

MOTOR CARRIER TRANSPORTATION CONTRACT WITH WHEELS CLIPPER

Under this agreement to undertake transportation work on behalf of Wheels International Freight Systems Inc. (AGENT- a licensed 3PL) on the day indicated at bottom and on into perpetuity, (THE CARRIER) hereby agrees to the following terms & conditions of service.

1. AGREEMENT TERMS:

- a. This agreement shall remain in full force & effect for an unspecified term commencing on the date of the first shipment under this Agreement until the AGENT or CARRIER party decides to cancel this agreement with 30 days prior notice given to the other party.
- b. This agreement shall be automatically extended based upon the Carrier's ability to meet the performance & service requirements.
- c. It is understood & agreed that failure of the CARRIER to carry & meet service requirements / standards could construe a breach of this agreement and may result in the CARRIER participating in the reconciliation of the issues.

2. CARRIER SERVICES & CHARGES:

- a. The CARRIER shall provide all equipment including trailers & tractors in good operating condition & labor for the transportation of freight or perishable products (COMMODITIES)
- b. The CARRIER shall transport the COMMODITIES to & from points as designated by AGENT, at the rates agreed to in writing. At no time will AGENT be treated any different than if this was agreement with a direct shipper—this is of paramount importance to this partnership
- c. CARRIER shall not **"double broker"** any of AGENTS shipments. If CARRIER ignores this without express written authorization from AGENT it is considered a direct breach of this agreement and AGENT will be indemnified due to issues arising out of this contract breach. Agent will only pay the CARRIER once AGENT has received written and signed release from the actual delivering carrier that he has been paid in full for his services. If within reasonable time period the actual delivering carrier has proven that they have not been paid then AGENT will proceed to pay the actual carrier once either the court allows us to do so or the CARRIER whom we originally contracted with waives his right to collect on the shipment in question.
- d. CARRIER will pro-actively advise AGENT as to shipment status in as close to real time as possible. Our mutual goal is to allow for the most effective delivery possible and to avoid extra charges wherever possible.

3. COMPENSATION FOR SERVICES

- a. The CARRIER shall sign a bill of lading & shall sign a Proof of Delivery (P.O.D) for each shipment in its own name.
- b. The CARRIER shall provide the AGENT with its invoice for services & a **Proof of Delivery signed** by the consignee indicating consignee's receipt of the shipment for which CARRIER requests payment.
- c. Other than those charges previously agreed to by the parties, the CARRIER shall notify AGENT, in writing, of any additional charges immediately **but no later than two (2) business days after delivery**. AGENT agrees to pay only those additional charges which were properly notified and which are mutually deemed reasonable & necessary and as per the agreed AGENT accessorial.
- d. The AGENT agrees to pay CARRIER within thirty (30) days of AGENT'S receipt of CARRIER'S invoice & the P.O.D.
- e. Any additional charges for stop-offs, redelivery, diversion, reconsignment, detention, lumper & returned or undelivered shipments will be agreed to by the AGENT & CARRIER according to the agreed accessorial. Carrier will pre-advise AGENT (or as early as is possible) when extra charges are imminent.
- f. The CARRIER will pay for all other expenses related to the transportation services covered by this Agreement including but not limited to, all labor costs, vehicle operation & maintenance expenses & overhead costs.

4. BACK SOLICITATION

- a. For the term of this agreement and for a period of one year after the termination of this agreement, CARRIER shall not intentionally solicit traffic from any shipper, consignee, consignor or customer of Agent's efforts, or (2) where the AGENT first tendered the traffic of the shipper, consignee, consignor or customer of the AGENT to the CARRIER.

5. CARRIER PERFORMANCE & AGENTS REQUIREMENTS:

- a. The CARRIER agrees to advise the AGENT of any problems, delays or accidents as soon as possible after occurrence to ensure that the customer can be notified of the situation
- b. CARRIER agrees to represent AGENT in a professional manner & to provide services under this Agreement in a safe & timely manner. All transportation services furnished by CARRIER hereunder shall be performed in accordance with the highest

standards for the transportation of the designated COMMODITIES. Mutual goal for the critical measurement of On Time delivery (OTD) is 98.5% for which AGENT will report on accordingly.

- c. CARRIER shall not be liable for any delay or failure of performance under this Agreement or interruptions of service resulting directly or indirectly from acts of God, civil or military authority, & acts of the public enemy, wars, accidents, fire, explosions, earthquakes, floods, strikes, & labor disputes, beyond the reasonable control of the CARRIER. In the event of any such delay, the CARRIER shall take all reasonable steps to protect the COMMODITIES under shipment, to minimize any delay resulting from such causes & notify AGENT immediately.
 - d. The AGENT must ensure that CARRIER is fully apprised of all requirements / expectations
 - e. The CARRIER must ensure that the bill of lading matches the requirements of the shipping dispatch provided by AGENT.
6. **COMPLIANCE WITH LAWS:**
- a. CARRIER shall, at its expense, comply with the Workers' Compensation Law of the various states/provinces, shall carry & keep in force Workers' Compensation insurance for all of its employees engaged in the performance of services hereunder, & shall comply with all other federal state/provincial & local laws & regulations now in force or hereafter enacted.
 - b. CARRIER does not have an "Unsatisfactory" safety rating issued by the Federal Motor Carrier Safety Administration (FMCSA), U.S. Department of Transportation, or any provincial regulatory authority and will notify AGENT in writing immediately if its safety rating is changed to "Unsatisfactory" or "Conditional", and
 - c. The CARRIER shall procure and maintain any licenses and permits required by local, state/provincial or federal authorities.
 - d. CARRIER will supply AGENT with copies of operating authority, insurance and National Safety Code (CSC) Safety Fitness Certificate. CARRIER will advise AGENT if their status falls to unsatisfactory on all / any related issues. CARRIER will have AGENT registered as named on insurance certificates
7. **INSURANCE:**
- a. Within 7 days of this agreement the CARRIER will provide the AGENT with the CARRIER Operating Authorities & Certificates of Insurance in a form satisfactory to AGENT evidencing that CARRIER has at least;
 - **One Million (\$1,000,000.00) automobile liability, property damage & bodily injury insurance**
 - **a minimum of \$250,000 in cargo liability insurance per shipment with no annual aggregate limit, including coverage for refrigeration breakdown &/or malfunction.**
 - b. CARRIER shall direct its insurers to name AGENT as a Certificate Holder on all policies required under the terms of this Agreement other than the worker's compensation policy.
 - c. The CARRIER shall agree to give AGENT thirty (30) days advance written notice of **cancellation** or **other change** that would materially limit the available coverage & to provide AGENT with copies of all endorsements & notices issued after the effective dates of such policies.
 - d. The CARRIER / his insurer will provide AGENT with all annual renewal certificates for all insurance policies required by this Agreement & all replacement policies for the Cargo Liability insurance. The maintenance of the insurance pursuant to this Agreement shall not limit or otherwise affect CARRIER'S liability under this Agreement.
8. **INDEMNITY:**
- a. The CARRIER shall indemnify & hold AGENT free & harmless from any & all claims (including third party claims), demands, liability, loss or damage of any kind (including, but not limited to, loss of or damage to COMMODITIES tendered for transportation by AGENT) arising in any manner out of &/or attributable to the operations, acts or omissions of CARRIER.
 - b. AGENT shall indemnify & hold CARRIER free & harmless from any & all claims (including third party claims), demands or liability, loss or damage of any kind that are solely attributable to acts or omissions of AGENT.
 - c. The CARRIER agrees not to withhold, stop delivery, or place a lien on freight covered by this AGREEMENT. In the event CARRIER attempts, then AGENT shall have the right to collect from CARRIER all cost and expense, including attorney's fees.
9. **CARGO CLAIMS & OSD:**
- a. The CARRIER'S minimum liability for Canadian freight is the lesser of the amount 1) per CIFFA terms (\$4.41 per kg / \$2.00 per lb.) based on the actual weight of tendered shipment or the actual value of the shipment at the place and time of shipment, unless the shipper has indicated a declared valuation on the face of the bill of lading. U.S. cargo liability is based on value at time and place of occurrence.
 - b. AGENT is responsible for facilitation and filing of claims for its customers. CARRIERS are urged to work closely with AGENT'S OS&D / Claims department who are fully committed to assisting and working with our CARRIER partners in order to mitigate all claims.



- c. Regarding any and all exceptions, the CARRIER must notify AGENT immediately but no more than 2 business days after such occurrence. CARRIER must supply all related documentation / evidence including POD, statements of explanation and most significantly pictures where applicable. These pieces will support and defend the parties involved. Within reason, failure to perform the above will cause the CARRIER to bear the risks involved in related claims. CARRIER must ensure all relevant documentation clearly indicated the exceptions and is duly signed by both the CARRIERS driver and the consignee’s representative.
- d. Over and above minor issues it is recommended that the CARRIER will cease working the load and immediately advise AGENT. This step will allow to set up inspection / intervention by approved parties for decision on next steps.
- e. CARRIER has the right to refuse any load, which he feels is improperly prepared or stowed. Accordingly, AGENT must be immediately notified.
- f. CARRIER must notify local law enforcement agencies, and retrieve all related reports. Where an incident occurs which has potential for serious public consequences the CARRIER must escalate to the authorities but also immediately contact AGENT. (i.e. spill, highway blockage or anything potentially catastrophic).
- g. Where goods are recovered or being stored, CARRIER will follow instructions from AGENT at all times.
- h. CARRIER must acknowledge receipt of claim in writing within 5 days of issuing by the AGENT (email confirmation). CARRIER must pay all valid claims 30 days from date of receipt of the claim. If CARRIER is prevented to meeting this requirement, they must advise AGENTS claims dept and advise reasons for the delay.

10. BORDER CROSSING & SECURITY COMPLIANCE

- a. AGENT fully supports all government security initiatives and for cross border moves CARRIERS must be able to prove their membership in C-TPAT and PIP. Drivers on loads must be FAST approved and the carrier must be able to complete ACE manifests. If CARRIER does not currently qualify they must advise AGENT as to the status and their intentions on these very important matters.

11. GREEN INITIATIVES

- a. AGENT is fully supporting the U.S. EPA Smartway program and the Canadian Fleetsmart parallel program. These programs are being endorsed by a very wide range of shippers, such that AGENT is requested to attempt to utilize CARRIERS who are approved in the above. As a result AGENT requests that CARRIERS become approved and work towards meeting these program initiatives. Accordingly, CARRIER must advise AGENT as to status in these programs.

12. MODIFICATION OF AGREEMENT & NOTICES:

- a. This Agreement shall not be changed, modified or altered in any respect except in writing & signed by the parties
- b. Notices between the parties shall be in writing & shall be effective when actually delivered by mail, email, private courier services, facsimile transmission or other accepted means of business communication to the applicable addresses of each party as outlined below.

If to AGENT:

Wheels International Freight Systems Inc.
 5090 Orbitor Dr. Unit 1
 Mississauga, Ontario, Canada
 L4W 5B5

If to CARRIER:

Carrier Name: _____
 Address: _____
 City/State/Zip: _____
 Effective Date: _____

BY:  _____

BY: _____

TITLE: Director, Carrier Development & Compliance

TITLE _____