non-solicitation provision following the termination of your employment with XPO.

### **Pre-Hire Screening and Work Authorization**

This employment offer is contingent on the satisfactory conclusion of appropriate background check and a pre-employment drug screen as applicable. Although your employment at XPO may begin prior to the completion of the background check or drug screen at the Company's discretion, your continued employment remains subject to the satisfactory completion of the background check and drug screen. As required by law, this offer is subject to satisfactory proof of your right to work in the United States.

### **Entire Offer**

This letter, along with the CIPA and Severance Agreement, contains the entire agreement and understanding between you and the Company regarding the employment relationship and supersedes any prior or contemporaneous agreements, understandings, communications, offers, representations, warranties, or commitments by or on behalf of the Company (oral or written). Neither this offer letter nor any other written materials issued by the Company constitute a contract between you and the Company for employment, express or implied, for any specific duration.

## **Taking the next step**

As you know, XPO has generated tremendous momentum, thanks to the efforts of our people. With you on our team, we're sure to continue along this trajectory and move forward to greater success. Please make sure you've read the offer letter completely, including all enclosures. Then sign and return the offer letter, CIPA and Severance Agreement by e-mail to [redacted] within ten (10) business days of the same being sent to you. This offer will terminate if it is not accepted, signed, and returned by that date, unless otherwise mutually agreed between the parties.

If you have any questions, please reach out to me at [redacted] or [redacted].

Best regards,

/s/ Carolyn Roach

Carolyn Roach  
Chief Human Resources Officer  
XPO

Enclosures: Confidential Information Protection Agreement; Severance Agreement

**EMPLOYMENT ACCEPTANCE**

I accept employment with XPO, Inc., as Chief Operating Officer reporting to work on 5/3/2023.

/s/ David Bates  
David Bates

4/17/2023  
Date

## CHANGE IN CONTROL AND SEVERANCE AGREEMENT

This CHANGE IN CONTROL AND SEVERANCE AGREEMENT (this “**Agreement**”) is made and entered into by and between XPO, INC., a Delaware corporation (the “**Company**”), and David Bates (“**Employee**”). Certain capitalized terms used in this Agreement are defined in Section 7 below.

WHEREAS, Employee and the Company are entering into an offer letter (the “**Offer Letter**”) and Confidential Information Protection Agreement (“**CIPA**”) concurrently with the execution of this Agreement;

WHEREAS, the Board of Directors of the Company (the “**Board**”) recognizes the possibility of an involuntary termination or reduction in responsibility that may cause Employee to consider alternative employment opportunities, and as such, the Board has determined it is in the best interests of the Company and its stockholders to assure that the Company will have the continued dedication and objectivity of Employee, notwithstanding the possibility, threat or occurrence of such an event; and

WHEREAS, the Board believes that it is imperative to provide Employee with severance benefits upon certain terminations of Employee’s service to the Company that enhance Employee’s financial security and provide incentive to Employee to remain with the Company notwithstanding the possibility of such an event.

NOW THEREFORE, in consideration of the promises and mutual covenants herein and for other good and valuable consideration, Employee and the Company agree as follows:

1. **Term of Agreement.** Except to the extent renewed as set forth in this Section 1, this Agreement shall become effective as of May 3, 2023 (the “**Effective Date**”) and terminate the earlier of: (a) the fifth (5<sup>th</sup>) anniversary of the Effective Date (the “**Expiration Date**”); (b) the Date of Termination of Employee’s employment with the Company for a reason other than a Qualifying Termination or Qualifying CIC Termination; or (c) the date that all obligations of the parties hereto with respect to this Agreement have been satisfied. This Agreement shall renew automatically and continue in effect for one (1) year periods measured from the initial Expiration Date and each subsequent Expiration Date, unless the Company provides Employee notice of non-renewal at least ninety (90) days prior to the date on which this Agreement would otherwise renew. For the avoidance of doubt, and notwithstanding anything to the contrary in Section 3 or 4 hereof, the Company’s non-renewal of this Agreement shall not constitute a Qualifying Termination or Qualifying CIC Termination, as applicable.

2. **At-Will Employment.** The Company and Employee acknowledge that Employee’s employment is and shall continue to be “at-will,” as defined under applicable law. If Employee’s employment terminates for any reason, Employee shall not be entitled to any payments, benefits, damages, awards or compensation other than as provided by this Agreement, pursuant to the terms of any incentive award agreement or employee benefit plan or required under applicable law.

3. **Qualifying Termination.** In the event of a Qualifying Termination, subject to the terms and conditions of Section 6 hereof, Employee shall be entitled to:

(a) the Accrued Benefits;

(b) cash payments (the “**Severance Payments**”) equal to (i) twenty-four (24) months’ Base Salary, as in effect on the Date of Termination, plus (ii) the Employee’s Target Bonus (each payable subject to the terms of Section 6 of this Agreement), which shall be paid in substantially equal installments over the 24-month period, following the Date of Termination, consistent with the Company’s payroll practices, with the first installment to be paid within 65 days after the Date of Termination and with any installments that would otherwise have been paid prior to such date accumulated and paid in a lump sum on the first date on which payments are made in accordance with the terms of this sentence; provided that (A) any monies Employee earns from any other work, whether as an employee or as an independent contractor, while Employee is receiving the Severance Payments shall reduce, on a dollar-for-dollar basis, the amount that the Company is obligated to pay Employee under this Section 3(b) and (B) Employee shall provide written notice to the Company, within two (2) business days from

Employee's receipt of any monies Employee earns from any other work while Employee is receiving the Severance Payments by detailing the date of receipt, gross and net amount, and source of such monies, by U.S. Mail and e-mail to Kimberly Wawro, Vice President, Human Resources, XPO, Five American Lane, Greenwich, CT 06831; e-mail [redacted]. Any monies the Company may deduct from the Severance Payments shall not include monies Employee is entitled to from his previous employer nor any monies Employee may earn from future Director roles in any public or private company;

(c) a cash payment equal to the prorated bonus for the performance year for the year in which the Date of Termination occurs, defined as the product of (A) the Target Bonus and (B) a fraction, the numerator of which is the number of days from January 1 in the year in which the Date of Termination occurs (or from the Effective Date, if the Date of Termination occurs in 2023) through the Date of Termination and the denominator of which is 365, which shall be payable in one lump sum within 65 days after the Date of Termination;

(d) to the extent Employee is eligible to elect to continue coverage under the Company's group medical and dental benefits pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") and elects such benefits, the Company shall pay Employee's COBRA premiums for medical and dental coverage as in effect on the Date of Termination for a period of six (6) months from the Date of Termination. If, however, Employee secures other employment at any time during the six (6) month period following his Date of Termination and becomes eligible for any medical and dental benefits through such other employment, the Company's obligation to pay Employee's COBRA premiums for any medical or dental benefits under this Section 3(d) shall cease as of the end of the month in which Employee becomes eligible for any medical and dental benefits through such other employer. Employee shall provide written notice to the Company, within two (2) business days from Employee's eligibility for any medical and dental benefits through such other employer, by U.S. Mail and e-mail to Kimberly Wawro, Vice President, Human Resources, XPO, Five American Lane, Greenwich, CT 06831; e-mail [redacted]. Any continuation of Employee's coverage under the Company's group medical and dental benefits after the six (6) month period following his Date of Termination or after the month in which Employee becomes eligible for medical and dental benefits through such other employer shall be at the Employee's sole expense.

4. Qualifying CIC Termination. In the event of a Qualifying CIC Termination, subject to the terms and conditions of Section 6 hereof, Employee shall be entitled to the following payments, which shall be paid in one lump sum within 65 days after the Date of Termination (other than the Accrued Benefits, which shall be payable within 30 days of the Date of Termination or sooner when required under applicable law):

(a) the Accrued Benefits;

(b) a cash payment (the "**CIC Severance Payment**") equal to two (2) times the sum of (i) the Base Salary and (ii) the Employee's Target Bonus;

(c) a cash payment equal to the product of (A) the Employee's Target Bonus and (B) a fraction, the numerator of which is the number of days from January 1 in the year in which the Date of Termination occurs (or from the Effective Date, if the Date of Termination occurs in 2023) through the Date of Termination and the denominator of which is 365;

(d) a cash payment equal to the amount of any annual bonus that the Company has notified Employee in writing that Employee has earned prior to the Date of Termination but is unpaid as of the Date of Termination; and

(e) to the extent Employee is eligible to elect to continue coverage under the Company's group medical and dental benefits pursuant to the Consolidated Omnibus Budget Reconciliation Act ("COBRA") and elects such benefits, the Company shall pay Employee's COBRA premiums for medical and dental coverage as in effect on the Date of Termination for a period of twenty-four (24) months from the Date of Termination.

Notwithstanding the foregoing, if the CIC Severance Payment relates to a transaction that does not satisfy the requirements of Treas. Reg. § 1.409A-3(i)(5), any portion of the CIC Severance Payment that constitutes deferred compensation within the meaning of Section 409A, will be paid at the earliest date that is permitted in accordance with the schedule that is applicable to the Severance Payment.

5. **Other Terminations.** If Employee's employment with the Company is terminated by the Company or by Employee for any reason other than a Qualifying Termination or a Qualifying CIC Termination, the obligations of the Company to pay or provide Employee with compensation and benefits under Section 3 or Section 4 of this Agreement shall cease, and the Company shall have no further obligations to provide compensation or benefits to Employee hereunder except for payment of the Accrued Benefits.

6. **Conditions Precedent and Subsequent.** The payments and benefits provided under Sections 3 and 4 of this Agreement (other than the Accrued Benefits) are subject to and conditioned upon (a) Employee having provided, within 60 days after the Date of Termination (or such greater period as required by law), a waiver and general release agreement in a form satisfactory to the Company that has become effective and irrevocable in accordance with its terms, and (b) Employee's compliance with the CIPA. Employee shall, upon request by the Company, be required to immediately repay to the Company the net amount of the Severance Payments or CIC Severance Payment, as applicable, received by the Employee after all applicable minimum tax withholdings required by law, and the Company shall have no further obligation to pay, the Severance Payments or CIC Severance Payment, as applicable, in the event Employee receives, within six (6) months after the occurrence of the breach, written notice from the Company that, in the reasonable judgment of the Company, Employee has breached Employee's obligations under the CIPA or Employee shall be deemed to have been retroactively terminated for Cause as defined herein; provided, however, that, in cases where Employee's breach of Employee's obligations under the CIPA is curable, Employee shall first be provided a 15-day cure period to cease, and to cure, such conduct.

7. **Definitions.** The following terms referred to in this Agreement shall have the following meanings:

(a) **"Accrued Benefits"** means payment by the Company to Employee for: (i) any unpaid Base Salary accrued by Employee through the Date of Termination; (ii) to the extent required by law, any unused vacation accrued by Employee through the Date of Termination, and (iii) any unpaid or unreimbursed business expenses accrued or incurred by Employee through the Date of Termination, which shall be paid to Employee within 30 days following the Date of Termination or earlier when required by applicable state law.

(b) **"Affiliate"** means (i) any entity that, directly or indirectly, is controlled by, controls or is under common control with, the Company and/or (ii) any entity in which the Company has a significant equity interest.

(c) **"Base Salary"** means Employee's annual base salary in effect immediately prior to Employee's termination.

(d) **"Cause"** means, as determined in the sole discretion of the Board, Employee's (i) gross negligence or willful failure to perform Employee's duties or willful refusal to follow any lawful directive of the Company's Chief Executive Officer or the Board; (ii) abuse of or dependency on alcohol or drugs (illicit or otherwise) that adversely affects Employee's performance of duties for the Company; (iii) commission of any fraud, embezzlement, theft or dishonesty, or any deliberate misappropriation of money or other assets of the Company; (iv) breach of any term of the CIPA or any agreement governing any of the long-term incentive compensation or equity compensation awards granted to Employee by the Company, its Affiliates or any of their respective predecessors or successors, or breach of Employee's fiduciary duties to the Company; (v) any willful act, or failure to act, in bad faith to the detriment of the Company; (vi) willful failure to cooperate in good faith with a governmental or internal investigation of the Company or any of its directors, managers, officers or employees, if the Company requests Employee's cooperation; (vii) failure to follow the Company's code of conduct or ethics policy; or (viii) conviction of, or plea of nolo contendere to, a felony or any serious crime; provided that, the Company

will provide Employee with written notice describing the facts and circumstances that the Company believes constitutes Cause and, in cases where cure is possible, Employee shall first be provided a 15-day cure period. If, subsequent to Employee's termination of employment for any reason other than by the Company for Cause, it is determined in good faith by the Reporting Person that Employee's employment could have been terminated by the Company for Cause, Employee's employment shall, at the election of the Reporting Person at any time up to two (2) years after the Date of Termination but in no event more than six (6) months after the Reporting Person learns of the facts or events that could give rise to the termination for Cause, be deemed to have been terminated for Cause retroactively to the date the events giving rise to Cause occurred, provided that the Company's ability to deem an Employee's employment under this sentence to be terminated for Cause shall lapse upon a Change in Control. Employee shall, upon request by the Company, be required to immediately repay to the Company the net amount of the Severance Payments or CIC Severance Payment, as applicable, received by the Employee after all applicable minimum tax withholdings required by law, and the Company shall have no further obligation to pay, the Severance Payments or CIC Severance Payment, as applicable, in the event Employee receives, within six (6) months after the Reporting Person learns of the facts or events that could give rise to the termination for Cause, written notice from the Company that, in the reasonable judgment of the Company, Employee shall be deemed to have been retroactively terminated for Cause.

(e) **"Change in Control"** means the occurrence of any of the following events:

(i) during any period, individuals who were directors of the Company on the first day of such period (the **"Incumbent Directors"**) cease for any reason to constitute a majority of the Board; provided, however, that any individual becoming a director subsequent to the first day of such period whose election, or nomination by the Board for election by the Company's stockholders, was approved by a vote of at least a majority of the Incumbent Directors shall be considered as though such individual were an Incumbent Director, but excluding for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person (as defined below) other than the Board (including without limitation any settlement thereof);

(ii) the consummation of a merger, consolidation, statutory share exchange or similar form of corporate transaction (but not, for the avoidance of doubt, a sale of assets) involving the Company (each, a **"Reorganization"**) if such Reorganization requires the approval of the Company's stockholders under the law of the Company's jurisdiction of organization (whether such approval is required for such Reorganization or for the issuance of securities of the Company in such Reorganization), unless, immediately following such Reorganization, (1) individuals and entities who were the "beneficial owners" (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended from time to time, or a successor rule thereto (the **"Exchange Act"**) of the securities eligible to vote for the election of the Board (**"Company Voting Securities"**) outstanding immediately prior to the consummation of such Reorganization continue to beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities of the corporation or other entity resulting from such Reorganization (including a corporation that, as a result of such transaction, owns the Company either directly or through one or more Subsidiaries) (the **"Continuing Company"**) in substantially the same proportion as the voting power of such Company Voting Securities among the holders thereof immediately prior to the Reorganization (excluding, for such purposes, any outstanding voting securities of the Continuing Company that such beneficial owners hold immediately following the consummation of the Reorganization as a result of their ownership prior to such consummation of voting securities of any corporation or other entity involved in or forming part of such Reorganization other than the Company), (2) no "person" (as such term is used in Section 13(d) of the Exchange Act) (each, a **"Person"**) (excluding (x) any employee benefit plan (or related trust) sponsored or maintained by the Continuing Company or any corporation controlled by the Continuing Company and (y) any one or more Specified Stockholder beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding voting securities of the Continuing Company and (3) at least 50% of the members of the board of directors of the Continuing Company (or equivalent body) were Incumbent Directors at the time of the execution of the definitive agreement providing for such Reorganization or, in the absence of such an agreement, at the time at which approval of the Board was obtained for such Reorganization;

(iii) the stockholders of the Company approve a plan of complete liquidation or dissolution of the Company unless such liquidation or dissolution is part of a transaction or series of transactions described in Section 7(e)(ii) above that does not otherwise constitute a Change in Control; or

(iv) any Person, corporation or other entity or “group” (as used in Section 14(d)(2) of the Exchange Act) (other than (A) the Company, (B) any trustee or other fiduciary holding securities under an employee benefit plan of the Company or an Affiliate, (C) any company owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of the voting power of the Company Voting Securities or (D) any one or more Specified Stockholders, including any group in which a Specified Stockholder is a member) becomes the beneficial owner, directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company Voting Securities; provided, however, that for purposes of this subparagraph (iv), the following acquisitions shall not constitute a Change in Control: (w) any acquisition directly from the Company, (x) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or an Affiliate, (y) any acquisition by an underwriter temporarily holding such Company Voting Securities pursuant to an offering of such securities or any acquisition by a pledgee of Company Voting Securities holding such securities as collateral or temporarily holding such securities upon foreclosure of the underlying obligation or (z) any acquisition pursuant to a Reorganization that does not constitute a Change in Control for purposes of Section 7(e)(ii) above.

(f) “**Change in Control Period**” means the period of time commencing upon a Change in Control and ending two (2) years thereafter.

(g) “**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

(h) “**Date of Termination**” means the date of termination of Employee’s employment with the Company. Notwithstanding the foregoing, in no event shall the Date of Termination of any U.S. Taxpayer occur until the Employee experiences a “separation from service” within the meaning of Section 409A of the Code, and the date on which such separation from service takes place shall be the “Date of Termination.”

(i) “**Disability**” means the inability of Employee, due to illness, accident or any other physical or mental incapacity, to perform Employee’s duties for the Company for an aggregate of 180 days within any period of 12 consecutive months, which inability is determined to be total and permanent by a board-certified physician selected by the Company, and the determination of such physician shall be binding upon Employee and the Company.

(j) “**Good Reason**” means, without first obtaining Employee’s written consent: (i) the Company materially breaches the terms of this Agreement; (ii) the Company materially diminishes Employee’s title, duties, authorities, reporting relationship(s), responsibilities or position from any of those in effect immediately preceding the Change in Control (including by virtue of Employee not having duties of a senior executive of a publicly-traded company) or as subsequently increased or enhanced; (iii) the Company materially reduces the Base Salary or Target Bonus; (iv) the Company requires that Employee be based in a location that is more than 35 miles from the location of Employee’s employment immediately prior to a Change in Control; or (v) Employee is no longer reporting directly and exclusively to the chief executive officer of a publicly traded company; provided that, the Company shall first be provided a 30-day cure period (the “**Cure Period**”), following receipt of written notice setting forth in reasonable detail the specific event, circumstance or conduct of the Company that constitutes Good Reason, to cease, and to cure, any event, circumstance or conduct specified in such written notice, if curable; provided further, that such notice shall be provided to the Company within 45 days of the occurrence of the event, circumstance or conduct constituting Good Reason. If, at the end of the Cure Period, the event, circumstance or conduct that constitutes Good Reason has not been remedied, Employee will be entitled to terminate employment for Good Reason during the 90-day period that follows the end of the Cure Period. If Employee does not terminate employment during such 90-day period, Employee will not be permitted to terminate employment for Good Reason as a result of such event, circumstance or conduct.

(k) “**Specified Stockholder**” means Bradley S. Jacobs, Jacobs Private Equity LLC and its Affiliates, or any other entity or organization controlled, directly or indirectly, by Bradley S. Jacobs.

(l) “**Qualifying CIC Termination**” means a termination of Employee’s employment either by the Company without Cause (excluding by reason of Employee’s death or Disability) or by Employee for Good Reason, in either case, during the Change in Control Period.

(m) “**Qualifying Termination**” means a termination of Employee’s employment by the Company without Cause (excluding by reason of Employee’s death or Disability) outside of the Change in Control Period.

(n) “**Reporting Person**” means the Chief Executive Officer of the Company.

(o) “**Target Bonus**” means the performance-based bonus Employee will have the opportunity to earn for each year during Employee’s employment commencing in the 2023 fiscal year with a target as set forth in the Offer Letter, based upon Employee’s achievement of performance goals that will be determined in the sole discretion of the Company.

8. Miscellaneous.

(a) Notices.

(i) General Notices. Any notice or other communication required or permitted under this Agreement shall be effective only if it is in writing and shall be deemed to be given when delivered personally, or four days after it is mailed by registered or certified mail, postage prepaid, return receipt requested, or one day after it is sent by overnight courier service via UPS or FedEx and, in each case, addressed as follows (or if it is sent through any other method agreed upon by the parties) or to such other address as either party may designate by written notice to the other:

If to the Company, to:

XPO, Inc.  
Five American Lane  
Greenwich, CT 06831  
Attention: Chief Human Resources Officer

If to Employee, to Employee’s principal residence as listed in the records of the Company.

(ii) Notice of Termination. Any termination of Employee’s employment by the Company for Cause will be communicated by a notice of termination to Employee, and any termination of Employee’s employment by Employee for Good Reason will be communicated by a notice of termination to the Company, in each case given in accordance with Section 8(a)(i) of this Agreement. The notice will indicate the specific termination provision in this Agreement relied upon, will set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and will specify the termination date (which will be not more than 30 days after the later of (A) the giving of the notice or (B) the end of any applicable cure period).

(b) Resignation. The termination of Employee’s employment with the Company for any reason will also constitute, without any further required action by Employee, Employee’s voluntary resignation from all officer and/or director positions held with the Company or any of its subsidiaries or controlled affiliates, and at the Board’s request, Employee shall execute any documents reasonably necessary to reflect the resignations.

(c) Section 409A.

(i) General. The obligations under this Agreement are intended to comply with the requirements of Section 409A of the Code or an exemption or exclusion therefrom and shall in all respects be administered in accordance with Section 409A of the Code. Any payments that qualify for the “short-term deferral” exception, the separation pay exception or another exception under Section 409A of the Code shall be paid under the applicable exception to the maximum extent possible. For purposes of nonqualified deferred compensation under Section 409A of the Code, each payment of compensation under this Agreement shall be treated as a separate payment of compensation. All payments to be made upon a termination of employment under this Agreement may only be made upon a “separation from service” under Section 409A of the Code to the extent necessary in order to avoid the imposition of penalty taxes on Employee pursuant to Section 409A of the Code. In no event may Employee, directly or indirectly, designate the calendar year of any payment under this Agreement.

(ii) Delay of Payments. Notwithstanding any other provision in this Agreement to the contrary, if Employee is considered a “specified employee” for purposes of Section 409A of the Code (as determined in accordance with the methodology established by the Company as in effect on the Date of Termination), any payment or benefit that constitutes nonqualified deferred compensation within the meaning of Section 409A of the Code that is otherwise due to be paid to Employee under this Agreement during the six-month period immediately following the Employee’s separation from service (as determined in accordance with Section 409A of the Code) on account of Employee’s separation from service shall be accumulated and paid to Employee with Interest (based on the rate in effect for the month in which Employee’s separation from service occurs) on the first business day of the seventh month following the Employee’s separation from service (the “**Delayed Payment Date**”), to the extent necessary to avoid penalty taxes or accelerated taxation pursuant to Section 409A of the Code. If Employee dies during the postponement period, the amounts and entitlements delayed on account of Section 409A of the Code shall be paid to the personal representative of Employee’s estate on the first to occur of the Delayed Payment Date or 30 calendar days after the date of Employee’s death.

(iii) Reimbursements. With respect to reimbursements under this Agreement that are not exempt from Section 409A of the Code, the following rules shall apply: (i) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any one taxable year shall not affect the expenses eligible for reimbursement in any other taxable year, (ii) in the case of any reimbursements of eligible expenses, reimbursement shall be made on or before the last day of the taxable year following the taxable year in which the expense was incurred, and (iii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

(d) Section 280G.

(i) Notwithstanding any other provisions of this Agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Employee, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 4 of this Agreement, being hereinafter referred to as the “**Total Payments**”), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the “**Excise Tax**”), then the Total Payments shall be to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (A) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (B) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Employee would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

(ii) The payment reduction contemplated in this Section 8(d) shall be implemented by reducing the payments/benefits in the same order as they are received by Employee. If several payments/benefits are received simultaneously and their collective amount exceeds the remaining amount of reduction hereunder, such payments shall be reduced ratably, proportional to their individual amount.

(iii) All determinations regarding the application of this Section 8(d) shall be made by a nationally recognized accounting firm selected by the Company (the "**Accounting Firm**"), subject to the final determination by the Internal Revenue Service or the court of competent jurisdiction if and when such final determination occurs. For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Accounting Firm (A) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) or (B) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

(e) Waiver; Amendment. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Employee and by an authorized officer of the Company (other than Employee). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(f) Clawbacks. Employee hereby acknowledges and agrees that, notwithstanding any provision of this Agreement to the contrary, Employee will be subject to any legally mandated policy relating to the recovery of compensation, solely to the extent that the Company is required to implement such policy pursuant to applicable law, whether pursuant to the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or otherwise.

(g) Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 8(g) or which becomes bound by the terms of this Agreement by operation of law. The terms of this Agreement and all rights of Employee hereunder shall inure to the benefit of, and be enforceable by, Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

(h) Governing Law; Arbitration; Consent to Jurisdiction; and Waiver of Jury Trial.

(i) This Agreement shall be governed by and construed in accordance with its express terms, and otherwise in accordance with the laws of the State of Delaware without reference to its principles of conflicts of law.

(ii) Any claim initiated by Employee arising out of or relating to this Agreement, or the breach thereof, shall be resolved by binding arbitration before a single arbitrator in the State of Delaware administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof.

(iii) Any claim initiated by the Company arising out of or relating to this Agreement, or breach thereof, shall, at the election of the Company, be resolved in accordance with Section 8(h)(ii) or Section 8(h)(iv) of this Agreement.

(iv) Employee hereby irrevocably submits to the jurisdiction of any state or federal court located in the State of Delaware; provided, however, that nothing herein shall preclude the Company from bringing any suit, action or proceeding in any other court for the purposes of enforcing the provisions of this Section 8 or enforcing any judgment or award obtained by the Company. Employee waives, to the fullest extent permitted by applicable law, any objection which Employee now or hereafter has to personal jurisdiction or to the laying of venue of any such suit, action or proceeding brought in an

applicable court described in this Section 8(h)(iv), and agrees that Employee shall not attempt to deny or defeat such personal jurisdiction by motion or other request for leave from any court. Employee agrees that, to the fullest extent permitted by applicable law, a final and non-appealable judgment in any suit, action or proceeding brought in any applicable court described in this Section 8(h)(iv) shall be conclusive and binding upon Employee and may be enforced in any other jurisdiction. EMPLOYEE EXPRESSLY AND KNOWINGLY WAIVES ANY RIGHT TO A JURY TRIAL IN THE EVENT THAT ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE BREACH THEREOF IS LITIGATED OR HEARD IN ANY COURT.

(v) The prevailing party shall be entitled to recover all legal fees and costs (including reasonable attorney's fees and the fees of experts) from the losing party in connection with any claim arising under this Agreement.

(i) Entire Agreement. This Agreement, the Offer Letter and the CIPA represent the entire understanding of the parties hereto with respect to the subject matter hereof and supersede all prior arrangements and understandings regarding same.

(j) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement will not affect the validity or enforceability of any other provision of this Agreement, which will remain in full force and effect.

(k) Withholdings. All payments and benefits under this Agreement will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local, and/or foreign taxes required to be withheld from the payments or benefits and make any other required payroll deductions.

(l) Counterparts and Headings. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Signatures delivered by facsimile or electronic means (including by "pdf") shall be deemed effective for all purposes. The headings in this Agreement are inserted for convenience of reference only and shall not be a part of or control or affect the meaning of any provision hereof.

*Signature Page Follows.*

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the date set forth below.

**XPO, INC.**

By: /s/ Carolyn Roach  
Carolyn Roach  
Chief Human Resources Officer

Date: 4/17/2023

**EMPLOYEE**

By: /s/ David J. Bates  
David Bates

Date: 4/17/2023

*Signature page to Change in Control and Severance Agreement*

## CERTIFICATION

I, Mario Harik, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 of XPO, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Mario Harik

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Mario Harik  
Chief Executive Officer  
(Principal Executive Officer)

Date: May 4, 2023

## CERTIFICATION

I, Carl D. Anderson II, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 of XPO, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Carl D. Anderson II

Carl D. Anderson II  
Chief Financial Officer  
(Principal Financial Officer)

Date: May 4, 2023

**CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER**

**Pursuant to 18 U.S.C. Section 1350  
As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Executive Officer of XPO, Inc. (the “Company”), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2023 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Mario Harik

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Mario Harik

Chief Executive Officer

(Principal Executive Officer)

Date: May 4, 2023

**CERTIFICATION OF THE CHIEF FINANCIAL OFFICER**

**Pursuant to 18 U.S.C. Section 1350  
As adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

Solely for the purposes of complying with 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Chief Financial Officer of XPO, Inc. (the "Company"), hereby certify, based on my knowledge, that the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2023 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Carl D. Anderson II

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Carl D. Anderson II

Chief Financial Officer

(Principal Financial Officer)

Date: May 4, 2023