

[2019]

January 21, 2019



Challenger Motor Freight Inc.

Value Added Service Fees

January 21st, 2019

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CHALLENGER MOTOR FREIGHT-VALUE ADDED SERVICE FEES

(Effective January 21, 2019)

Challenger does a lot more than move your shipments from one point to another. As a leader in our industry, we are proud to offer a comprehensive suite of value added services that give you the peace of mind that your shipments will meet and exceed the expectations you and your customers have. This guide details the list of value added services we provide and also describes some of our standard offerings that are included as part of your line-haul rate, or in some cases detailed as a separate accessorial charge. These are Challenger's standard charges and will apply unless stipulated otherwise in a custom agreement.

BORDER CROSSING

Challenger's team of cross border specialists, with the use of the latest technology, ensures your shipments are processed to allow for as seamless a border crossing as possible.

- A \$25 standard border-crossing fee is included in the line-haul for every border crossing required for a shipment. The \$25 fee includes automated clearing transmission charges, administrative processing and 1 hour of crossing time.

Additional Charges that may apply:

- Customs delays at the border through no fault of the carrier will be charged at \$60 per hour with the 1st hour included.
- For shipments subject to FDA pre-notification, any intermediate stops required prior to border crossing will be assessed a \$75 stop-off charge.
- Additional administrative requirement (manual entries, paperwork, faxing) will be charged on an hourly basis at a rate of \$75/hour. Additional transmission and communications charges (e.g. fax charges) will be billed as pass through costs.
- U.S. Bond charges will be assessed as per occurrence.
- Canadian Bond charges will apply to the account of the customer and charged back with a \$35 administrative fee plus any re-delivery charges.

BLIND SHIPMENT

To facilitate drop shipments directly to your customer.

- A \$50.00 charge per occurrence will apply.

CASH ON DELIVERY

Challenger will collect payment for the directed party.

- A \$100 charge per C.O.D. will apply.

CUSTOMER REQUESTED DEADHEAD

Challenger can immediately dispatch drivers to pick-up a shipment from any location.

- This service will be rated from point of dispatch to the loading location and be determined per occurrence.

CUSTOMER REQUESTED TEAM SERVICE

When an expedited transit time is required, Challenger has the option of moving shipments with a team of drivers to ensure the fastest over-the-road transit time.

- Rates will be negotiated per occurrence when not quoted specifically for Team Service.

DEMURRAGE

Having thousands of trailers and available trailer pools for customers, Challenger understands that flexibility is sometimes required in loading times. The following is a list of charges based on trailer type:

- Dry Van Trailer: Day of drop only included. All additional days - \$50 for each 24-hour period or fraction thereof.
- Climate Trailer: Day of drop only included. All additional days - \$120 for each 24-hour period or fraction thereof.

EXPEDITED DIRECT DRIVE LOAD

Challenger can ensure a driver has enough hours to facilitate a direct drive from point of pickup to delivery point for the fastest possible over-the-road transit time.

- A minimum additional charge of \$250 per shipment is required.

EXPEDITED OVERNIGHT DIRECT DRIVE

Challenger can ensure a driver has enough hours to facilitate a direct drive overnight from point of pickup to delivery point for the fastest possible over-the-road transit time.

- A minimum additional charge of \$400 per shipment is required.

DETENTION

Challenger's standard loading and unloading time is 60 minutes. The following charges will apply after the first 60 minutes:

- Detention with Power: 1 hour time included for loading and 1 hour included for unloading. A rate of \$60 per hour in excess of free time or fraction thereof will be applied; chargeable in 15 minute increments.

DUNNAGE DISPOSAL

For international or specialized services, Challenger can offer dunnage disposal.

- Rates will be negotiated per occurrence.

EQUIPMENT ORDERED NOT USED

For cancellation of scheduled shipments, the following charges will apply:

- Less than 24 hrs. notice: Full line-haul amount + Fuel costs of cancelled load.
- Less than 48 hrs. notice: Single Service: \$375.00 per occurrence; Team Service: \$650.00 per occurrence.

EXCESS VALUATION CHARGE

When additional coverage is required for higher value shipments, Challenger can offer the following:

- Our standard coverage is \$2.00 per lb. per shipment, maximum \$100,000 per shipment. Where additional coverage is required in excess of \$100,000, a charge of \$1.50 per \$1,000 will be applied.

FUEL SURCHARGE

Challenger offers a Zero Base Fuel Recovery Program that is a highly accurate calculation of fuel charges based on where the shipment is travelling and the total miles.

- For full details, refer to <http://www.challenger.com/fuelrecovery> for Challenger's Fuel Recovery Program and Winter Fuel Adjustment.

HAZARDOUS MATERIALS

Challenger has a team of qualified drivers trained to move a wide range of product.

- Charges will be based on equipment and regulatory requirements - minimum \$100 per shipment.

INFRACTIONS

Parking/Traffic fines incurred as a direct consequence of performing the pick up and or delivery will be for the account of the customer (Payer of the freight charges) and charged back with copies supporting the charges plus a \$35.00 administration fee.

LAYOVER

Challenger has the flexibility to hold over a driver if required when an urgent shipment is delayed on the pickup.

- A charge of \$1,200 per 24-hour period for Single Service, \$1,900 per 24-hour period for Team Service will be applied.

LOADING/UNLOADING ASSIST

In many cases our drivers can assist with, or we can help arrange for assistance with the loading and unloading of shipments.

- **Driver Assist:** A charge of \$100 per hour, minimum \$200.
- **Lumper Fees:** Will be applied to the account of the customer at the rate charged plus a \$35 administration fee.

LOGISTICS EQUIPMENT REQUIREMENT

Challenger can offer Logistics equipment to help with the loading and securing of shipments.

- Any orders requiring logistics equipment will have rates for the equipment usage negotiated per occurrence at time of quotation.

PALLET CONTROL

While Challenger does take care to protect the condition and integrity of pallets while in transit, we are not responsible, nor accountable for pallet control or return of pallets.

RE-CONSIGNMENT

Challenger can provide customers with the flexibility to change the destination of a shipment in-transit.

- A charge of \$250 will apply plus additional mileage charges to be calculated per occurrence.

RE-DELIVERY

In the case where a receiver is not available for the first delivery attempt, Challenger offers Re-delivery service.

- Charges will be negotiated per occurrence.

RE-INVOICING

Challenger can facilitate a request for an original invoice to be re-issued to another party.

- A charge \$35 per invoice will be applied.

STOP-OFFS ON ROUTE

For shipments that require multiple stops, Challenger's charges per stop are as follows:

1st Stop	2nd Stop	3rd Stop & Each Additional	(In direct line of haul)
\$75	\$100	\$125	

C-TPAT YARD STORAGE-IN-TRANSIT

For shipments that need specialized appointments that require a short-term hold, Challenger has certified storage options across Canada. The rates for short-term in-transit storage are as follows:

- \$250/ day plus \$3.00/ mile for all miles to and from storage terminal

TRUCKLOAD HEAT SURCHARGE

Challenger has invested in the latest trailer equipment that allows for heat when required.

- A charge of 20% of line-haul will be applied, minimum \$150.

WEEKEND/HOLIDAY DELIVERY

Challenger has the flexibility to provide pick-up and delivery service on weekends and holidays.

- Rates will be negotiated per occurrence based on availability and pick-up/delivery requirement.

TECHNOLOGY CONSULTING/EDI MAPPING

Challenger's team of technology specialists can help automate tracking, invoicing and shipment processing through our extensive technology capabilities.

- Rates to be negotiated per occurrence, minimum of \$1,000

CUSTOM/ SPREADSHEET BILLING ADMINISTRATION FEE

Challenger can offer custom billing options to fit specific system needs.

- A charge of \$1.50 per line item will apply.

PAYMENT PORTAL SUBSCRIPTION COST RECOVERY FEE

Challenger will subscribe to all necessary portals or systems to facilitate unique requirements.

- All costs will be charged back with copies supporting the charges plus a \$35.00 administration fee.

WEB PORTAL BILLING / UPLOAD DOCUMENTS/ADMINISTRATION FEE

Challenger will facilitate the streamlining of administrative functions with web portal updates and document uploading services.

- A charge of \$1.50 per line item entry (operational updates, billing entry, etc.) and \$35 per document upload will be applied.

INVOICE AUDIT REQUEST GREATER THAN 180 DAYS ADMINISTRATION FEE

For customers that need a custom audit request, Challenger can facilitate with historical invoice retrieval services.

- A rate of \$75/hr. will apply, minimum of \$450

PAYMENT TERMS

Challenger's standard terms are net 30 days. An incremental line-haul charge of 1% is applied for 15 day increments in excess of 30 day payment terms.

LATE PAYMENT FEE

A late payment charge of 2% will be added to any outstanding amounts past due.

GOVERNMENT 'OPERATING TAX' COST RECOVERY ON ALL MILES:

As part of your line-haul rate, Challenger collects the following state operating tax:

CA: \$0.015/ mile
OH: \$0.01/ mile
OR: \$0.01/ mile

BEER / LIQUOR STATE COST RECOVERY

As part of your line-haul rate for shipments of Beer or Liquor, Challenger applies the following cost recovery on all miles:

KY: \$0.02/ mile
MD: \$0.04/ mile
NJ: \$0.04/ mile
NM: \$0.01/ mile
NY: \$0.05/ mile
OH: \$0.02/ mile
OK: \$0.01/ mile
PA: \$0.02/ mile
SD: \$0.01/ mile
TX: \$0.02/ mile
WV: \$0.01/ mile

TRAILER POOL POSITIONING IN OR OUT FEES

As some customers require an adjustment to the size of their trailer pool, Challenger can flex up or down quickly. Challenger offers customers the flexibility of placing trailer pools at their location to facilitate flexible loading and unloading.

- The charge for positioning or removal of dropped trailers will vary depending on location but will be at a minimum \$500 per occurrence.

POD / BOL / DOCUMENT RECOVERY

Challenger has invested significantly in our online capabilities and most applicable shipment documentation can be accessed for free with a customer specific login through Challenger's web portal. If a customer requests Challenger to submit/upload supporting copies of PODs, BOLs, etc., the following charges will apply:

- \$35 will be applied for any document required to be submitted with an invoice or for any document where Challenger is instructed to upload to a customer directed portal
- For documents required in different format than Challenger's standard a charge of \$45 will apply (upload to web portal, mail, email).
- Challenger will provide paperwork within 15 days from TOD, else paperwork charge will voided.

All accessorial charges, regardless of location are the responsibility of the party paying the line-haul charges.

Unless otherwise agreed upon in advance, the above Accessorial Fees will apply.