SECURITIES & EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

NOTICE OF EXEMPT SOLICITATION (VOLUNTARY SUBMISSION)

NAME OF REGISTRANT: XPO Logistics. Inc.
NAME OF PERSON RELYING ON EXEMPTION: International Brotherhood of Teamsters
ADDRESS OF PERSON RELYING ON EXEMPTION: 25 Louisiana Avenue, N.W. Washington, D.C. 20001
Written materials are submitted pursuant to Rule 14a-6(g)(1) promulgated under the Securities Exchange Act of 1934:

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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April 2019

RE: Please Vote FOR an Independent Board Chair at XPO Logistics

Dear Fellow XPO Logistics Inc. Shareholder:

We urge you to support Item 5 on the proxy, a shareholder proposal calling on XPO (NYSE: XPO) to appoint an independent board chair, at the annual shareholder meeting on May 15, 2019. After a profoundly difficult year – one which saw the stock fall by nearly 40 percent-- and with mounting challenges on the horizon, we believe it is more important than ever that there is independent leadership of XPO's board. Specifically we note the following:

- ***The Current Structure Fails to Ensure Robust Independent Oversight:*** Not only is Michael Jesselson, with his nearly forty-year association with CEO Bradley Jacobs, the wrong choice to serve as lead independent director, but the recent creation of a separate Vice-Chair role confuses, rather than enhances board leadership.

- ***Independent Leadership is Vital to Restoring Investor Confidence Following Short-Seller Attack and Earnings Disappointments***: After a 38 percent stock decline in 2018, uncertainty has emerged over XPO's expansion story, lending urgency to the appointment of an independent chair.

- ***Reputational Damage and Political Risks Place Priority on Independent Board Leadership:*** With XPO facing significant reputational and political risk in light of allegations of sexual harassment and employee misclassification, stronger independent leadership is critical to overhauling corporate culture and safeguarding XPO's reputation.

- ***Enhanced Oversight Key as XPO Faces Increasingly Competitive, Dynamic Environment; Amazon Loss:*** The loss of $600 million in business from the company's largest customer, and a rapidly changing marketplace, make it essential that XPO's board is optimally structured to ask the tough questions of strategy and managerial performance.

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Teamster affiliated pension and benefit funds have more than $100 billion invested in the capital markets and have substantial holdings of XPO stock.

XPO's Current Structure Fails to Ensure Robust Independent Oversight

The board's claim that having a nearly forty-year associate of CEO Jacobs as the lead independent director provides an "effective balance" to the dual roles served by Jacobs, strains credulity and speaks to a board in desperate need of independent leadership.

Jesselson, has served as the lead independent director since the role's establishment in 2016, was an early investor in Jacobs' former companies, United Waste and United Rentals, founded in 1989 and 1997 respectively, and invested alongside Jacobs Private Equity in the formation of XPO in 2011. In fact, according to a Reuters' portrayal of Jacobs in 2011, Jesselson has worked with Jacobs since the early 1980s. Forbes describes their connection as going even deeper with Jesselson's father having served as a "mentor" to Jacobs as the latter began his career in commodities trading. Such biographical ties do not necessarily preclude an individual from being an effective director, but they do, we believe, disqualify them from serving as a credible lead independent director – particularly when the CEO and chair also controls 17 percent of the voting power.

Furthermore, it is doubtful that the newly created position of Vice-Chair provides a meaningful counter-balance to this dynamic. XPO describes the Vice-Chair's key responsibilities are to provide assistance to the lead independent director and chairman, "when appropriate," and preside over board meetings when neither is present. In short, the company has created a position that is akin to an understudy's role. In fact, with the new position resulting in a board leadership structure that now comprises three individuals; it arguably confuses rather than enhances independent leadership.

Independent Leadership is Vital to Restoring Investor Confidence following Short-Seller Attack, Profit Warning and Disappointing Earnings

Significantly, the board's oppositional statement reads as if the past year never transpired; it alludes to XPO's rapid expansion under Jacobs' combined tenure, but is utterly silent on how this structure has performed over the past year as credibility gaps have emerged in XPO's growth story.

On the heels of a profit warning, disappointing earnings and a highly critical short-seller report, XPO shares shed 38 percent of their value in 2018 – more than 30 percentage points worse than the S&P 1500. It has been a tough 2019 so far, with another earnings miss,

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disappointing guidance and the loss of significant business from Amazon (discussed below).

Critically, we note that in its December 13, 2018 report, hedge fund manager Spruce Point Capital Management derided XPO's governance structure, criticized management's aggressive acquisition strategy, and accused the company of aggressive accounting -- accusations that drove the stock down 26 percent on the day of the report's release.

Significantly, beyond issuing a brief blanket denial for the media, the company's only response, taken the day after the report hit, was to launch its first major share repurchase plan. This strikes us as a questionable gambit from the perspective of public investors. If Spruce Point's allegations are proven false, repurchasing shares could create value given the stock decline; but the knee-jerk reaction also places investors at risk from their capital being used to effectively double down on management's strategy without any meaningful efforts to address the concerns that triggered the market reaction in the first place. This uncertainty, we believe, places even more weight on the credibility of the board's independent oversight, already strained by XPO's recent performance challenges.

Mounting Reputational and Political Risks Place a Priority on New, Independent Board Leadership

XPO's challenges in the public and political arena over the past year cast further doubt over the value of the current leadership structure, and specifically its ability to safeguard the company's reputation and corporate culture.

We note that in the first half of 2018, multiple reports of sexual harassment at an XPO facility in Memphis surfaced in the media, including in *USA Today*. Then, in October 2018, a front-page report by the *New York Times* documented systemic pregnancy discrimination at the same facility, interviewing victims who went on to suffer miscarriages.[1] The revelations prompted nine U.S. Senators to demand XPO make immediate changes to its workplace practices, and 97 U.S. Representatives to call on the House's Education and Workforce Committee to investigate working conditions at the company. XPO has since announced improvements to its pregnancy policies. However, we also note that in February, the company abruptly disclosed that it was closing the Memphis facility where the allegations had arisen. U.S. Senator Richard Blumenthal said the decision "sends a chilling message to workers…speaking out against unfair and unacceptable labor standards" and "reeks of retaliation."

[1] https://www.nytimes.com/interactive/2018/10/21/business/pregnancy-discrimination-miscarriages.html

XPO has also been caught up in the growing political, legal and public concern for the risks of misclassifying workers as "independent contractors. This illegal business practice deprives workers of wages and federal protections; erodes the tax base of local and state governments; and, incurs significant legal liability for lost wages. Nowhere is this more apparent than in XPO's intermodal operations in southern California.

In 2017, the *USA Today's* investigative series "Rigged" called out XPO and other trucking companies for the systemic misclassification of port truck drivers, concluding that the practice amounts to "modern day indentured servitude".[2] The report prompted four U.S. Senators to call on retailers to stop using trucking companies relying on misclassified workers. Since then, the State of California has passed legislation that creates a blacklist of offending trucking companies and holds their clients, major U.S. retailers, jointly-liable with trucking companies for "wage theft." Other states, we note, including New Jersey, are considering taking similar steps to address rampant misclassification in the transportation industry.

We find these developments difficult to reconcile with the board's insistence that Jacobs' combined tenure is critical to the "success of XPO's … culture," and that separating the roles would be "deleterious" to the "speed and quality" of the company's decision-making. Rather, we believe independent board leadership would aid the board's oversight of the risks being incurred by the company's human capital management practices.

Enhanced Oversight Crucial as XPO Faces Increasingly Competitive, Dynamic Environment

With XPO operating in a rapidly changing market-place, it is essential that the board is optimally structured to ask the tough questions of strategy and managerial performance.

XPO has grown prodigiously since 2011, predominantly through an aggressive "roll-up" strategy. Alone, we believe this acquisition strategy, with the particular risks it presents to accounting, compliance, integration and more broadly oversight, places a priority on strong, independent board leadership. However, this is even more crucial as XPO's rapid expansion confronts an increasingly competitive and dynamic environment.

This was most vividly demonstrated in February, when XPO was forced to rein in 2019 growth expectations after announcing that it was losing $600 million in annual business from its largest customer – news of which sent the stock down more than 12 percent the day after the announcement. It is doubly significant that the customer was subsequently

[2] https://www.usatoday.com/pages/interactives/news/rigged-forced-into-debt-worked-past-exhaustion-left-with-nothing/

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confirmed to be Amazon. XPO is not only losing business from the single biggest engine of e-commerce growth, but the loss may also reflect the development of Amazon's own internal logistics capabilities - a potentially disruptive market development.

At the same time, XPO's strategy of acquiring businesses to develop end-to-end supply chain solutions is being replicated by competitors, both regional and national, threatening to erode XPO's competitive advantage. We are also cognizant that the development of new technologies and business models, such as, Uber Freight, threaten existing business lines with disruption and disintermediation.

With XPO at a critical juncture in its history, and facing significant industry headwinds, we believe independent leadership is needed more than ever.

Conclusion

With XPO facing myriad challenges to *business as usual*, it is essential that the board has strong, robust independent leadership, something which is not provided by having a long-time business associate serve as the lead independent director. **For these reasons, we urge you to vote FOR the Independent Chair Proposal (Item #5) at XPO on May 15th.**

For more information, please contact Michael Pryce-Jones, Teamsters Capital Strategies, by email at: mpryce-jones@teamster.org or by telephone at: 202-624-8990.

Sincerely,

Ken Hall

Ken Hall
General Secretary-Treasurer

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