

Owner-Operator Agreement

THIS AGREEMENT made this ____ day of, _____ 2 _____

AMONG:

Capricorn Logistics/6998757 Manitoba Ltd., a company organized and subsisting under the laws of the Province of Manitoba, (Hereinafter called the "company")

~ And –

TRUCK NUMBER:

NAME: _____

COMPANY NAME: _____

DRIVER LICENSE# _____

ADDRESS: _____

CITY/PROVINCE _____

POSTAL CODE: _____

TELEPHONE #: _____ CELL # _____

(Hereinafter called the "Owner")

~ And –

NAME: _____

DRIVER LICENSE# _____

ADDRESS: _____

CITY/PROVINCE _____

POSTAL CODE: _____

TELEPHONE #: _____ CELL # _____

(Hereinafter called the "Guarantor")

WHEREAS the Company provides management services to its associated companies (the companies");

AND WHEREAS the Companies are licensed to transport goods and presently carries on the business of transporting goods for other persons, firms, and corporations (the "Business"); 2

AND WHEREAS the Owner owns (or lease) the vehicles and equipment (the "Equipment") more particularly described in Schedule "A" annexed hereto and the Company desires to utilize the Equipment in the operation of the Business;

AND WHEREAS the Owner and the Company wish to record the terms and conditions upon which the Transportation Services (as herein defined) are to be performed by the Owner.

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NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the mutual covenants and agreements herein contained the parties hereby covenant and agree as follows:

1.0 TRANSPORTATION SERVICES

1.01 General Covenants by Company and Owner

The Company agrees to tender or cause to be tendered, freight, goods, merchandise and cargo of all kinds and descriptions ("Cargo") to the Owner for the purposes of custody and transport thereof within the scope of the Companies' public commercial vehicle and municipal operating authorities and the Owner agrees to provide the Equipment and the authorized drivers (as hereinafter defined) necessary to receive, pick-up and load the Cargo at such times and places as the Company or the Companies may stipulate and to transport and deliver such Cargo at the times and to the destinations stipulated by the Company or the Companies from time to time (the service to be performed by the Owner being hereinafter referred to as the "Transportation Services").

1.02 Customer Goodwill

Recognizing that the establishment of customer goodwill and continued favorable customer relations are important to the ongoing success and enhancement of the Business, the Owner hereby covenants and agrees, and hereby undertakes to cause his authorized drivers and other employees, to deal with all customers of the Company and the Companies and their employees, servants and agents in a courteous, efficient and businesslike manner with a view to providing the Transportation Services in a first class manner.

2.0 SCHEDULE OF RATES

The Company shall pay or cause the Owner to be paid for the Transportation Services in accordance with its Schedule "B" of rates in effect from time to time.

3.0 PAYMENTS TO OWNER

The Owner shall submit an invoice or invoices in such form as may be required by the Company, covering Transportation Services rendered during each bi-weekly period and thereafter, upon verification, the Company shall make payment or cause payment to be made to the Owner in full, after a 15 day hold back, less any applicable deductions herein provided for. In order to facilitate prompt payment, the Owner must submit run sheets on a daily basis- Failure to do so may result in late payment.

4.0 REGISTRATION, LICENSING, AND IDENTIFICATION

4.01 Registration

In order to facilitate the provision of the Transportation Services by the Owner to the Company or the Companies in accordance with the Companies' public commercial vehicle and municipal operating authorities, registered ownership of all vehicles forming part of the Equipment shall be transferred from the Owner and/or registered to the Company or the Companies in the appropriate provincial government vehicle registries, provided that no such transfer or registration shall in any way be deemed to have transferred beneficial ownership of the Equipment to the Company or the Companies. This transfer or registration is for licensing, insurance. The cost of such transfer or registration including the cost of any vehicle or other identification plates, will be at the expense of the Owner.

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4.02 Vehicle Identification

The Owner, at its own expense, hereby agrees to affix or inscribe on all Equipment, such words, names or devices as may be reasonably prescribed by the Company, from time to time, for identification purposes, together with such words, names or devices as may be required by any governmental agency having jurisdiction over the Transportation Services provided hereunder.

5.0 COMPLIANCE ISSUES

5.01 Operating Authorities

In providing the Transportation Services, the Owner covenants and agrees to strictly comply at all times with the Companies' public commercial vehicle and municipal operating authorities and all rules and regulations that may be promulgated from time to time by the governmental agencies administering such authorities.

5.02 Possession of Documents

The Owner must at all times while providing Transportation Services, insure that the authorized driver has in his/her possession a valid copy of the ownership for the Equipment, Certificate of Safety Rating, insurance Certificate, valid driver's license and any other documents that may be required to perform the Transportation Services.

5.03 Policies and Procedures Manual

The Owner hereby agrees at all times during the term of this Agreement, to strictly comply with the policies and procedures of the Company and the Companies, including without limitation, those policies and procedures contained from time to time in the Company's policies and procedures manual. The Owner hereby acknowledges receipt of the said policies and procedures manual and confirms that he/she is familiar with all the terms and provisions thereof.

6.00 EQUIPMENT

6.01 Supervision and Maintenance

The Owner assumes full and complete legal and financial responsibility for the management, supervision and maintenance of the Equipment during the term of this Agreement, which without limiting the generality of the foregoing shall include:

- a. Repairs and maintenance on a timely basis and as frequently as may be required to ensure that the Equipment is always in a safe and roadworthy condition and complies with all laws and regulations covering its use in providing Transportation Services.
- b. Cleaning, painting and maintaining the appearance of the Equipment in accordance with standards of the Company established from time to time. If, in the sole discretion of the Company, acting reasonably, the Equipment requires painting, the Owner shall be permitted ninety (90) days from the date of written notice from the Company, to complete the painting of the Equipment in accordance with Company standards.
- c. Repair and replacement of tires; and fuel.

6.02 Operation

In the course of performing the Transportation Services, the Equipment shall only be operated and driven by the Owner (if an individual) or by such of his employees ("authorized drivers") for whom the Owner shall have obtained

Initial here _____

the prior written approval of the Company. The Owner (if applicable) and all such authorized drivers shall be competent operators, properly licensed and acceptable to the Company and the Company's insurers.

The Owner agrees to operate the Equipment always in compliance with the laws of the Province of Manitoba and all rules and regulations relating to traffic, safety, highway protection or road regulations, including such reasonable rules and regulations as may be promulgated by the Company from time to time to govern the operation of vehicles providing Transportation Services.

6.03 Substitution or Addition

With the prior written approval of the Company and subject to the terms and conditions of this Agreement, the Owner shall be entitled to delete, substitute, replace or add any vehicle or other piece of equipment to the Equipment.

7.0 OBLIGATIONS REGARDING CARGO AND PROPERTY

7.01 Custody and Control of Property other than Cargo

The Owner shall always protect all property other than Cargo under his care and control, from any damage whatsoever and shall exercise extreme caution and care to prevent same from being lost, damaged, or destroyed in any manner whatsoever. At the time of taking custody and control of any such property owned and/or operated by the Company, the Companies or the customer, the Owner covenants and agrees to inspect such property and to immediately provide the owner thereof and the Company with written notice as to any deficiency or damage revealed by such inspection, failing which, the Owner shall be held responsible for any claims thereafter made by the Company or the owner thereof that such deficiencies or damages resulted during the period of time that such property was under the Owner's care and control. Any property in the care and control of the Owner shall only be used for the purpose of providing Transportation Services and the Owner agrees to indemnify the Company against any unauthorized use thereof.

7.02 Custody and Control of Cargo

The Owner covenants and agrees that he is solely responsible for ensuring that all Cargo consigned to him for delivery under this Agreement is completely accounted for. In the event of any discrepancies, the Owner hereby assumes full liability for shortages and damages. The Owner agrees that in the event a claim is made for Cargo shortage or damage, and such claim is either acknowledged by the Owner or substantiated by the Company, the Company or the Companies shall be entitled to deduct the full amount of any loss or damage suffered by them, including any costs or legal expenses incurred in defending such claim, from any amounts due or payable to the Owner under this Agreement.

8.00 INSURANCE AND CLAIMS

8.01 Coverage

The Owner hereby agrees to insure the Equipment and the Company hereby agrees to provide insurance coverage for the Equipment and the Transportation Services to be provided hereunder, under the Company's master policies, which shall include \$2,000,000 combined per occurrence coverage limits including but not necessarily limited to:

- a. Automobile insurance.
- b. Comprehensive general liability; and all risk legal liability Cargo.

subject to a per occurrence deductible outlined in Schedule "B". The above-noted coverage or deductibles may be amended by the Company at any time upon notice to the Owner-Operator.

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8.02 Claims

All claims under the Company's insurance policies shall be processed and made by the Company as the insured and the Owner hereby waives any rights as an insured under the Company's insurance policies as the beneficial owner of the Equipment. The Owner agrees not to participate in the processing of any claims and agrees to limit its involvement therein to the providing of only those reports or statements that may be required by law enforcement or regulatory authorities.

8.03 Denial of Claims

In order to avoid the making of specious, vexatious, frivolous and improper claims under the Company's insurance policies, the Company, in its sole discretion shall be entitled to deny claims made by any Owner in any one or more of the following circumstances:

- a. Claims for damage to or destruction of the Equipment, or any part thereof, caused by fire, theft or vandalism which occur at a place other than the premises of the Company or the Companies, or, while the Equipment is not actually being used in performing the Transportation Services, -
- b. Non-Cargo related claims of third parties where the value of any such individual claim is less than \$5000.00; and
- c. Cargo-related claims of third parties where the value of any such individual claim is less than \$5,000.00.

8.04 Insurance Charges

The company, in its sole discretion, may continue to provide insurance coverage for the equipment referred to in Schedule 'A'.

The owner will be subject to a minimum of one thousand dollars (\$1,000.00) per occurrence deductible for losses occurring during non-revenue generating periods.

8.05 Failure to Report Accident

Failure to report an accident/occurrence immediately and submit an accident report promptly will result in the Owner being charged an administrative fee of \$2,500.00, as well as assuming full responsibility for the total deductible relating to the claim. The Owner agrees that the administrative fee and the deductible may be deducted by the Company from any monies otherwise due to the Owner hereunder.

8.06 Unauthorized Passengers

Due to the possibilities of an unauthorized passenger(s) being hurt during an accident and the legal implications resulting from an accident, the Company has a "No Unauthorized Passenger" policy. In order to enforce this policy a charge of \$100.00 will be imposed by the Company if the Owner is observed with an unauthorized passenger (s). Further observations of this nature will, at the discretion of the Company, result in the charge increasing to \$500.00 and/or termination of this Agreement. In the event of an accident involving unauthorized passenger(s), this will result in the termination of the owner operator agreement. Further to this, the Owner will be responsible for the entire deductible. Also in the event of an accident involving unauthorized passenger(s) the owner operator also understands and agrees that he/she will forfeit ALL monies forthcoming from the Company.

8.07 Reserve Deductions

In the event of an accident/occurrence involving the Owner in which the Owner and/or the Company may be held

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liable, the Company reserves the right to forthwith deduct monies from payments made by it to the Owner pursuant to Article 3.00 up to the amount of the deductible. Upon settlement of a claim, the Company agrees to credit and pay over to the Owner the unused portion of the monies so deducted. In certain circumstances, which shall be determined by the Company, acting in its sole discretion, it may be deemed necessary to hold the funds up to and beyond a two (2) year period.

8.08 Under the Influence

Claims by the Owner for losses occurring while the Owner is under the influence of alcohol and/or drugs will be denied and subrogation for third party claims will be enforced. The Owner also understands and agrees that all monies forthcomings will be forfeited in the event of a loss while the Owner is under the influence of alcohol and/or drugs.

9.00 WORKERS

9.01 WCB Coverage

Owner shall be responsible for all obligations imposed by Worker's Compensation Act of any State of Province. The owner shall comply with all registration requirements for itself, its drivers, helpers and any other persons employed. With respect to the Province of Manitoba, Owner agrees that they will take voluntary self-coverage or, where permitted by law, establish a private compensation. Upon request of the Company, Owner shall forthwith provide Company with a Certificate of Clearance from the Worker's Compensation Board (WCB) of any state or province, which confirms that all obligations of Owner are current in all respects. Owner agrees to indemnify Company for any costs, claims, damages or expenses (including legal fees) that Company may suffer or incur for any breach by Owner of this provision.

9.02 Termination of Coverage

In the event of any termination or threatened termination of such coverage, for any reason whatsoever, the Owner undertakes and agrees to forthwith notify the Company. In the event that coverage is terminated or threatened to be terminated, as a result of nonpayment of premiums and costs, the Company shall have the right, but not the obligation, to pay all outstanding premiums and costs on behalf of the Owner and thereafter deduct the amount so paid from the monies otherwise payable to the Owner pursuant to this Agreement.

10.00 INDEMNITY

The Owner hereby covenants and agrees to indemnify and hold the Company and the Companies harmless from any and all costs, damages, actions, causes of actions, and any other claims whatsoever, arising out of the Owner's provision of the Transportation Services and the operation of the Equipment, which without limiting the generality of the foregoing shall include:

- a. All late docking or other charges assessed by a shipper of Cargo, the Company, or the Companies.
- b. All claims or charges not covered by the Company's master fleet insurance policies, or any such claims or charges more than the coverage limits thereof.
- c. All damage to property owned by the Company or the Companies or to the property or Cargo of any customer of the Business, for which the Owner, or those for whom he is responsible in law, shall have caused, by any act of omission or commission.

In the event that the Owner fails to immediately pay and satisfy and obtain proper releases of the foregoing claims, the Company shall have the right, at its option, to pay and/or settle any and all such claims and thereafter deduct

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the cost, including any costs for consultants, adjusters, appraisals, legal fees, and any other related costs from the monies otherwise payable to the Owner.

11.00 Deduction from Payments

The cost incurred by the company to get the license plates for the Owner-Operator's vehicle will be deducted in four (4) equal installments from the first 4 payments. The fuel tax (IFTA) in excess of \$350 paid on a quarterly basis will be deducted from the owner-operator's payment. Provided that the Company may formally demand that the Owner forthwith remit whatever amount may be required and if the Owner does not pay such amount to the Company within seven (7) days of such notice, the Owner shall be in default hereunder.

12.0 MEDICAL

12.01 Medical Examinations

The Company may at its sole option require the Owner and any authorized drivers to undergo a complete medical examination prior to providing the Transportation Services or as requested from time to time. Such examination to be made by a medical doctor and, at a medical clinic designated by the Company. In the event the Owner does not remain under contract with the Company for an initial period of ninety (90) days or the results of the medical examination indicate that the Owner or the proposed authorized driver is not capable of providing the Transportation Services, the Owner agrees to pay for the cost of such medical examination.

12.02 Substance Abuse

The Owner or authorized driver is not permitted to undertake the providing of Transportation Services or operate any Equipment registered in the name of the Company or the Companies if in possession, under the influence of, or is using any of the following:

- a. an alcoholic beverage, regardless of its alcoholic content,
- b. a narcotic drug or any derivative thereof, or
- c. any other substance which will in the opinion of the Company impair the individual's ability to safely perform the Transportation Services.

12.03 Testing

The Owner hereby agrees to attend or cause his authorized driver to attend a properly accredited medical facility at the request of the Company, to be tested for illegal drugs and/or alcohol in any one or more of the following circumstances:

- a. On a random basis during the period of this Agreement. The Owner or the authorized driver shall make himself/herself available to attend for such an examination upon request by the Company;
- b. Where the Company in its sole discretion has probable cause to believe that the Owner or the authorized driver may have been in possession of, under the influence of or otherwise using any of the substances referred to in Section 12.02 in circumstances where the safe performance of the Transportation Services by the Owner or the authorized driver may be questioned. In such circumstances the Owner or the authorized driver shall make himself/herself available to attend for such an examination upon request by the Company; or
- c. at any time in the sole discretion of the Company, following the occurrence of an accident. In such circumstances the Owner or the authorized driver shall make himself/herself available to attend for such examination upon request by the Company.

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13.00 **TERM AND TERMINATION**

13.01 **Term**

This Agreement shall commence as of the date hereof and continue and be in force for a one-year period, renewable on each subsequent anniversary or until terminated in accordance with the termination provisions set forth herein. The Company may in its sole discretion extend the period up to but not exceeding twenty-one (21) days.

13.02 **Termination**

The Owner shall have the right to terminate this Agreement at any time upon fifteen (15) days prior written notice to the Company, and the Company shall have the right to terminate this Agreement at any time upon written notice to the Owner. If the Owner shall have failed to give to the Company notice of termination in accord with the terms of this Agreement, the Company shall be entitled to withhold the sum of five hundred dollars (\$500.00) from the Owner as liquidated damages, and the Owner agrees that the deduction shall be made from the monies otherwise payable to the Owner pursuant.

13.03 **Effect of Termination**

Upon termination of this Agreement, whether by the Company or the Owner, it is hereby agreed as follows:

- a. the Owner shall forthwith remove all words, names and/or devices from the Equipment which in any way indicate a relationship and/or association with the Company or the Companies. At the discretion of the Company the Owner shall present such Equipment to an authorized representative of the Company at the premises of the Company for the purpose of the Company inspecting the Equipment to confirm compliance with this provision.
- b. the Owner shall return any and all property in his/her possession which belongs to the Company, the Companies or any customer of the Business.
- c. the parties agree to forthwith settle all outstanding accounts between them arising under this Agreement.
- d. Subject to compliance by the Owner with all of the termination provisions hereof, the Company agrees to forthwith transfer the registered ownership of all vehicles comprising part of the Equipment to the Owner. The Owner shall pay all costs incurred with respect to such registrations as well as any costs required for certification of the Equipment or compliance with any other governmental regulations relating to such transfer. The transfer or registration of the Equipment in the name of the Owner shall also be subject to the consent of any lessor or lien holder or reasonable proof being furnished to the Company that the Owner owns the Equipment free and clear of all liens and encumbrances whatsoever.

14.00 **NON-SOLICITATION**

14.01 **Covenant Not to Solicit or Adversely Affect**

During the term of this Agreement and for a period of three (3) year thereafter, the Owner hereby covenants and agrees on his/her own behalf and on behalf of any authorized drivers approved hereunder, not to solicit the customers of the Company and the Companies or to engage in any other form of activity which would adversely affect the Business of the Company and the Companies, either individually or in partnership or in conjunction with any other person or persons, firm, association or syndicate, company or corporation, whether as principal, agent, employee, shareholder or in any other capacity whatsoever, without the prior written consent of the Company.

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14.02 Violation

The parties recognize that a breach of the provisions of Article 14.01 herein can have a lasting and substantial detrimental monetary effect upon the Company or the Companies. In an effort to offset the costs of such a breach by the Owner, the parties estimate that the minimum damage to the Company is \$5,000.00 and accordingly, in the event of a violation of Article 14.01, the Owner agrees to forfeit \$5000 from his/her paycheck. This provision is a genuine pre-estimate of the minimum damages that will be suffered by the Company or the Companies and shall not preclude the Company or the Companies from proceeding against the Owner for additional damages as they may be incurred.

15.00 SET-OFF PROVISION

In the event that the Owner shall at any time owe money to the Company or the Companies under the provisions of this Agreement, the Company or the Companies shall be entitled to set-off such amount against any amounts due and owing from time to time to the Owner under this Agreement.

16.00 INVALIDITY

If any covenant or provision herein is determined to be void or unenforceable in whole or in part, it shall not be deemed to affect or impair the validity of any other covenant or provision. The Owner hereby agrees that all restrictions set out in Article 14.01 hereof are reasonable and valid and all defense to the strict enforcement thereof by the Company are hereby waived by him/her.

17.00 NOTICE

Any notice required to be given hereunder shall be given in writing by delivering same personally or mailing same by prepaid registered mail addressed as follows:

In the case of the Company to:

**Capricorn Logistics.
40 Courland Bay
Winnipeg, MB R2P 2X1**

In the case of the Owner to:

the address on the front page of this Agreement or to the last known address on file with the Company

In the case of the Guarantor to:

the address on the front page of this Agreement or to the last known address on file with the Company,

Any notice when delivered as aforesaid shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a business day, then the notice shall be deemed to have been given and received on the business day next following such day. Any notice given by prepaid registered mail shall be deemed given and received on the third business day after its mailing.

18.00 INDEPENDENT CONTRACTOR

It is hereby understood and agreed that the relationship created by this Agreement is not one of principal and agent, or master and servant, or employer and employee and that in all matters pertaining to this Agreement and the nature of the relationship of the parties hereto, the Owner shall be an independent contractor. The Owner covenants and

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agrees that he/she will not at any time enter into any contract, agreement or engagement whatsoever for or on behalf of the Company or the Companies or do any other act or thing which would result in the Company or the Companies incurring any liability or responsibility in respect of the Business other than those contemplated by this Agreement.

19.00 ASSIGNMENT

This Agreement is not assignable by the Owner but shall be binding on his/her heirs, executors and administrators or lawful successors. This Agreement is assignable by the Company on written notice to the Owner and shall ensure to the benefit of and be enforceable by its successors and assigns, provided that the Company shall remain liable to the Owner for all of its duties and obligations hereunder notwithstanding the assignment of this Agreement.

20.00 GENDER

The masculine of any pronoun shall include the feminine and/or the neuter thereof and the singular of any noun or pronoun shall include the plural, or vice-versa, wherever the context shall require.

21.00 HEADINGS AMD CAPTIONS

The headings and captions appearing in this Agreement have been inserted as a matter of convenience and for reference only and no way define, limit or enlarge the scope or meaning of this Agreement or any of its provisions.

22.00 ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements and understandings, oral or written, by and between any of the parties hereto with respect to the subject matter hereof.

23.00 SPECIAL DECLARATION

The parties declare that they have requested and do hereby confirm their request that the present contract be in English. The parties hereto have caused this agreement to be duly executed and delivered as of the date first above written.

The PARTIES have agreed to the above by signature below.

.....
OWNER

Capricorn logistics/6998757 Manitoba LTD.

.....
COMPANY NAME

.....
SIGNATURE

.....
SIGNATURE

DATE:

.....
Print name

TITLE:
EG: Owner, President, Vice President

TITLE:

DATE:

Schedule 'A'

Company Unit Number: _____

Year: _____

Make: _____

Model: _____

Color: _____

Body Type: _____

Vehicle Weight (full tanks): _____

Serial Number: _____

License Number: _____

Hubometer: _____

Odometer: _____

Date: _____

Ministry of Transportation

Vehicle Licensing Office

I _____ hereby authorize Capricorn Logistics/6998757 Manitoba Ltd. to sign documents pertaining to the transfer of ownership of my:

YEAR:

MAKE:

SERIAL NUMBER:

The transfer of ownership is for licensing, insurance, Certificate of Safety Rating, and control purposes only and this transfer does not constitute a change of beneficial ownership.

Trusting this to be satisfactory.

SIGNATURE: _____

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SCHEDULE "B"

COMPENSATION PACKAGE

1. PERCENTAGE:

85% OF TENDERED LOAD

The percentage rate includes pick-up and delivery of your head haul and backhaul.

2. WAITING TIME

Waiting time is paid on a case-by-case basis after being approved by dispatch.

3. LICENSING

The owner-operators pay for all costs incurred by Capricorn Logistics. to obtain licenses (including IRP Plates) and permits for the vehicle for entire year.

4. TOLLS & BRIDGE CROSSINGS

The Owner Operator will cover all charges regarding tolls & bridge crossings.

5. Fuel

Company will deduct the cost of fuel acquired by Contractor from pumps utilized. The Company reserves the right to dictate fuel locations based on high pricing. Fuel charged will be actual market value, plus HST/GST or PST, less any 'Company Discount' and may be adjusted as market conditions dictate. The HST to be submitted by Contractor for reimbursement from the Federal Government as quoted in Section 4, item 4.1.7--of this agreement.

6. INSURANCE DEDUCTIBLE

Per Occurrence: \$5000 (As noted in the contract this may be amended upon written notice to the owner operators).

7. ELOG/ Tracking

Since January 1, 2017, E-log has been a requirement for all trucks/drivers travelling to the U.S. Contractors to pay the monthly costs of ELD device for E-Log compliance.

8. HOLD BACK

After quitting, \$5500 will be held for 90 days for security purposes, in case some pending fine, or damage comes up. The company will reserve the right to increase that amount should it be deemed necessary with certain individuals.

9. FUEL TAX

Extra-provincially plated owner-operators will be charged fuel tax based on a per truck average (rather than a fleet average) on quarterly pay statements. Owner-operators will receive a debit/credit accordingly.

10. Capricorn Logistics will deduct Admin fees for administrative costs.

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COMPANY RESPONSIBILITIES:

- a. The company will provide: Trip information, Logbooks for use by Drivers.
- b. Decals with Capricorn Logistics logo, operating authority numbers, and unit number will be provided by the Company. Decals must be installed to comply with the Company's policies. If installed improperly or damaged during installation, the broker is responsible for cost.

CONTRACTOR RESPONSIBILITIES:

Except for costs which are to be paid by Company, all other costs will be the responsibility of Contractor, including all costs relating to:

- a. Equipment maintenance, repairs and inspections
- b. Wages, salary or other remuneration of Contractor's employees and assessments relating to Contractor and Contractor's employees, including Drivers, and all source deductions and remittances relating thereto, including those arising under Employment Insurance Act, Canada Pension Act, Income Tax Act, Workers' Compensation Act or any other applicable legislation and provision of any benefit plans.
- c. Worker's Compensation Coverage, which is mandatory for Contractors and Drivers. Proof of coverage to be supplied to Company at time of hire and prior to truck being plated/dispatched.
- d. Obtaining and maintaining all licenses, permits, registrations and authorizations required to perform the services required under this Agreement.
- e. Taxes, fees, assessments and other charges relating to Equipment or its use.
- f. Fines, fees and other charges incurred by Drivers while operating Equipment.
- g. Goods and Services Tax and Excise Tax: The federal Excise Tax Act imposes both the Goods and Services Tax and Excise Tax. Every Contractor in the course of their commercial activities is required to register and collect GST/HST for all gross taxable revenue.
- h. **Paperwork** - Bills of Lading and Proofs of Delivery must be properly completed and submitted to Company or Contractor will forfeit the right to receive any Payments.
- i. **Company's Operating Procedures** – the Contractor must at all times respect and abide by all of the Company's Operating Procedures as they are defined in the Independent Owner Operator Agreement in place between the parties. The Company's Operating Procedures include, but are not limited to, the Company's speed lock policy which failure to strictly abide to will result in the immediate termination by the Company of the Independent Owner Operator Agreement in place between the parties.

CURRENCY: All references to money in this Agreement shall refer to Canadian currency.

The company reserves the right to amend this contract by giving one week's notice.

The PARTIES have agreed to the above by signature below.

.....
OWNER
.....
COMPANY NAME
.....
SIGNATURE

Capricorn logistics/6998757 Manitoba LTD.

.....
SIGNATURE