

CARRIER ENGAGEMENT TERMS AND CONDITIONS

In these Terms and Conditions, reference to “BROKER” means PDI Logistics Inc. Reference to “CARRIER” means a motor carrier accepting a carriage mandate from BROKER.

1. Subject to the terms of any separate signed written agreement BROKER engages CARRIER’s services pursuant to the terms herein as confirmed by the tender document (comprised of a rate or carrier confirmation sheet, or electronic communication) provided to CARRIER (“Load Tender”). By accepting a Load Tender, Carrier accepts all terms set forth herein.

2. CARRIER REPRESENTS AND WARRANTS THAT IT:

A. Is a duly Registered or authorized Motor Carrier of Property authorized to provide transportation of property under contracts with shippers and receivers and/or brokers of general commodities.

B. Shall transport the property, under its own operating authority and subject to the terms of this Agreement;

C. Makes the representations herein for the purpose of inducing BROKER to enter into this Agreement.

D. Agrees that a Shipper’s insertion of BROKER’s name as the carrier on a bill of lading shall be for the Shipper’s convenience only and shall not change BROKER’s status as a property broker nor CARRIER’s status as a motor carrier. BROKER is not a motor carrier and assumes no motor carrier responsibility for cargo loss and damage.

E. Will not re-broker, co-broker, subcontract, assign, interline, or transfer the transportation of shipments hereunder to any other persons or entity conducting business under a different operating authority, without prior written consent of BROKER. If CARRIER breaches this provision, among all other remedies (whether at equity or in law), BROKER shall have the right of paying the monies it owes CARRIER directly to the delivering carrier, in lieu of payment to CARRIER. Upon BROKER’s payment to delivering carrier, CARRIER shall not be released from any liability to BROKER under this Agreement or otherwise, including any claims under MAP-21 (49 U.S.C. § 13901 et seq.). In addition to the indemnity obligation in Par 1.H, CARRIER will be liable for consequential damages for violation of this provision.

F. (i) Is in, and shall maintain compliance during the term of this Agreement, with all applicable federal, state, provincial and local laws relating to the provision of its services including, but not limited to: transportation of Hazardous Materials (including the licensing and training of Haz-Mat qualified drivers), as defined in 49 C.F.R. §172.800, §173, and §397 et seq. and/or of Dangerous Goods (as defined by and pursuant to applicable Canadian law) to the extent that any shipments hereunder constitute Hazardous Materials or Dangerous Goods as the case may be; owner/operator lease regulations; loading and securement of freight regulations; customs

regulations; implementation and maintenance of driver safety regulations including, but not limited to, hiring, controlled substances and alcohol testing, and hours of service regulations; sanitation, temperature, and contamination requirements for transporting food, perishable, and other products, including without limitation the Food Safety Modernization Act, the Sanitary Food Transportation Act of 2005 and the FDA's Final Rule pertaining to Sanitary Transportation of Human and Animal Food, qualification and licensing and training of drivers; implementation and maintenance of equipment safety regulations; maintenance and control of the means and method of transportation including, but not limited to, performance of its drivers; all applicable insurance laws and regulations including but not limited to workers' compensation. CARRIER agrees to provide proof of compliance upon request.

1. Is solely responsible for any and all management, governing, discipline, direction and control of its employees, owner/operators, and equipment with respect to operating within all applicable federal, and state and provincial legal and regulatory requirements to ensure the safe operation of CARRIERS vehicles, drivers and facilities. CARRIER and BROKER agree that safe and legal operation of the CARRIER and its drivers shall completely and without question govern and supersede any service requests, demands, preferences, instructions, and information from BROKER or BROKER's customer with respect to any shipment at any time.

G. CARRIER will notify BROKER immediately if any operating authority is revoked, suspended or rendered inactive for any reason; and/or if it is sold, or if there is a change in control of ownership, and/or any insurance required hereunder is threatened to be or is terminated, cancelled, suspended, or revoked for any reason.

H. CARRIER shall defend, indemnify and hold BROKER and its shipper customer harmless from any claims, actions or damages, arising out of its performance under this Agreement, personal injury or death, and damage to property, including claims for loss or damage to cargo. The obligation to defend shall include all costs of defense as they accrue.

I. Does not have an "Unsatisfactory" or "Conditional" safety rating issued by the Federal Motor Carrier Safety Administration (FMCSA), U.S. Department of Transportation, and/or any relevant Canadian federal or provincial agency and will notify BROKER in writing immediately if its safety rating is changed to "Unsatisfactory" or "Conditional".

J. Authorizes BROKER to invoice CARRIER's freight charges to shipper, consignee, or third parties responsible for payment.

K. Has investigated, monitors, and agrees to conduct business hereunder based on the credit-worthiness of BROKER and is granting BROKER credit terms accordingly.

L. To the extent any Goods are transported within the State of California, Carrier warrants that:

All 53 foot trailers, including both dry-van and refrigerated equipment it operates and the Heavy-Duty Tractors that haul them within California under this Agreement are in compliance

with the California Air Resources Board (ARB) Heavy-Duty Vehicle Greenhouse Gas (Tractor-Trailer GHG) Emission Reduction Regulations

All refrigerated equipment it operates within California under this Agreement is in full compliance with the California ARB Transportation Refrigeration Unit (TRU) Airborne Toxic Control Measure (ATCM) in-use regulations.

All TRUs it operates within California are registered in ARB's Equipment Registration (ARBER) system; a copy of either the ARBER certification for each TRU or evidence of Carrier's inclusion on ARBER's 100 Percent Compliance List are attached to this Agreement.

Carrier shall be liable to BROKER or its customers for any penalties or any other liability imposed on or assumed by BROKER or its customers due to penalties imposed by the State of California because of Carrier's use of non-compliant equipment.

M. Carrier agrees that all shipments will be transported and delivered with reasonable dispatch, or as otherwise agreed in writing. Carrier shall not violate any law, rule, or regulation pertaining to highway or motor vehicle safety in order to make timely delivery of a shipment. Nothing in this Agreement shall be interpreted as requiring a driver to perform Services within a certain time or to violate the applicable Hours of Service Regulations. Carrier certifies that it will assign drivers to perform the Services only if such drivers have sufficient time remaining under the applicable Hours of Services Regulations to complete the duties assigned by Carrier.

2. BROKER RESPONSIBILITIES:

A. SHIPMENTS, BILLING & RATES. BROKER shall inform CARRIER of (i) place of origin and destination of all shipments; and (ii) if applicable, any special shipping and handling instructions or special equipment requirements, of which BROKER has been timely notified. BROKER will advise CARRIER of the foregoing by means of a Load Tender or other like means.

B. BROKER agrees to conduct all billing services to shippers, consignees, or other party responsible for payment. CARRIER shall invoice BROKER for its (CARRIER's) charges, as mutually agreed in writing, by fax, or by electronic means, contained in the Load Tender herein by this reference. Additional rates for truckload or LTL shipments, or modifications or amendments of the above rates, or additional rates, may be established to meet changing market conditions, shipper requirements, BROKER requirements, and/or specific shipping schedules as mutually agreed upon, and shall be confirmed in writing (or by fax or email) by both Parties. Any such additional, modified, or amended rates, changes in rates shall automatically be incorporated herein by this reference.

C. RATES. Additionally, any rates, which may be verbally agreed upon, shall be deemed confirmed in writing where CARRIER has billed the agreed rate and BROKER has paid it. All written confirmations of rates, including confirmations by billing and payment, shall be incorporated herein by this reference. Rates or charges, including but not limited to stop-offs, detention, loading or unloading, fuel surcharges, or other accessorial charges, tariff rates, released rates or values, or tariff rules or circulars, shall only be valid when their terms are specifically agreed to in a writing signed by both Parties.

D. PAYMENT. The Parties agree that BROKER is the sole party responsible for payment of CARRIER's charges. Failure of BROKER to collect payment from its customer shall not exonerate BROKER of its obligation to pay CARRIER. BROKER agrees to pay CARRIER's uncontested invoice that is accompanied with "Proof of Delivery" within thirty (30) days of receipt of the bill of lading or proof of delivery, provided CARRIER is not in default under the terms of this Agreement. CARRIER shall not, under any circumstances, seek payment from Shipper, consignees, or third parties.

E. BROKER will notify CARRIER immediately if any federal Operating Authority is revoked, suspended or rendered inactive for any reason; and/or if it is sold, or if there is a change in control of ownership, and/or any insurance required hereunder is threatened to be or is terminated, cancelled, suspended, or revoked for any reason.

F. BROKER's responsibility is limited to arranging for, but not actually performing, transportation of a shipper's freight.

3. CARRIER RESPONSIBILITIES:

A. COMPLIANCE WITH LAWS. Carrier must provide Services in a safe and prudent manner and in compliance with all applicable federal, provincial, state and local statutes, ordinances, rules, and regulations, including, but not limited to those pertaining to the proper qualification, screening, and licensing of drivers; hours of service; maintenance and safe operation of equipment; transportation and handling of Hazard Materials (49 C.F.R. §§ 172.800, 173 and 397, et seq.) ("HAZMAT"); security; owner-operator leases; loading and securement of freight; controlled substance and alcohol use testing; insurance and workers' compensation requirements; the safe and secure transportation of food that will ultimately be consumed by humans or animals, including the Food Safety Modernization Act (21 U.S.C. § 2201, et seq.), the Food, Drug and Cosmetic Act (21 U.S.C. § 341, et seq.) ("FD&C Act"), the Sanitary Food Transportation Act (49 USC 5701 et seq.), and the U.S. Food and Drug Administration's Final Rule on the Sanitary Transportation of Human and Animal Food (21 C.F.R. § 1.900 et seq.), collectively (the "Food Safety Laws"). Carrier agrees that food that has been transported or offered for transport under conditions that are not in compliance with the shipper's instructions as provided to Carrier by the shipper, through BROKER or otherwise, may be considered "adulterated" within the meaning of the Federal Food, Drug and Cosmetic Act, 21 U.S.C. §§ 342(a)(i)(4), 342(i). Carrier understands that adulterated shipments may be refused by the consignee or receiver upon their tender for delivery. Carrier must comply with its legal obligations concerning the safe and secure transportation of Carrier will notify BROKER promptly by telephone of any accident, theft or other occurrence that impairs the safety of, or delays the delivery of, shipments subject to this Agreement.

B. BILLS OF LADING. CARRIER shall issue a bill of lading, in compliance with governing law(s) at the place of origin, including without limitation 49 C.F.R. §373.101 (and any amendments thereto) to the extent applicable, for the property it receives for transportation under this Agreement. Unless otherwise agreed in writing, CARRIER shall become fully responsible/liable for the freight when it takes/receives possession thereof, and the trailer(s) is loaded, regardless of whether a bill of lading has been issued, and/or signed, and/or delivered to CARRIER, and which responsibility/liability shall continue until delivery of the shipment to the

consignee and the consignee signs the bill of lading or delivery receipt. Any terms of the bill of lading (including but not limited to payment and credit terms, released rates or released value and/or any bill of lading terms as may be deemed applicable under applicable law) inconsistent with the terms of this Agreement shall be ineffective. Failure to issue a bill of lading, or sign a bill of lading acknowledging receipt of the cargo, by CARRIER, shall not affect the liability of CARRIER.

C. LOSS & DAMAGE CLAIMS.

(i) Except as otherwise provided herein, CARRIER shall comply with 49 C.F.R. §370.1 et seq. and any amendments and/or any other applicable regulations as may be applicable adopted by the Federal Motor Carrier Safety Administration, U.S. Department of Transportation, or any applicable federal, provincial, or state regulatory agency, for processing all loss and damage claims and salvage. CARRIER agrees that food that has been transported or offered for transport under conditions that are not in compliance with Shipper's or BROKER'S instructions, as provided to CARRIER by Shipper or BROKER, will be presumed to be "adulterated" subject to the application of and within the meaning of the Federal Food, Drug and Cosmetic Act, 21 U.S.C. § 342 (i). CARRIER understands and agrees that adulterated shipments may be refused by the consignee or receiver, at destination without diminishing or affecting CARRIER'S liability in the event of a cargo claim. CARRIER shall not sell, salvage or attempt to sell or salvage any goods without the BROKER's express written permission; and

(ii) Regardless of the place of origin of a shipment (whether in the United States or Canada) CARRIER's liability for any cargo damage, loss, or theft from any cause shall be for the full invoice value of goods affected as determined at the time and place of destination as prescribed by the Carmack Amendment, 49 U.S.C. §14706. Where the Carmack Amendment is not otherwise applicable by its own terms, the same is incorporated by reference.

(iii) Notwithstanding the terms of 49 CFR 370.9 as may be applicable, CARRIER shall pay, decline or make settlement offer in writing on all cargo loss or damage claims within sixty (60) days of receipt of the claim. Failure of CARRIER to pay, decline or offer settlement within this sixty (60) day period shall be deemed admission by CARRIER of full liability for the amount claimed and a material breach of this Agreement.

D. INSURANCE. CARRIER shall furnish BROKER with Certificate(s) of Insurance, or insurance policies subject to the following minimum limits: General liability \$2,000,000.00; motor vehicle (including hired and non-owned vehicles) \$2,000,000.00, (\$5,000,000, including environmental damages due to release or discharge of hazardous substances, if transporting dangerous goods or hazardous materials); cargo damage/loss, \$250,000.00; workers' compensation with limits required by law. Except for the higher coverage limits that may be specified above, the insurance policies shall comply with minimum requirements of the Federal Motor Carrier Safety Administration and any other applicable regulatory state or provincial agency. Nothing in this Agreement shall be construed to avoid or limit CARRIER's liability due to any policy limits or exclusion or deductible in any insurance policy.

E. ASSIGNMENT OF RIGHTS. CARRIER automatically assigns to BROKER all its rights to collect freight charges from Shipper or any responsible third party.

F. CARRIER assumes full responsibility and liability for payment of the following items: All applicable federal, state, provincial and local payroll taxes, taxes for unemployment insurance, old age pensions, workers' compensation, social security, with respect to persons engaged in the performance of its transportation services hereunder. BROKER shall not be liable for any of the payroll-related tax obligations specified above and CARRIER shall indemnify, defend, and hold BROKER harmless from any claim or liability imposed or asserted against BROKER for any such obligations.

G. CARRIER agrees to comply with any instructions provided it omn any Load Tender provided by BROKER.

4. MISCELLANEOUS:

A. INDEPENDENT CONTRACTOR. The relationship of the Parties to each other shall at all times be that of independent contractors. None of the terms of this Agreement, or any act or omission of either Party shall be construed for any purpose to express or imply a joint venture, partnership, principal/agent, fiduciary, or employer/employee relationship between the Parties. Each Party shall provide sole supervisions and shall have exclusive control over the actions and operations of its employees, and agents used to perform its services hereunder. Neither Party has any right to control, discipline or direct the performance of any employees, or agents of the other Party. Neither Party shall represent to any party that it is anything other than an independent contractor in its relationship to the other Party.

B. NON-EXCLUSIVE AGREEMENT. CARRIER and BROKER acknowledge and agree that this contract does not bind the respective Parties to exclusive services to each other. Either party may enter into similar agreements with other carriers, brokers, or freight forwarders.

C. WAIVER OF PROVISIONS.

(i) Failure of either Party to enforce a breach or waiver of any provision or term of this Agreement shall not be deemed to constitute a waiver of any subsequent failure or breach, and shall not affect or limit the right of either Party to thereafter enforce such a term or provision.

(ii) In respect of shipments originating from the United States, this Agreement is for specified services pursuant to 49 U.S.C. §14101(b). To the extent that terms and conditions herein are inconsistent with Part (b), Subtitle IV, of Title 49 U.S.C. (ICC Termination Act of 1995), the Parties expressly waive any or all rights and remedies they may have under the Act.

D. DISPUTES.

In the event of a dispute arising out of this Agreement concerning a shipment originating in Canada the parties hereto agree that the same shall be subject to and governed by the laws of the Province of Ontario. Each of the parties hereby submit to the exclusive jurisdiction of the courts of Ontario at Toronto, Ontario in any proceeding related to this Agreement, irrevocably waives any objection to that venue, and acknowledges that such venue is a convenient forum.

E. NO BACK SOLICITATION.

(i) CARRIER agrees that during the term of this Agreement and for a period of two (2) years from the date of termination of this Agreement, that neither CARRIER nor any employee, officer, director, agent or otherwise of CARRIER, will directly or indirectly solicit or accept traffic from any consignor, consignee, or customer of BROKER where (a) the availability of such shipments first became known to CARRIER as a result of BROKER' efforts; or (b) the shipments of the consignor, consignee, or customer of the BROKER was first tendered to the CARRIER by BROKER.

(ii) In the event of breach of this provision, BROKER shall be entitled, for a period of twelve (12) months following delivery of the last shipment transported by CARRIER under this Agreement, to a commission of fifteen percent (15%) of the gross transportation revenue (as evidenced by freight bills) received by CARRIER for the transportation of said freight as liquidated damages, and not as a penalty, representing the fair, equitable, and reasonable estimate that the Parties agree will compensate BROKER for lost profit, loss of goodwill, and related injuries, since actual damages would be uncertain and difficult to prove. Additionally, BROKER may seek injunctive relief and in the event it is successful, CARRIER shall be liable for all costs and expenses incurred by BROKER, including, but not limited to, reasonable attorney's fees.

F. CONFIDENTIALITY.

(i) In addition to Confidential Information protected by law, statutory or otherwise, the Parties agree that all of their financial information and that of their customers, including but not limited to freight and brokerage rates, amounts received for brokerage services, amounts of freight charges collected, freight volume requirements, as well as personal customer information, customer shipping or other logistics requirements shared or learned between the Parties and their customers, shall be treated as Confidential, and shall not be disclosed or used for any reason without prior written consent.

(ii) In the event of violation of this Confidentiality paragraph, the Parties agree that the remedy at law, including monetary damages, may be inadequate and that the Parties shall be entitled, in addition to any other remedy they may have, to an injunction restraining the violating Party from further violation of this Agreement in which case the non-prevailing Party shall be liable for all costs and expenses incurred, including but not limited to reasonable attorney's fees.

(iii) Carrier agrees that BROKER' charges to its customers are confidential and need not be disclosed to Carrier. Carrier specifically waives any rights it may have under 49 CFR §371.3. Except as may be required by law, the terms and conditions of this Agreement and information pertaining to any Services will not be disclosed by either party to any other persons or entities, except to the directors, officers, employees, authorized contractors, attorneys, and accountants of each party. This mutual obligation of confidentiality will remain in effect during the terms of the Agreement and for a period of two years following any termination.

G. The provisions of this Agreement shall be deemed to supersede and shall prevail over any conflicting terms set forth in any Load Tender or other document pertaining to this Agreement, whether any such document was signed prior to, contemporaneously with or subsequent to execution of this Agreement.

H. NOTICES.

(iv) All notices provided or required herein, shall be made in writing and delivered, return receipt requested, to the addresses shown herein with postage prepaid; or by confirmed (electronically acknowledged on paper) fax, or by email with electronic receipt.

(v) The Parties shall promptly notify each other of any claim that is asserted against either of them by anyone arising out of the Parties performance of this Agreement.

(vi) Notices sent as required hereunder, to the addresses shown in this Agreement shall be deemed sent to the correct address, unless the Parties are notified in writing of any changes in address.

I. SEVERANCE; SURVIVAL. In the event any of the terms herein are determined to be invalid or unenforceable, no other terms shall be affected and the unaffected terms shall remain valid and enforceable as written. The representations, rights and obligations of the parties hereunder shall survive termination of this Agreement for any reason.

J. FORCE MAJEURE. In the event that either Party is prevented from performing its obligations under this Agreement because of an occurrence beyond its control and arising without its fault or negligence, including without limitation, war, riots, rebellion, acts of God, acts of lawful authorities, fire, strikes, lockouts or other labor disputes, such failures to perform (except for any payments due hereunder) shall be excused for the duration of such occurrence. Economic hardships, including, but not limited to, recession and depression, shall not constitute Force Majeure events.

K. CURRENCY. All references to "\$" or dollars shall mean Canadian currency.

G. ENTIRE AGREEMENT. Unless otherwise agreed in writing, these Terms and Conditions contain the entire understanding of the Parties and supersedes all verbal or written prior agreements, arrangements, and understandings of the Parties relating to the subject matter stated herein, whether any such document was signed prior to, contemporaneously with or subsequent to execution of this Agreement. The Parties further intend that this Agreement constitutes the complete and exclusive statement of its terms, and that no extrinsic evidence may be introduced to reform this Agreement in any judicial or arbitration proceeding involving this Agreement.