

General Terms and Conditions of Business

These General Terms and Conditions of Business (“Conditions”) shall apply to all services provided by the Company (as that term is defined below), unless specifically varied by the written terms of the Company’s contract for service.

These Conditions shall also apply to all services provided by a Contractor (as that term is defined below) to the Company, unless specifically varied by the written terms of the contract with respect to the service.

The Company reserves the right to modify, amend or supplement these Conditions without notice by making these Conditions and any amendments available on the Company’s website

(<https://pinnaclelogistics.ca/>).

1. Definitions

The “Company” means Pinnacle Logistics Solutions and its parent, subsidiaries, successors, assigns and related entities.

These “Conditions” means these General Terms and Conditions in its entirety.

The “Contractor” means any and all motor carriers or other entities contracted to undertake services on behalf of the Company, including their employees, owner/operators, drivers and agents.

The “Customer” means any and all parties at whose request or on whose behalf the Company undertakes any business or provides any services, advice and information, including but not limited to, freight forwarding and the arrangement of carriage. “Customer” also includes any entities giving instructions to the Company, including shippers, freight forwarders, consignees, consignors and the Owner.

The “Goods” means any property not owned or leased by the Company, including any packaging, containers and/or related equipment, that is related to business or services provided by the Company.

The “Owner” means the owner of, or any party claiming a right or interest in, any Goods in relation to any business done or services, information and/or advice provided by the Company.

2. The Company’s Role

The Company undertakes business and provides advice, information and services on the basis of these Conditions, which apply to all activities of the Company with respect to arranging transportation or providing related services, including retaining carriers or any other logistics services.

The Company may also provide advice and information to a Customer, Owner or Contractor and any such advice or information is only for the Customer, Owner or Contractor to whom the Company directly provides the advice or information and is not to be provided to any other entity without the written consent of the Company.

When the Company retains carriers or any logistics services with respect to any business undertaken or services to be provided to a Customer, the Company does so as agent of the Customer. The Customer thereby is party to the contract with the carrier or logistics services provider. The Customer acknowledges that the Company is an arranger of transportation services and not a carrier of Goods.

3. Quotations Not Binding Unless Specifically Described as Binding

Any quotations provided by the Company are not binding unless the Company specifies otherwise. The Company may withdraw or revise quotations prior to acceptance without notice. The Company may revise quotations upon notice where the quotes services are affected by events outside of the Company's control subsequent to acceptance.

Any quotations are based on information provided at time of quotation and are subject to revision or alteration should the actual conditions, weights, or dimensions differ from such information. Any quotations are subject to equipment availability. The Company does not guarantee that the Goods can moved within the Customer's schedule unless this is specified in the contract for service.

4. Choosing Routes or Agents

Unless the Customer provides specific instruction with respect to routes, procedures and agents or service providers to be used in fulfilling the Company's obligations to the Customer, the Company is at liberty to choose the routes and agents or service providers to provide the services and shall be deemed to do so as agent for the Customer.

Where the Company enters into a contract with another party, including but not limited to contracts for carriage or transportation, or signs a bill of lading on behalf of the Customer or Owner, the Company does so solely as agent for that Customer or Owner such that a direct contractual relationship exists between that Customer or Owner and the other party.

5. Obligations of Contractor

The Contractor warrants that it is duly registered or authorized to provide the services the Contractor has undertaken to provide, including but not limited to the provision of transportation of the Goods across state, provincial and national borders.

The Contractor warrants that it is, and shall remain at all material times, in compliance with these Conditions, not limited to the provisions contained in this article, and the laws and regulations relating to the provision of its services, including with respect to the safe, legal and environmentally sound operations of the Contractor.

The Contractor shall immediately notify the Company should any operating authority or insurance be revoked, voided, suspended, expire, lapse, come under review or become subject to any condition.

The Contractor shall not have an "Unsatisfactory" or "Conditional" safety rating or equivalent issued by any provincial or national agency of Canada, the Federal Motor Carrier Safety Administration or the U.S. Department of Transportation and will immediately notify the Company should the Contractor learn that its safety rating become "Unsatisfactory" or "Conditional" or equivalent.

The Contractor shall transport the Goods under its own operating authority and subject to these Conditions and the terms of the relevant contract.

The Contractor is solely responsible for the management, governing, direction and control of its employees, owner/operators and equipment with respect to complying with these Conditions.

The Contractor shall not subcontract, assign, broker or transfer the transportation of the Goods to any other person or entity without prior written consent of the Company. If the Contractor breaches this

provision, the Company shall be entitled to make payment directly to the person or entity that performed the transportation the Goods and such payment shall not release the Contractor from any liability to the Company.

The Contractor shall issue a bill of lading in compliance with the governing laws at the place of origin for any Goods it receives for transportation in relation to services provided to the Company or its Customer. The Contractor shall become solely responsible and liable for the Goods when it gains possession or control of the Goods, regardless of whether a bill of lading has been issued, signed or delivered to the Contractor, until delivery of the Goods to its intended recipient and the recipients signs the bill of lading or delivery receipt.

In the event that the Company's name is inserted as carrier on a bill of lading that does not change the Company's status and the Company assumes no responsibility as a motor carrier for loss or damage of the Goods.

The Contractor agrees to assigns to the Company all rights to collect freight charges from the Customer or Owner or any other responsible party.

The Contractor agrees that its relationship to the Company is that of an independent contractor.

The Contractor agrees and warrants that neither it, nor its officers, directors, employees or agents shall directly or indirectly solicit or agree to perform services to a Customer or Owner of the same type of services provided to that Customer or Owner as part of a service performed for the Company in the past two (2) years. Should the Contractor breach this provision, the Contractor agrees to pay the Company a commission of twenty-five percent (25%) of the gross revenue received by the Contractor for the services as liquidated damages representing a reasonable estimate of compensatory damages for lost profit and lost goodwill suffered by the Company and not as a penalty. In addition, the Company shall be entitled to seek injunctive relief as against the Contractor and the Contractor shall be liable for all costs and expenses incurred by the Company in seeking and effecting such relief.

6. Delays

Notwithstanding any representation, warranty or guarantee in the contract for services with respect to timing or scheduling in respect of delivery of the Goods, the Company shall not be responsible for any delays, losses, or damages occasioned by the delays in the performance of its obligations, whatever the cause, being beyond the direct and reasonable control of the Company, including equipment failure, weather, acts of God, permit delays or similar causes. The Company shall not be liable for the late departure or arrival of Goods except to the extent that such was a result of the Company's failure to accurately communicate to a Contractor specific written instructions given to the Company by the Customer.

The Company is not liable for the improper carriage or storage of Goods, or for the failure of the Goods to arrive at a proper interim or final destination, except to the extent that such was a result of the Company's failure to accurately communicate to a Contractor specific written instructions given to the Company by the Customer.

The Company is not liable for the improper completion of any document or printed document with respect to services provided by the Company on behalf of the Customer except to the extent that such was a result of the Company's failure to accurately follow specific written instructions given by the Customer.

7. Obligations of Customer

Unless specified otherwise as part of the services offered by the Company, the Customer is responsible for properly preparing, packing, stowing, labeling, marking and providing the Company with specific instructions for the handling of the Goods in advance of tendering the Goods and warrants having done so. The Customer warrants that it has provided the Company with any and all information with respect to the nature and character of the Goods relevant to its handling, such as full and accurate description, weight, dimensions, volume, quantity, specific dangers and special handling requirements, and that such information is accurate and complete. The Customer further warrants that any and all Goods are properly marked and packaged as required by the applicable laws, regulations and industry standards governing the transportation of the Goods in every jurisdiction that the Goods are intended or may reasonably be expected to be carried. Where the Customer instructs that freight, duties, taxes, levies, charges or other expenses are to be accepted from a consignee or any other person, the Customer shall be immediately responsible for these amounts if such amounts are not paid by the consignee or any other person when they become due.

The Customer agrees that it will not tender for transport any Goods that possess a dangerous or hazardous nature, including Goods that are flammable, radioactive, may taint or affect other Goods or equipment or represent an environmental risk should it leave its packaging or container, without providing the Company with full particulars with respect to such dangerous or hazardous nature and the opportunity to refuse to perform any service with respect to the Goods without risk of penalty or breach of contract. Where the Company agrees to arrange transport for Goods that possess a dangerous or hazardous nature, the Company does so on the condition that the Customer agrees to indemnify, hold harmless and defend the Company in relation to any claims, expenses and costs incurred arising from services rendered with respect to the Goods.

The Customer shall indemnify the Company against all duties, taxes, payments, fines, levies, expenses, losses, damages and liabilities incurred or suffered by the Company as a result of the Company performing services for the Customer.

8. Insurance

The Customer is responsible for obtaining and maintaining insurance with respect to loss or damage to the Goods, or any liability that may arise from the Goods. The Company has no responsibility for obtaining or maintaining insurance with respect to the Goods and is not responsible for any loss to, damage to or liability arising from the Goods that could have been covered by insurance, whether such loss, damage or liability was caused or contributed to by the Company's negligence or breach of contract, or otherwise.

All Contractors shall obtain liability and/or errors and omissions insurance with respect to the services performed on behalf of the Company and provide proof of same. Such insurance will not be subject to any deductible exceeding \$10,000 and shall have a minimum liability limit of \$2,000,000 or \$5,000,000 if transporting hazardous or dangerous Goods. At the request of the Company, the Contractor shall add the Company as an additional insured with respect to the insurance and provide proof of same.

9. Payment Terms

The Customer shall pay the Company any amounts owing in accordance with the terms specified in the invoice provided by the Company. Where no payment terms are specified in the invoice, or where no invoice is prepared, payment is to be made upon the Company completing the service and no less than 30 days after the Company commences performance of the service. Any amount owing to the Company will not be reduced or deferred on account of any claim, including counterclaim or for set off, as against the Company. All overdue payments shall be subject to an interest service charge in the amount of 2.5% per month (or an Annual Percentage Rate of 34.49%).

10. Cancellation

In the event that the Customer cancels a contract for services more than 30 days before the scheduled date for the commencement of services, then the Customer shall pay a cancellation fee of 15% of the total amount of the contract.

In the event that the Customer cancels a contract for services less than 30 days but more than 14 days before the scheduled date for the commencement of services, then the Customer shall pay a cancellation fee of 50% of the total amount of the contract.

In the event that the Customer cancels a contract for services less than 14 days before the scheduled date for the commencement of services, then the Customer shall pay a cancellation fee of 80 of the total amount of the contract.

By accepting the quotation and entering into a contract for services, the Customer agrees that the cancellation fees as set out above are a reasonable estimation of the losses that will be suffered by the Company as a result of the cancellation and not a penalty.

11. Indemnification

The Contractor shall indemnify, defend and hold harmless the Company and its Contractors against any and all claims, actions, proceedings, losses, damages, expenses, costs and disbursements suffered or paid by the Company and its Contractors arising out of its performance of a contract with the Company or the transportation, handling and carriage of the Goods. The Contractor shall indemnify, defend and hold harmless the Company even in circumstances where the Company is alleged or found to be contributorily negligent or at fault.

12. Lien on Property

The Company shall have a particular and general lien, and a general right to retention, with respect to all Goods and documents relating to such Goods which come into the possession or control of the Company for all amounts owing to the Company, whether those amounts owing were incurred before, during or after the Goods or documents came into the possession or control of the Company and whether those Goods or documents relate to the amounts owing to the Company. If any amount due to the Company remains unpaid after 21 days after notice that Goods or documents have been detained has been given to the party that is to pay such amount, then the Goods and documents may be sold at public or private sale without further notice or advertising and in any manner the Company deems appropriate, with such sale being at the expense of the part owing the amount to the Company. The Company will apply the proceeds of such sale, net of expenses, to reduce or satisfy the amount owing to the Company and the Company will not be liable for any deficiencies or reductions in the value obtained upon the sale of the Goods and documents. The party owing amounts to the Company will not be relieved from any liability other than to the extent net proceeds are realized from the sale of the Goods and documents. Any net proceeds received from the sale of the Goods and documents in excess of the amounts owing will be held by the Company as credit in favour of the party that owed those amounts, unless the party requests in writing that the Company make payment of same.

13. Default

The Company shall have the right to terminate, without notice, any and all services to the Customer in the event of any of the following:

- a) the breach of these Conditions by the Customer;
- b) the insolvency of the Customer, including but not limited to the Customer's failure to pay its obligations in the ordinary course of business as they become due, the Customer's liabilities exceeding its assets, the filing of a consumer proposal or similar, any assignment of the Customer's property in favour of creditors and commencing proceedings pursuant to insolvency legislation such as the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 or the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 or similar legislation; and
- c) the Customer communicating its intention to breach these Conditions or its expectation that it will become insolvent.

All amounts owing to the Company shall immediately become due and the Company shall have the right to immediately sell the Goods and documents of the Customer within the Company's possession or control, notwithstanding the terms of any contract or these Conditions.

14. Limitations of Liability

The Company shall not be liable for any punitive, exemplary, aggravated or consequential damages, including loss of use, loss of good will, business interruption, work stoppage, loss of profits, interest,

increased costs of replacement goods or services, increased operating expenses, changes in exchange rates, increased legal, administrative or regulatory fees and expenses, levies or taxes.

The Company shall also not be liable for any amount greater than the amount a carrier would be liable for pursuant to the laws of the Province of Ontario and such liability will only arise after all reasonable efforts to receive that amount from other liable parties is exhausted.

The Company's liability arising from the loss or damage to Goods, or delayed or failed delivery of Goods, shall not exceed the lesser of \$75,000 (Canadian) or the declared value of the Goods with respect to a single, continuous or repeated event, regardless of the number of Goods or shipments impacted by the event.

This limitation of liability shall apply regardless of the nature of the liability and whether arising in breach of contract, bailment, tort or otherwise and shall include circumstances where the Company is alleged to be or is found to have been negligent.

The Company shall not be held liable for any loss or damages arising from advice, recommendation or information provided by the Company that is not specifically invoiced and paid for.

The Company shall not be held liable for any loss or damages based upon the laws of bailment or the alleged bailment of Goods to the Company.

These Conditions with respect to limitations of liability, notice and limitations of actions shall apply to claims made against directors, officers, employees, agents and representatives of the company.

15. Notice

Any claim by the Customer, Owner or Contractor as against the Company shall be made in writing to the Company as soon as the facts giving rise to the claim are known by the claimant and pursuant these Conditions. If the claim is not made pursuant to these Conditions, such claim is barred unless the claimant can establish that it was impossible to make the claim in compliance with these Conditions. In any event notice shall be given:

- a) in the case of loss or damage to Goods or documents, within 3 days of such loss or damage;
- b) in the case of delay in delivery or non-delivery of Goods, within 3 days of the date when such delivery was to have been effected; or
- c) in any other case, within 7 days of the event first giving rise to the claim.

Where the Company must provide notice to the Customer, Owner or Contractor, such notice is deemed to have been received three business days after the notice is sent by regular or registered letter mail, one business day after the notice is sent by overnight or next day courier or immediately if the notice is sent via fax or e-mail. The Company may give notice to the last known address, fax number or e-mail address of the Customer, Owner or Contractor and such notice will be deemed to have been received pursuant to this Article.

16. Limitations of Actions

Unless a legal action is brought and served upon the Company within 6 months from the date of the event or occurrence first giving rise to the alleged cause of action as against the Company, regardless of when the cause of action first became known, the Company is forever discharged from any and all legal liability arising from such event or occurrence.

17. Force Majeure

The Company shall not be liable for any failure to perform its obligations in accordance with these Conditions or any contract entered into by the Company where such failure arises out of or is caused by, directly or indirectly, circumstances beyond the Company's control. These circumstances include, but are not necessarily limited to, acts of God, acts of war, terrorism, military action, government action, natural disasters, disease or illness, sabotage, strikes, labour disputes, riots, utility failures, cybercrime, or the inability to obtain labour, contractors, material, equipment or transportation.

18. National or International Sanctions

The Customer warrants that it is not involved with any person, entity or state listed on any national or international sanction list and breach of this warranty shall entitle the Company to indemnification from the Customer for all damages suffered by the Company, including fines and penalties levied by a governmental authority or expenses and legal costs incurred to respond to a governmental authority.

19. Intellectual Property

The Company may develop intellectual property in the course of the performance of its services including, but not limited to, the development of software, programs, procedures, routing, plans, engineering designs, know-how or other means of completing the services. The Customer and the Contractor agree that such intellectual property was developed and used by the Company at the Company's expense and is of great value to the Company. Any intellectual property is the sole and exclusive property of the Company and shall be kept private and confidential. No party shall be permitted to use or disclose any intellectual property of the Company. The Customer and the Contractor agree that any violation of the Company's intellectual property rights will cause the Company material and irreparable harm warranting of injunctive relief.

20. Severability

Each of the articles of these Conditions shall be deemed to be separate and severable and, if any article or part of these Conditions are unenforceable, the remainder of these Conditions shall remain in full force and effect subject to any necessary modification to give effect to the remaining conditions.

21. Non-Waiver

No act or omission of the Company shall be considered a waiver of any rights available to the Company pursuant to these Conditions unless such waiver is made specifically, in writing and described by the Company as a waiver. Any such waiver shall not apply to subsequent or repeated breaches of these Conditions.

22. Currency

All references to any currency are deemed to be the currency as indicated in the quotation.

23. Applicable Law

These Conditions and all contracts entered into by the Company, unless such contract specifically provides otherwise, shall be governed exclusively by the laws of the Province of Ontario sitting at Kitchener, Ontario.

24. Jurisdiction

Any dispute with respect to the interpretation of these Conditions or arising from services provided by the Company shall be determined exclusively by the courts of the Province of Ontario, unless the contract pursuant to which the services were provided specifically provides otherwise.