

TRANSPORTATION AGREEMENT

Company Profile

Please provide information about your company.

Company Name: _____

Address: _____ Postal Code: _____

Telephone: _____ Fax: _____

Email: _____ Website: _____

Contact(s): _____ Manager: _____

Fleet Information

Please complete information about your fleet

Fleet Size	No. Tractors	No. Trailers
Age of Fleet	Satellite Tracked? Y/N	24hr Operation? Y/N
% Owner/Operator	Driver Cell phones? Y/N	CTPAT? Y/N
Terminal Locations:		

Carrier Services

Please provide information on your services and what lanes and equipment you specialize in.

Signed: _____ **Print:** _____ **Date:** _____

TRANSPORTATION AGREEMENT

This Transportation Agreement, effective as of _____ (“Effective Date”), is made by and between Challenger Logistics Inc., a licensed transportation broker that controls its customer’s freight having its principal facility at 300 Maple Grove Road, Cambridge, ON, N3E 1B7 (hereinafter “BROKER”) and _____ located in _____, a licensed motor carrier that provides transportation and related services under contract (hereinafter “CARRIER”).

WHEREAS, CARRIER, as an independent contractor, desires to furnish motor CARRIER service to BROKER for the transportation of general commodities and represents that it is a duly registered CARRIER in interstate commerce with the U.S. Department of Transportation, Federal Highway Administration (“FHWA”) and/or intrastate commerce with the appropriate State and Provincial regulatory agencies.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto agree as follows:

1. **TERMS OF CONTRACT.** The term of this Contract shall commence on the Effective Date and shall continue thereafter from year to year unless terminated at any time by either party with or without cause on 30 days prior written notice. BROKER agrees to offer, and CARRIER agrees to transport, a series of at least 3 shipments during each full year of this contract.
2. **TERMINATION WITHOUT CAUSE.** Either party upon thirty (30) days’ written notice may terminate this Contract.
3. **TERMINATION FOR CAUSE**
 - i. If either party violates any material provision of this Contract, the other party shall have the right to immediately terminate the same.
 - ii. If a petition in bankruptcy is filed by or against CARRIER, or CARRIER becomes insolvent or makes a general assignment for the benefit of creditors, BROKER may terminate this Contract immediately without notice and without further obligation.
 - iii. If all or any portion of CARRIER’s operating authority shall be revoked or suspended, or CARRIER’s insurance policy is canceled, reduced or otherwise invalidated, or CARRIER receives an "Unsatisfactory" safety rating from the FHWA, CARRIER shall promptly notify BROKER, and BROKER may terminate this Contract immediately without notice and without further obligation.
 - iv. If CARRIER fails to notify BROKER of any events set forth in sub-paragraphs ii. or iii. above, CARRIER will not assess transportation charges occurring after the date of such events. Furthermore, CARRIER will immediately terminate handling BROKER’s business and relinquish control over all BROKER’s goods in its possession and control on such date.
4. **NOTICE OF TERMINATION.** Any notice of termination shall be delivered by certified mail or express courier to the appropriate party.

Challenger Logistics Inc.

5. **C-TPAT Certification/Security Requirements.** CARRIER shall confirm in writing whether or not it is C-TPAT certified. If C-TPAT certified, CARRIER shall also provide a copy of documentation verifying the certification to BROKER and also provide BROKER with Carrier's SVI#. If CARRIER transports goods into the United STATES on behalf of BROKER, the following provisions are also applicable:
- i. CARRIER shall be C-TPAT certified, or, if not certified, shall comply with the security criteria established by the U.S. Customs & Border Protection Agency (CBP), which can be found on the CBP web site: www.cbp.gov.
 - ii. CARRIER shall not assign or subcontract its performance under this agreement to any party that does not comply with CBP security criteria.
 - iii. CARRIER accepts responsibility for the security of the shipment under CBP guidelines from the shipping point until the goods are delivered to the agreed destination, and shall have effective controls and process in place which is consistent with CBP security criteria to insure that integrity of the shipment.
 - iv. CARRIER must have an employee identification system in place for positive identification and access control purposes. Consistent with Provincial, Federal, State and local regulations, background checks and investigations should be conducted for prospective employees and contract drivers.
 - v. CARRIER shall ensure that a high security seal are affixed to all loaded trailers bound for the U.S. All sales must meet or exceed the current PAS ISO 17712 standards for high security seals. CARRIER will immediately report any seal changes and the reason for such changes, or the discovery of a broken or altered seal, to BROKER and to the U.S. Customs Representative at the point of entry.
 - vi. CARRIER shall permit BROKER's representative to review and audit CARRIER's compliance with the above requirements upon reasonable notice.
 - vii. The above is not all inclusive as to the requirements set out by C-TPAT, and only outlines some of the security requirements a highway carrier must comply with. CARRIER agrees to review the C-TPAT Highway Carrier Security Criteria and to ensure that they have the proper security measures are in place.
6. **PERFORMANCE OF SERVICES.** CARRIER agrees to meet BROKER's distinct transit and pricing requirements agreed to by the parties from time to time after the Effective Date as confirmed by the BROKER's issuance of a Tender Sheet. CARRIER further agrees to comply with all of BROKER's reasonable shipping instructions communicated to CARRIER after BROKER's issuance of a Tender Sheet, and to comply with all applicable provisions of any Provincial, Federal, State and/or local law or ordinance and all lawful orders, rules and regulations issued thereunder. CARRIER agrees that CARRIER is an independent contractor of BROKER and that CARRIER will perform its services under this Contract in accordance with the highest standards of the industry.
7. **EXCLUSIVE CONTROL.** CARRIER shall have sole and exclusive control over the manner in which CARRIER and its agents perform the transportation service provided for hereunder, and CARRIER shall utilize such individuals as it may deem necessary in connection therewith, it being understood and agreed that such individuals shall be subject to discharge, discipline, and control solely and exclusively by CARRIER. CARRIER represents that it is entirely independent and that it is not substantially

economically dependent upon the BROKER and there is no functional integration of the BROKER's and the CARRIER's respective operations.

8. **RATES AND CHARGES.** CARRIER represents and warrants that there are no other applicable rates or charges except those set forth on the Tender Sheets issued by BROKER from time to time. Any changes to the rate as set forth on the Tender Sheets must be in writing and signed and dated by both parties. BROKER shall pay CARRIER 30 days after BROKER's receipt of CARRIER's invoice, shipper's bill of lading, signed delivery receipt and other documents which may be required by BROKER or shipper. CARRIER agrees that it shall not bill the shipper/consignee or any third party directly nor shall it accept payment from any shipper/consignee or any third party for providing transportation under this agreement.
9. **INSURANCE.** CARRIER, at CARRIER's expense, shall maintain during the term of this Contract, commercial general liability and automobile liability insurance with minimum limits of not less than \$2,000,000.00 (*Two Million Dollars*) per occurrence for personal injury and property damage, and cargo liability insurance with minimum limits of not less than \$250,000 (*Two Hundred & Fifty Thousand Dollars*) per shipment. CARRIER shall provide BROKER certificate of insurance naming BROKER as Certificate Holder, evidencing the foregoing coverage prior to providing any services to BROKER under this Contract. CARRIER shall provide that said insurance shall not be canceled or materially altered until at least thirty (30) days after written notice is received by BROKER. The CARRIER shall also maintain any insurance coverage's required by any government body including worker's compensation (if applicable) for the types of transportation and related services specified.
 - i. The stipulated limits of coverage above shall not limit any potential liability to BROKER, and failure to deliver certificates of insurance or BROKER's failure to request delivery shall in no way be construed to be a waiver of CARRIER's obligation to provide the insurance coverages.
 - ii. CARRIER hereby waives all right to claim against BROKER with respect to any bodily injury, personal injury, losses or damages to real or personal property howsoever caused. CARRIER hereby waives all rights of subrogation on behalf of any insurance company insuring its interests. CARRIER shall be responsible for paying any additional premium that may be charged by its insurer for such waiver.
10. **CARGO LIABILITY.** CARRIER assumes liability as a common CARRIER for loss, damage to or destruction of the goods entrusted to it or its subcontractor's care, custody or control. CARRIER shall not allow any of the goods tendered to CARRIER to be sold or made available for sale or otherwise disposed of in salvage markets, employee stores or any other secondary outlets without BROKER's prior written consent. CARRIER agrees to either pay or settle all cargo claims within 30 days of the receipt of a documented claim. CARRIER agrees to notify BROKER's Claims Department immediately whenever an accident or potential cargo claim occurs.
11. **RIGHT TO SET OFF CLAIMS.** BROKER shall have the right to set off claims for loss, damage or delay, and claims for overcharge or duplicate payment, against freight or other charges owed to CARRIER. CARRIER shall have no lien for the retention of freight to secure payment of freight charges.
12. **SHIPPER LOAD AND COUNT.** No shipments will be considered shipper load and count (SLC). CARRIER's failure to count and note any shortages or damage on the origin bill of lading will result in CARRIER liability for all such damages and shortages.

Challenger Logistics Inc.

13. **HEALTH & SAFETY.** The CARRIER is responsible to ensure each CARRIER's employee/driver/worker receives orientation to his/her job duties, including specific safety requirements, prior to beginning the assignment. No CARRIER employee/driver/worker will be placed on equipment or instructed to perform duties for which they do not have the skill or training to perform safely.
14. **WORKERS' COMPENSATION BOARD.** CARRIER shall comply with the Workplace Safety and Insurance Board Act or other workers compensation legislation and will provide BROKER Client with a copy of a Workplace Safety and Insurance Board (or other Board's) Clearance Certificate.
15. **CARRIER EQUIPMENT.** CARRIER agrees to ensure equipment condition complies with all applicable provisions of Provincial, Federal, State and/or Local law or ordinance and all lawful orders, rules and regulations issued thereunder. CARRIER'S equipment offered to BROKER for loading of the commodities to be transported is to be clean, order-free, dry, leak proof and free of contamination, dunnage and infestation. CARRIER shall at its sole cost and expense furnish all tires and other parts supplies and equipment necessary or required for the safe and efficient operation and maintenance of the equipment. CARRIER shall pay all expenses of every nature, including the expense of road service and repair, in connection with the use and operation of the equipment and shall, at its sole cost as and expense, at all times during the term of this contract, maintain the equipment in good repair, mechanical condition and appearance. CARRIER shall at its sole cost and expense, unless otherwise agreed to within this contract, shall purchase any required fuel and oil for the equipment.
16. **CARRIER PERSONNEL.** CARRIER shall at its sole cost and expense, employ competent, able, trained, licensed drivers and other personnel, supplies, labour, supervision, clerical services and facilities necessary to perform the transportation services.
17. **PERMITS.** CARRIER has obtained or shall obtain at CARRIER's sole expense all permits licenses, certificates, authorities or approvals required to comply with all Laws in the performance of this contract. CARRIER will provide BROKER with a copy their Operating Authority, C-TPAT certification, HAZMAT permits, CVOR rating and DOT rating. CARRIER shall provide BROKER with reasonable advance written notice if any such permits, license, certificate or approval becomes a subject of judicial or administrative action seeking revocation or suspension.
18. **EXCUSABLE DELAYS.** The CARRIER shall be liable for default unless nonperformance is caused by an occurrence beyond the reasonable control of the CARRIER and without its fault or negligence such as, acts of God or the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, unusually severe weather. The CARRIER shall notify the BROKER as soon as it is reasonably possible after the commencement of any excusable delay, setting forth the full particulars in connection therewith, shall remedy such occurrence with all reasonable dispatch and shall promptly notify the BROKER of the cessation of such occurrence.
19. **PROMPT SERVICE.** CARRIER shall promptly and efficiently receive, transport and deliver safely, within BROKER's established schedules and without delay, the goods entrusted to it hereunder, whether received from BROKER or from third parties at the request of BROKER. CARRIER agrees to expedite shipments when so requested by BROKER and deliver them in like good order and condition to the named consignees. If BROKER receives "charge backs" from consignees due to CARRIER's failure to

keep delivery appointments or incurs additional costs for expediting shipments due to CARRIER's failure to meet delivery schedules, CARRIER shall reimburse BROKER for same.

20. **INTERLINING; SUBSTITUTED SERVICE.** CARRIER agrees not to interline or use other motor CARRIERS, or BROKERS, or to use "substituted services" by rail for BROKER's goods without prior written agreement of BROKER. When for CARRIER's convenience, CARRIER elects to use a pickup or delivery agent to serve a point it is authorized to serve, CARRIER may do so at its expense, in which case CARRIER shall continue to be fully liable for any loss, damage or delay to said shipments. If CARRIER uses a substituted service of any type, with or without BROKER's permission, CARRIER agrees to remain liable for any loss, damage, liability or delay to SHIPPER's property incurred in transit to the same extent that CARRIER would be liable if it performed the transportation directly.
21. **SUPPORT SERVICES.** CARRIER will provide support services peripheral to the actual transportation of each shipment including, but not limited to, dispatch, tracing, expediting, re-consigning and delivery confirmation.
22. **INDEMNIFICATION.** CARRIER shall at all times indemnify, defend and hold harmless BROKER, its agents, customers and employees harmless from any and all claims including reasonable attorney's fees arising from the services provided hereunder (including, without limitation, claims for personal injury, death and damage to property, clean-up costs from commodity spills and damage to the environment, whether or not caused by BROKER's customer's packaging, loading or other acts) asserted against BROKER, its agents, customers and employees (a) by any agent or employee of CARRIER or (b) by any other person. The provisions of this paragraph shall survive cancellation, termination, or expiration of this Agreement.
23. **CONFIDENTIALITY.** As part of the business relationship between CARRIER and BROKER, CARRIER may be in or come into possession of information or data, which constitute trade secrets, know-how, confidential information or are otherwise considered secret by BROKER (hereinafter "Information"). In consideration of the receipt of such Information and potential business, CARRIER agrees to maintain such Information in the utmost of confidence; to use such solely in connection with such business relationship; and to take all measures necessary to protect such Information.
24. **COD SHIPMENTS.** CARRIER agrees to collect in cash or by certified check for all "COD" shipments prior to delivery of such shipments to the consignee. Monies or checks collected, whether on COD shipments or otherwise, shall be kept separate and apart from all other monies and turned over promptly to BROKER, but in no event later than 10 days from collection.
25. **DELIVERY RECEIPT.** CARRIER shall obtain an acknowledgement of delivery for all shipments by notation on the bill of lading or delivery receipt, signed and dated by the consignee.
26. **SUCCESSORS AND ASSIGNS.** This agreement shall be binding upon the successors and assigns of the parties hereto. CARRIER shall not assign this Contract, or any part thereof, without prior written consent of BROKER.
27. **NO BACK SOLICITATION.** CARRIER shall not solicit traffic from any shipper, consignor, consignee or customer of BROKER where (1) the availability of such traffic first became known to CARRIER as a result of BROKER's efforts, or (2) where the traffic of the shipper, consignor, consignee or customer of the BROKER was first tendered to the CARRIER by the BROKER. If CARRIER breaches this agreement and "back-solicits" the BROKER's customers, and obtains traffic from such a customer, the BROKER then is entitled, for a period of 12 (twelve) months after

the involved traffic first begins to move, to a commission from the CARRIER of ten (10) percent of the transportation revenue received on the movement of the traffic.

28. **MISCELLANEOUS.** The validity, interpretation and performance of this Contract shall be governed and construed in accordance with the Laws of the Province of Ontario.
29. **CONFLICT BETWEEN CONTRACT AND BILL OF LADING.** To the extent any term or condition of such bill of lading or receipt conflicts in any way with any term or condition of this Contract, this Contract shall govern.
30. **SEVERABILITY.** If any section, subsection, sentence or clause of this Contract shall be adjudged illegal, invalid or unenforceable, such illegality, invalidity or unenforceability shall not affect the legality, validity or enforceability of the Contract as a whole or of any section, subsection, sentence or clause hereof not so adjudged. The parties will endeavor to replace the invalid or null and void provisions by those, which correspond best to the intentions of the parties hereto.
31. **ENTIRE AGREEMENT.** This Contract, together with the Tender Sheets issued by BROKER after the parties' execution of the Contract, constitutes the entire agreement between the parties. Any printed provisions on the reverse side of the CARRIER's forms shall be deemed deleted. This Contract supersedes any and all prior agreements, whether written or oral, that may exist between the parties. No terms, conditions, prior course of dealing, course of performance, usage of trade, understanding or agreement purporting to modify, vary, supplement or explain any provision of the Contract shall be effective unless in writing, signed by representatives of both parties authorized to amend this Contract. In no event shall the preprinted terms or conditions found on any CARRIERs documents or acknowledgments be considered an amendment or modification of this Contract even if such documents are signed by representative of both parties; such preprinted terms or conditions shall be considered null and of no effect.
32. **IN WITNESS WHEREOF,** the undersigned individuals have executed this Contract at Cambridge, Ontario, Canada as of the Effective Date, and by doing so, represent and warrant that they have been or are specifically authorized to do so on behalf of the organization they represent.

BROKER – CHALLENGER LOGISTICS**CARRIER**

By: _____

By: _____

Name: _____

Name: _____

Title _____

Title: _____

Date: _____

Date: _____