

SUBCONTRACTING AGREEMENT ENTERED INTO IN THE CITY OF CONCORD, NC,

BETWEEN: **C.A.T. INC.**, a body politic duly incorporated under the laws of Canada, having its head office at 4 rue du Transport, Coteau-du-Lac, Province of Quebec, J0P 1B0, duly represented by its Recruiter Trainer, as he / she so declares;

(hereinafter referred to as the "**company**")

AND :

(hereinafter referred to as the "**owner operator**")

WHEREAS the **company** operates a transportation endeavour and as such, holds all necessary transportation authorities, permits, licences and registration number from government authorities;

WHEREAS the **company**, in the regular course of its operations, wishes to require the services of the **owner operator** to haul goods exclusively for the **company** on a subcontracting basis;

WHEREAS the **owner operator** wishes to provide an exclusive subcontracting service to the **company**.

THEREFORE, IN CONSIDERATION OF THE RESPECTIVE PROMISES AND COVENANTS CONTAINED HEREIN, THE PARTIES DO HEREBY AGREE AS FOLLOWS:

Preamble

1. The preamble is destined to be an integral part of this Agreement.

Term of the Agreement

2. This agreement shall come into force at the date hereof and shall remain in force for one (1) year. At the end of the initial term or any renewal thereof and subject to paragraphs 3 and 4 hereafter, this agreement shall be automatically renewed at the same conditions and for the same period of time.

Termination of the Agreement

3. Either party may terminate this Agreement, for any reason whatsoever, at anytime upon ten (10) days written notice, sent to the other party by registered or certified mail to the above-mentioned address or any other address a party may, from time to time, give to the other party. However, the **company** shall have the right to immediately terminate this Agreement by notice, verbal or written, for cause if the **owner operator** is in breach of or has not complied with any term, condition, provision or obligation contained in this Agreement and/or the **company's** rules and regulations.

Compensation

4. In consideration of the services rendered by the **owner operator**, the **company** agrees to compensate said **owner operator** as set forth in Schedule "A" annexed hereto, which is deemed to be an integral part of the present Agreement.
5. The parties hereto specifically agree that the **company** may, from time to time, modify the terms, provisions and conditions set forth in Schedule "A" annexed hereto, by giving reasonable verbal or written notice thereof to the **owner operator**.

Holdback

6. The **owner operator** hereby authorises the **company** to set aside a reserve fund in the minimum amount of one thousand dollars (\$1,000.00). If the **owner operator** wishes to, he can increase this amount up two thousand dollars (\$2,000.00). To that end, an amount of \$100.00 of the compensation owed to the **owner operator** will be withheld by the **company** weekly, until completion of the above-mentioned amount.

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7. The above-mentioned holdback shall in no way relieve the **owner operator** of its obligation to pay to the **company** any costs, expenses, fines or any other monies owed by the **owner operator** to the **company**.
8. Within forty-five (45) days of the termination of this Agreement, for any reason whatsoever, the **company** shall reimburse to the **owner operator** the remaining balance of the holdback, after having collected all amounts due, past due or to become due.

Administration fees

9. In the course of transportation services to be rendered by the **owner operator**, the **company** reserves its right to claim administration fees under certain circumstances, the whole according to the terms and conditions set forth in Schedule "B" annexed hereto, which is deemed to be an integral part of this Agreement.

Owner operator's motor vehicle

10. During the term of this Agreement, the **owner operator** hereby covenants and agrees to provide, make available and use exclusively for the **company** and for the purposes herein set forth, the motor vehicle more fully described in Schedule "C" annexed hereto which is deemed to be an integral part of this Agreement (hereinafter referred to as the "**motor vehicle**").
11. During the term of this Agreement, the **owner operator** may use a motor vehicle in addition to or as replacement for any such motor vehicle described in Schedule "C" annexed hereto; nevertheless, said addition or replacement will be subject to the prior written consent of the **company**.
12. The **owner operator** agrees to affix and keep affixed on the motor vehicle such symbols, insignia, decals and other identification required by the **company**. However, within a period of three (3) days from the termination of this Agreement, for any reason, the **owner operator** undertakes to remove or cause to be removed at its own costs the aforesaid symbols, insignia, decals and other identification affixed to the motor vehicle.
13. The **owner operator** agrees and covenants to maintain at its own expenses and at all times its motor vehicle in excellent mechanical condition and to ensure that all periodic maintenance, repairs, parts replacements and regular inspections, as required by any public authority having jurisdiction over the operation of the motor vehicle or required by the company are fully complied with.

Requirements:

- a) A minimum of four (4) periodical maintenance per year must be performed on the **motor vehicle** of the **owner operator**, including the annual inspection to obtain the compliance sticker required by the competent authorities.
- b) Following periodical maintenance performed on the **motor vehicle**, all documentation proving said maintenance was performed must be produced by the **owner operator** to the **company**, and will be filed in the **owner operator** maintenance file at the terminal of the **company**.
- c) As well, all costs pertaining to the maintenance, periodical inspections and repairs to the **motor vehicle** are to be paid by the **owner operator**.

Controls and follow up:

- a) Every six (6) months an inspection will be done by the **company**, at its own expenses, to confirm the good mechanical condition of the **motor vehicle** of the **owner operator**. If a major defect is identified on the **motor vehicle**, the **owner operator** will not be assigned any movement until the defect is fixed. In the case of a minor defect, the owner operator will have forty-eight (48) hours to repair the defect and produce documents confirming the repairs.
 - b) A complete file on the **motor vehicle** and its maintenance will be compiled by to the **company** for each **owner operator**.
 - c) If, as requested, the **owner operator** neglects to produce documentation pertaining to the maintenance performed on its **motor vehicle**, it will not be assigned any loads until it complies.
14. The **motor vehicle** of the **owner operator** must have a maximal weight of nine thousands (9,000) kilograms or twenty thousands (20,000) pounds including all the accessories and full fuel tanks. This section also applies to the **owner operator** already under contract with the **company**, if it changes its vehicle.

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15. Under no circumstances shall the **owner operator** pledge the credit of the **company**. To this end, the **owner operator** agrees to indemnify and hold harmless the **company** of all claims that could arise from a third party with regard to the operation or maintenance of the motor vehicle.
16. The **owner operator** undertakes to equip the **motor vehicle** with a ignition anti-theft device or to use an anti-theft device acceptable to the **company**.

Driving and operation of motor vehicle

17. For the driving and operation of the **motor vehicle**, the **owner operator** undertakes to use only authorised drivers and the **owner operator** will be allowed to use a determined number of qualified drivers, who have a valid driver license with the appropriate class at all time. As well, before being allowed to operate a **motor vehicle**, any driver of the **owner operator** will have to be approved in writing by the **company**.
18. All direct and indirect costs and expenses incidental to the performance of the **owner operator's** obligations hereunder and the operation of the **owner operator's motor vehicle** shall be at the cost of said **owner operator**. Moreover, the **owner operator** also agrees to indemnify and save the **company** harmless for all claims in relation with the operation of its motor vehicle, including, but without limiting the generality of the foregoing, the following:
 - a) If applicable, wages, including without limiting, vacation pay, and other employer's contributions ;
 - b) If applicable the withholding of income taxes, both federal and state, pertaining to **owner operator's** employees;
 - c) all expenses incidental to the operation of its **motor vehicle** including but without limiting the generality of the foregoing, all taxes, fines and registration fees incurred in the normal course of business;

Operating authorities, licenses and permits

19. During the term of this Agreement, the **company** shall be responsible and pay to obtain all permits required for the operation of the **owner operator's motor vehicle** except, for the fuel tax registration certificate and decals delivered in accordance with the *International Fuel Tax Agreement (IFTA)* and the *FHUT tax*, which shall be the sole responsibility of the **owner operator**.

However, all permits replacements caused by a change of **motor vehicle** or by the loss or damaging of said permits shall be at the **owner operator's** costs.

20. Upon termination of the present Agreement, for any reason whatsoever, the **owner operator** covenants and agrees to reimburse to the **company** the costs of each and all permits used during the course of this Agreement, on a pro rata basis of the months remaining.

Said reimbursement shall be deducted from the last compensation to be paid by the **company** to the **owner operator** or if no amount is payable, from its holdback.

Licensing/ Plates

21. All licensing fees shall be at the **owner operator's** costs but payable by the **company** on an annual basis. The **company** shall be authorised to deduct on a weekly basis from any compensation owed to the **owner operator** an amount equivalent to 5% of the compensation and this to accumulate the annual amount payable for the following year's licensing fee.

Compliance with the Law

22. The **owner operator** covenants and agrees to respect all regulations, laws or prescriptions approved by any public authority having jurisdiction over the conduct of both parties within the framework of the present Agreement (including the long form physical); moreover, the **owner operator** agrees to indemnify and save the **company** harmless of all costs and expenses it may incur with regard to any alleged violation of the above-mentioned regulations, laws or prescriptions.

Insurance

23. During the term of this Agreement, the **company** covenants and agrees to subscribe and maintain in force for all of the **owner operator's** motor-vehicle(s), a liability insurance policy together with a cargo insurance policy, which are more fully described in Schedule "D" annexed hereto, which is

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deemed to form an integral part of this Agreement. To that end, the company undertakes to provide annually the **owner operator** with a copy of the certificate issued by the insurance company identifying the vehicle(s) by its/their serial number(s).

24. However, the parties hereby specifically agree that the **owner operator** shall be solely responsible for the payment of all annual premiums and deductibles payable per occurrence, as determined in Schedule "D" annexed hereto. The annual amount payable is divided up into 52 weeks.

Hold Harmless

25. **Owner operator** agrees to defend, indemnify and hold harmless the **company** from any direct, indirect and consequential loss, damage, fine, expense, including reasonable attorney's fees, action, claim for injury to persons, including death, and damage to property which the **company** may incur arising out of or in connection with **owner operator**'s obligations under this Agreement or breach thereof. This provision shall remain in full force and effect both during and after the termination of this Agreement.

Company's rules and regulations

26. The **owner operator** shall be subject to all rules and regulations that may be adopted by the **company** from time to time. Said rules and regulations shall be deemed to be an integral part of the Agreement and may be changed from time to time by the **company**. To that end, the **owner operator** hereby acknowledges having received a copy of the **company's** rules and regulations actually in force and undertakes to respect same.
27. The **owner operator** covenants and agrees to respect company policies, including the use of a speed limiter, and undertakes to respect the maximum speed as established by the company from time to time.

Owner operator not employee of the company

28. It is expressly understood and agreed that **owner operator** is an independent contractor for the equipment and driver services provided pursuant to this Agreement, and that **owner operator** agrees to defend, indemnify and hold **company** harmless for any claims, suits or actions, including reasonable attorney's fees in protecting **company's** interests, brought by employees, any union, the public, or state, provincial or federal agencies, or any other person or entity arising out of the operation of the Equipment pursuant to this Agreement and occasioned by **owner operator's** failure to comply with its obligations and responsibilities under this Agreement.

Non-competition

29. During the term of this Agreement and for a period of three (3) years after the termination of this Agreement, the **owner operator** covenants and undertakes not to solicit in any way, directly or indirectly, the **company's** clients as they existed at the time of the performance of this Agreement.

Failure by the **owner operator** to comply with the provisions of the preceding paragraph shall lead to the payment by the latter to the **company** of damages liquidated beforehand in the amount of ten thousand dollars (\$10,000.00) without prejudice to any other recourse that could be exercised by the **company**, including namely petition for injunction relief.

Miscellaneous

30. The **owner operator** must produce annually to the **company** a proof of a valid worker's comp insurance policy.
31. The **owner operator** must produce annually to the **company** at proof that its corporation is in good standing.
32. The **owner operator** must produce annually to the **company** at proof that its registration when applicable, has been renewed.
33. All road taxes paid by the **company** will be invoiced to the **owner operator**.
34. Unless stipulated otherwise in the present Agreement, this Agreement shall not be amended otherwise than by written notice signed by both parties.
35. This Agreement shall not be assigned except by the **company** to a related or affiliated company.

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- 36. Failure by the **company** to require performance of any provision hereof shall not affect its right to require full performance thereof at any time thereafter, and the waiver by the company of a breach of any such provision shall not constitute a waiver of any subsequent breach thereof or nullify the effectiveness of such provisions.
- 37. In the event a provision of this Agreement is determined to be unenforceable, invalid or illegal, said provision shall be deemed to be severed from the remainder Agreement and shall not affect the remaining provisions of this Agreement.
- 38. Headings used in the Agreement are not part of said present Agreement and shall not affect its interpretation.
- 39. The representative of the **owner operator** signing this present Agreement undertakes to be severally liable for each and all obligations of the **owner operator** according to the terms of these presents and hereby renounces to all benefits of discussion and to all rights of subrogation (hereinafter the "**Guarantor**").
- 40. This Agreement shall be governed and construed in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE SIGNED ON THE ABOVE-MENTIONED DATE AND PLACE:

THE COMPANY: C.A.T. INC.

THE OWNER OPERATOR:

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SCHEDULE "A"

COMPENSATION

1. Travelled Mileage

The compensation of the **owner operator** shall be established according to mileage travelled on behalf of the company and according to the following mileage rates:

- **0.95\$ per loaded mile**
- **0.90\$ per empty mile**

Travelled miles calculated based on **PC Miler** shortest miles.

Movements to or from the East Coast:

A fuel compensation will be paid according to the following table:

DOE retail index price per us gallon		
East coast, Midwest & Gulf regions		
FROM	TO	FUEL BONUS
0.000	1.249	- \$
1.250	1.279	0.005 \$
1.280	1.309	0.010 \$
1.310	1.339	0.015 \$
1.340	1.369	0.020 \$
1.370	1.399	0.025 \$
1.400	1.429	0.030 \$
1.430	1.459	0.035 \$
1.460	1.489	0.040 \$
1.490	1.519	0.045 \$
1.520	1.549	0.050 \$
1.550	1.579	0.055 \$
1.580	1.609	0.059 \$
1.610	1.639	0.063 \$
1.640	1.669	0.067 \$
1.670	1.699	0.071 \$
1.700	1.729	0.075 \$
1.730	1.759	0.079 \$
1.760	1.789	0.083 \$
1.790	1.819	0.087 \$
1.820	1.849	0.091 \$
1.850	1.879	0.095 \$
1.880	1.909	0.099 \$
1.910	1.939	0.103 \$
1.940	1.969	0.107 \$
1.970	1.999	0.111 \$
2.000	2.029	0.115 \$
2.030	2.059	0.119 \$
2.060	2.089	0.123 \$
2.090	2.119	0.127 \$
2.120	2.149	0.131 \$
2.150	2.179	0.135 \$
2.180	2.209	0.139 \$
2.210	2.239	0.143 \$
2.240	2.269	0.147 \$
2.270	2.299	0.151 \$
2.300	2.329	0.155 \$
2.330	2.359	0.159 \$
2.360	2.389	0.163 \$
2.390	2.419	0.167 \$
2.420	2.449	0.171 \$
2.450	2.479	0.175 \$

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2.480	2.509	0.179	\$
2.510	2.539	0.183	\$
2.540	2.569	0.187	\$
2.570	2.599	0.191	\$
2.600	2.629	0.195	\$
2.630	2.659	0.199	\$
2.660	2.689	0.203	\$
2.690	2.719	0.207	\$
2.720	2.749	0.211	\$
2.750	2.779	0.215	\$
2.780	2.809	0.219	\$
2.810	2.839	0.223	\$

The compensation prices will reflect the weekly average US cost per fuel gallon for the East, Midwest and Gulf regions. The compensation will automatically be calculated and adjusted by C.A.T.

Fuel compensation will be effective the following week.

2. **Miscellaneous**

a) **Pick-up and delivery**

As soon as the **owner operator** has completed a first pick-up or delivery, the **company** undertakes to pay to the **owner operator** an amount of fifty dollars (\$50.00) for each additional pick-up or delivery during the same trip, provided that it is not a transfer at a **company** terminal or a repower or a trailer repositioning.

b) **Special works**

The **owner operator** shall be paid twenty-five dollars (\$25.00) per hour for all special works that it may be called upon to perform (for example: shunting).

c) **Manual unloading**

The **owner operator** shall receive ninety dollars (\$90.00) when it will have to unload a shipment of tires containing a minimum of 500 car tires or 150 truck tires.

For any other manual unloading or loading, the **owner operator** shall obtain from its dispatcher an authorisation number before the **company** pays any amount and the compensation shall then be twenty-five dollars (\$25.00) an hour from the time of the appointment.

d) **Waiting time at the customer**

If the bill of lading has been signed by the customer and the owner operator has notified the dispatch after the ninety (90) minutes period, a maximum amount of twenty-five dollars (\$25.00) per hour will be paid after the first two (2) hours (4 hours at Goodyear for tire unloading "Live Unload") of waiting to a maximum amount equal to a daily lay-over.

e) **Highway tolls and ferry tolls**

Upon presentation to the **company** of all receipts obtained by the **owner operator** with regard to highway tolls and ferry tolls, if applicable, the **company** shall reimburse the **owner operator** for all sums it had to pay while hauling on a subcontracting basis for the **company**.

f) **Customs**

In the event where a customer should have problems with a customs broker at the border and that all the standard procedures have been followed, an hourly amount of twenty five dollars (\$25.00) will be paid for waiting at the border, after the initial two (2) hours, to a maximum amount equal to the daily lay-over.

For any movement less than five hundred (500) miles from Canada to the US, the **owner operator** will be paid an amount of ten dollars (\$10.00).

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3. Frequency of payment

The **owner operator** shall receive its compensation the second Thursday following the week where transportation services have been rendered.

4. Prerequisites

However, in order to receive its compensation, the **owner operator** shall provide the **company** every week with the following documents:

- a) a duly signed bill of lading and packing slip for each loading made during the time period;
- b) its road sheets;
- c) its mileage sheets for the purpose of fuel taxes (IFTA);
- d) its log book for each working day;
- e) its inspection registers (pre-trip inspection) for each working day.

SAMPLE

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SCHEDULE "B"

ADMINISTRATION FEES

Under certain circumstances, administration fees shall be payable by the **owner operator** to the **company** at the following rates:

Cash advances

The **owner operator** who is on the road for a period of at least seven (7) days may obtain by the "T-Check" network or other, an advance, not exceeding one hundred dollars (\$100.00) per 7 day period, for either road or personal expenses. The said advance will be deducted from the **owner operator's** remuneration.

SAMPLE

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SCHEDULE "C"

DESCRIPTION OF MOTOR VEHICLE

DESCRIPTION

Make of vehicle: «M_33Sortevehicule»

Model: «M_34Modele»

Year: «M_35Année» Unit no.: «M_36Nounité»

Serial number: «M_37Noserie»

FINANCING

Loan granted in the name of: «M_32Nocompagnie»

Name and address of lender: «M_38Nompreteur»

«M_39Contactpreteur»

«M_40Nofaxpreteur»

«M_41Adressepreteur1»

«M_43Villepreteur»

«M_44Provincepreteur»

«M_45Codepostalpreteur»

Initial amount of loan: «M_46Montantdemprunt»

Balance of loan at the date

Of signature of this Agreement: «M_47Soldedemprunt»

Amount: «M_49Montantversements»

Amount of monthly instalments: «M_48nombreversements»

I hereby authorise «M_38Nompreteur», to provide Canadian American Transportation C.A.T. Inc. with any and all information related to the loan granted in my favour for the purchase of the above-mentioned motor vehicle.

SIGNATURE : _____

«M_3Nom» «M_2Prénom»

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SCHEDULE "D"

INSURANCE

1. Coverage

The **company's** insurance policy covers the following elements:

- General civil responsibility up to \$10,000,000.00
- Civil responsibility for the cargo up to \$10,000,000.00
- Property damage plan

The **owner operator** agrees to provide, at its own cost, the following insurance coverage:

- a) Non-trucking use or "bobtail" insurance coverage acceptable by the **company** with respect to public liability and property damage within a combined single limit of not less than One Million Dollars (\$1,000,000.00) for bodily injury and property damage per occurrence to protect **owner operator** whenever the motor vehicle is not being operated on behalf of the **company**. Such coverage shall be no less comprehensive than the coverage the **company** will facilitate on the **owner operator's** behalf if **owner operator** so chooses. In addition, such coverage shall be primary to any other insurance that may be available from the **company**. **Owner operator** shall be responsible for all deductible amounts and for any loss or damage in excess of the policy limit.
- b) A workers' compensation policy acceptable to the **company** for all drivers or other employees used by the **owner operator** in providing services under this Agreement. An **owner operator** may purchase workers' compensation coverage either through their own agent of the coverage offered through the **company**, and such coverage must cover all drivers and employees of the **owner operator** with such coverage certified in writing to the **company** by the **owner operator**. As an alternative, if not otherwise mandated by law or regulation, an **owner operator** with less than five (5) employees may elect to purchase occupational accident coverage offered through their own agent, so long as the coverage provisions and amounts meet the minimum requirements of the **company**.
- c) It is the **owner operator's** obligation to carry any fire, theft, uninsured or underinsured motorist and collision insurance that the **owner operator** may desire for the motor vehicle or for the **owner operator's** health care or other needs. As provided in this Agreement, the **owner operator** holds the **company** harmless with respect to loss of or damage to **owner operator's** motor vehicle or other property, and the **company** has no responsibility to procure, carry, or maintain any insurance covering loss of or damage to the **owner operator's** motor vehicle or other property.

2. Owner operator's acknowledgement and understanding

- a) **Owner operator** acknowledges that the insurance provided by the **company** shall in no way affect the **company's** rights of indemnification against the **owner operator** as stipulated in the Agreement
- b) **Owner operator** does hereby (1) acknowledge that the **company** provides no uninsured motorist, collision insurance or workers' compensation insurance coverage on or for the **owner operator**; (2) waive any claim against the **company** for entitlement to benefits under such insurance coverage; and (3) where allowed by law, release the **company** from any obligation to provide such coverage.
- c) In addition to **owner operator's** hold harmless/indemnity obligations to the **company** under the Agreement, **owner operator** agrees to defend, indemnify, and hold the **company** harmless from any direct, indirect, or consequential loss, damage, fine, expense, including reasonable attorney fees, actions, claim for injury to persons, including death, and damage to property that the **company** may incur arising out of or in connection with the **owner operator's** failure to maintain the insurance coverages required by this Agreement. In addition, the **owner operator**, on behalf of its insurer, expressly waives all subrogation rights against the **company**, and, in the event of a subrogation action brought by the **owner operator's** insurer, **owner operator** agrees to defend, indemnify, and hold the **company** harmless from such claim.

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3. Premiums

The **owner operator** is responsible of the payment of his the premium for all the policies described in paragraph 2 a), b) and c), which will be withheld from the **owner operator** compensation.

4. Pro-rata clause

The **company's** insurance policy covers the period of January 1st to December 31st of each year.

The premium payable by the **owner operator** will be established at his contract anniversary.

SAMPLE

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SATELLITE

In a delay of three (3) days after the execution of this subcontracting agreement, or at any other moment determined by the **company**, the **owner operator** accepts to have a satellite unit determined by the **company** installed on his motor vehicle, as per the following conditions:

- a) When a motor vehicle is not equipped with a support unit, the installation cost including this support unit will be \$250.00, plus applicable taxes. The said amount will be reimbursed by the **owner operator** to the **company** who will withhold 5% from the **owner operator's** remuneration until paid in full.
- b) When a motor vehicle is already equipped with a support unit, the satellite installation cost will be \$150.00, plus applicable taxes. The said amount will be deducted by the **company** from the **owner operator's** remuneration.
- c) When the motor vehicle is already equipped with a support unit and that the appropriate wiring is already in place, the installation will be done at an hourly rate of \$50.00, plus applicable taxes, up to a maximum of \$100.00. The said amount will be deducted by the **company** from the **owner operator's** remuneration.

If however, the **owner operator** decides to terminate the agreement within the first six (6) months, then the **owner operator** agrees to pay back to the **company** an amount of six hundred dollars (\$600.00).

It is specifically convened between the parties that the satellite will remain the **company's** property at all times. To that effect the **owner operator** agrees to indemnify and hold the **company** harmless of any loss or damage of any nature whatsoever that could be caused to the satellite unit.

In the forty-eight (48) hours following the termination of this subcontracting agreement, for any reason whatsoever, the **owner operator** will be responsible to have the satellite unit removed from his motor vehicle. The unit's removal shall be done by the **company's** qualified personnel at an hourly rate of \$50.00, plus applicable taxes, up to a maximum of \$100.00. This amount will be deducted from the **owner operator's** last compensation, or at default, from his "holdback" reserve fund.

Name of **owner-operator** : «M_3Nom» «M_2Prénom»

Name of company : «M_32Nocompagnie»

Signature : _____

Date : «M_8Dateembauche»

Unit number : «M_36Nounité»

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GENERAL RULES APPLICABLE TO EACH TRANSPORT MOVEMENT

A. Bills of lading, pick up and delivery of goods

Goods tendered by the **company** to the **owner operator** shall be transported in accordance with the terms and conditions of the bill of lading and probill issued by the **company** or one of its clients.

1. Upon acceptance of goods from or on behalf of the **company**, the **owner operator** covenants and agrees to indemnify and save the **company** harmless from any and all claims, judgements or court orders against the **company**, arising from breaches of the bill of lading or probill which occurred or may occur while goods are in the care and control of the **owner operator**, his employees or agents.
2. The **owner operator** shall conduct an inspection of all freight received for transportation and make full and clear notations on the bill of lading of any apparent damage or irregularity.

Moreover, in the event damages are noticed to the freight to be transported, the **owner operator** shall obtain an authorisation number from the company before leaving the shipper or consignee's place of business. If the **owner operator** fails to do so, it shall be entirely responsible for the payment of all claims, judgements or orders rendered against the **company** for such damages.

3. When, in the opinion of the **company**, the **owner operator** has violated the Subcontracting Agreement so as to subject the **company** to liability or potential liability to a shipper or any other party, the **company** may take possession of the freight being hauled by the **owner operator** at that time and complete the shipment. In that case, all expenses incurred by the **company** in completing the shipment, including but not limited to, cost of re-handling and transferring the freight, hauling expenses and damages paid to the shipper or consignee, shall be at the cost of the **owner operator** and shall be deducted from its compensation and, if insufficient, from its holdback.
4. For each pick-up, the **owner operator** shall sign and obtain from the **company** and/or the shipper a bill of lading indicating the exact count of goods gathered and handed over to the **company**.
5. For each delivery, the **owner operator** shall obtain a proof of delivery and remit said proof of delivery to the **company** according to the prescribed **company** procedure.

B. C.O.D. Charges

1. On a daily basis, the **owner operator** shall remit to the **company** any amount, document or merchandise received on behalf of the **company** from the shipper or the consignee.
2. The **owner operator** covenants and agrees that no part of such amounts collected on behalf of the **company** shall ever become its property.
3. Before delivering any shipment on a "cash collect" basis, the **owner operator** shall obtain payment of the transportation charges or any other amounts to be paid for the shipment, failing which it shall become liable for said transportation charges.

C. Accidents and Liability for Damages

1. The **owner operator** shall inform the **company**, without any delay, of any and all accidents that could occur during the course of its operations while hauling for the **company**. The **owner operator** also undertakes to complete in a detailed manner the Accident Report form as prescribed by the **company** procedure.
2. The **owner operator** shall be solely responsible for any and all damages that could occur to the hauled goods when these damages result from the following acts :
 - a) collision of its motor vehicle with an inanimate object;
 - b) improper blocking of its load, or straps or clams in bad condition;
 - c) damages or unfixed tarpaulin;

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- d) loading of goods in a damaged trailer;
 - e) any other negligent action of the **owner operator**.
3. The **owner operator** shall be responsible for all damages caused to the **company's** vehicular equipment while in the **owner operator's** care and control.

In that case, the **company** shall have the necessary repairs carried out and shall deduct the cost of said repairs from the compensation to be paid to the **owner operator**.

- 4. Furthermore, the **company** will provide the **owner operator** with the original invoice for repairs before deducting any amount from its compensation to be paid.
- 5. The above-mentioned procedure shall not apply to damages suffered by the **company's** vehicular equipment tires, unless the **owner operator** acted negligently. In that case, the **owner operator** shall have any damages tire changed on the road, and shall bring all replaced parts to the **company's** terminal.
- 6. If at the time of termination the owner operator is in possession of the company's vehicular equipment, the owner operator shall return, at its own cost, the said equipment to the company or at a location identified by the company. If the owner operator fails to surrender the equipment in 24 hours, the company will be entitled to charge a fee of fifty dollars (\$50) per day until the equipment is returned.

D. Violations and Fines

- 1. The **owner operator** shall observe and respect all laws and regulations relating to highway safety and namely speed limits established by all provinces and/or states it shall travel.
- 2. The **owner operator** shall be solely responsible for the payment of any fine resulting from a violation pertaining to weight limitations, height limitations, length limitations, width limitations, securing and any other violation recorded while operating its motor vehicle for the **company**.
- 3. The **owner operator** shall also indemnify and save the **company** harmless for all fines levied against it following any conviction related to a driving or safety violation issued while said **owner operator** is hauling on behalf of the **company**.
- 4. The **owner operator** agrees to remit to the **company** all documents related to a traffic violation, or information related to an infraction, and in the shortest delay.

I, the undersigned, acknowledge having perused this day the above-mentioned General Rules adopted by the **company**. I accept them and undertake to comply with said rules in full.

Coteau-du-Lac, province of Quebec, this ce «M_8Dateembauche».

«M_3Nom» «M_2Prénom»

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DISPATCHING RULES

Within the scope of every transport movement to be tendered, the **company** has introduced dispatching rules, which apply to each and every **owner operator**. Said rules can be detailed as follows:

1. Dispatching will be done by "first-in - first-out" method, taking into account the priorities established by the Dispatching Services.
2. The **owner operator** shall not refuse without a reason deemed legitimate by the **company**, a transport movement tendered by the **company**. However, shall be considered a legitimate reason, the fact that the load does not comply with regulations and/or is unsafe.
3. Under no circumstances shall the **owner operator** try to settle any kind of problem that could arise with a **company's** client. In that event, the **owner operator** shall immediately contact its Team Manager so that the latter can try to settle the problem.
4. In the event the **owner operator** intends to be away from work for any reason whatsoever, it shall inform the dispatch of its absence at least forth-eight (48) hours in advance.
5. Moreover, a prolonged absence or a vacation of the **owner operator** or its employees or agents shall be subject to a one (1) month prior notice to the dispatch.

I, the undersigned, acknowledge having perused this day the **company's** dispatching rules, I accept them and undertake to comply with said rules in full.

Coteau-du-Lac, province of Quebec, this «M_8Dateembauche».

«M_3Nom» «M_2Prénom»

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COMPANY'S RULES AND REGULATIONS

1. Communications with the Dispatching Services

- a) When they are home or until a satellite unit is installed on the motor vehicle, all drivers and **owner operators** shall report to his/her dispatcher according to the following schedule :

From Monday to Friday, twice (2) a day:

- Between 8:00 a.m. and 9:00 a.m.
- Between 3:00 p.m. and 5:00 p.m.

Saturday, only once (1):

- Between 6:00 a.m. and 10:00 a.m.

- b) As soon as a driver or an **owner operator** has completed a shipment, he must send the "Depart Shipper" macro duly completed.

2. Deliveries

- a) When an **owner operator** accepts a shipment, it shall honour the scheduled appointment for delivery, failing which it shall wait at its own costs for the next available appointment.
- b) Unless otherwise instructed, all shipments must be delivered to the customer at the time indicated on the assignment.
- c) Weekend: for each driver and/or **owner operator** who has picked up a shipment on Thursday or earlier and who is located within a radius of 550 miles or less from its point of delivery but does not proceed with the delivery before noon on Friday, no expense will be paid by the **company**, unless otherwise agreed to.
- d) If the company has to deliver a shipment because an **owner operator** failed to do so, the costs incurred by the company to deliver the shipment will be charged to said **owner operator**, except if an authorisation together with an authorisation number have been obtained to the end.

3. Customs

Any driver or **owner operator** has the responsibility to have his/its shipment cleared, depending on the type of movement (ex.: T&E Bond, pre-authorization, etc).

4. Availability

The drivers and **owner operators** shall be available for regular work at all times.

5. Notice for leave of absence

Any driver or **owner operator** must give a 48-hour notice for any personal appointment.

6. Permits

When their names appear on the board or a message is left, all drivers and **owner operators** must take possession of their permits when they come to the office and make sure that the permit is posted on the equipment or that it is inserted in the book permit.

7. Inspection of Equipment

Before going to a customer, drivers and **owner operators** must ensure that their respective equipment is fit to receive this particular shipment (for example: no trace of water and very clean equipment). If the equipment is not fit, the driver or the **owner operator** must inform his/its dispatcher who will make the appropriate decision.

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8. Mutual respect

We will not tolerate any lack of respect towards customers or **company** staff and we will do the same towards our drivers and **owner operators**.

9. Passengers

Unless an express written authorisation has been granted by the **company**, no driver or **owner operator** is authorised to allow or tolerate a passenger to come on board of its motor vehicle.

The driver or the **owner operator** will have to show a proof of insurance and all the documents required on the "Passenger on Board" form.

10. Documents to be kept in the motor vehicle

In the course of each transportation services to be rendered to the company, all drivers and owner operators shall keep at all times the following documents in their respective motor vehicle:

- a) a driver's license;
- b) a legible copy of the **company's** operating licenses;
- c) the registration certificate of the vehicle;
- d) proof of insurance;
- e) a copy of the "F.H.U.T";
- f) bill of lading as provided by the **company** or the shipper;
- g) the inspection register pertaining to the vehicle;
- h) all documents required by the various Canadian authorities and the American D.O.T., including the driver's medical certificate;
- i) all competency certificates required by Provincial and Federal authorities for the hauling and handling of dangerous goods;
- j) the log books of the driver's hours of service and driving;
- k) When applicable, a copy of the Subcontracting Agreement.

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OWNER OPERATOR'S CERTIFICATE

I, , «M_3Nom» «M_2Prénom», a duly authorised representative of «M_32Nocompagnie», hereby acknowledge having received this day a copy of the **company's** rules and regulations, which I declare; I have read and understood. I undertake to comply with said rules and regulations in full.

And, I have signed at Coteau-du-Lac, province of Quebec, this CE «M_8Dateembauche»

SIGNATURE: _____
«M_3Nom» «M_2Prénom»

«M_8Dateembauche»

«M_13Terminal»

SAMPLE

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