

RIDEWAY Transport Inc.

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Owner Operator Contract Information

The Company

Rideway Transport Inc. is a privately owned truckload carrier providing contract and general freight services. Rideway is an ISO 9001 Registered company as well as FAST and C-TPAT approved.

Operations Information

1. Area: We operate in two distinct areas:

- Between all points in south-western Ontario
- Between South-western Ontario and Alabama, Arkansas, Georgia, Indiana, Illinois, Iowa, Kansas Kentucky, Louisiana, Michigan, Mississippi, Missouri, North Carolina, Ohio, South Carolina, Tennessee and Wisconsin

We occasionally run over the Buffalo gateway through New York and Pennsylvania to service the Ohio market and we provide limited service for specific customers only to the Buffalo, New York area. Our contract and automotive customers have a tremendous amount of repeat orders so you will be going back to the same locations on a regular basis. **Loads are dispatched on a first in first out basis on an open board.**

2. Load Information: Loads destined to points in the U.S.A. and Ontario are mainly single drop loads. Return loads from the USA usually consist of general freight and auto parts, which can maximum out to your gross weight of 80,000 lbs. We will provide you with all the necessary custom information but it is the driver's responsibility to call and arrange custom clearance. The majority of loads are cleared on line release. Most loads may be cleared at either the Port Huron or Detroit Gateway unless otherwise instructed.

3. Trailers: We operate well maintained 53 ft (most are new) tandem air-ride van trailers. Safe equipment is very important to our Company. All trailers are serviced every 60 days and washed every 90 days. It is the driver's responsibility to ensure that each trailer is clean after unloading. If you leave a trailer dirty, you could be charged a service fee of \$25.00.

Requirements

1. Tractor: Tractors must be 2005 or newer. Monthly maintenance reports must be submitted showing all work done including copies of invoices completed by outside shops. It is Company policy that every tractor is fully inspected and serviced every 10,000 miles or once per month whichever comes first. In addition, you must obtain annual safety inspections as required by the Ministry of Transport. There is no paint code. The Company will supply decals, which **must** be mounted on the doors.

2. Driver:

- a) Driver's personal and CVOR abstract within the last 30 days showing 3 points or less and no record of any impaired or careless driving charges, and no suspension of license for any reason.
- b) Criminal record search completed during the last 12 months. FAST registration is mandatory.
- c) Class A-Z license with at least 3 years driving experience.
- d) Applicants must be 21 years of age.
- e) Applicants must be willing to submit to drug and alcohol testing.

Company Paid Items

- 1. Licensing & Ownership:** The ownership of your tractor remains in your name and the plate portion is put in our Company name. The Company pays the cost of the plate.
- 2. Toll Roads and Fuel Decals:** We pay for all tolls and fuel tax decals.
- 3. Bridge Fees:** We pay bridge crossings. Most loads may be cleared at either the Port Huron or Detroit Gateway unless otherwise instructed.

Payment

- 1. Schedule:** Owner Operators are paid every other Friday.
- 2. Revenue:** Authorized dispatch mileage rates are:
 - \$2.23 per loaded mile 0-35 miles.
 - \$1.78 per loaded mile 36-80 miles
 - \$1.22 per loaded mile 81- 550 miles
 - \$1.18 per loaded mile 551 + miles.
 - \$1.00 per empty mile.
 - Extra stops: \$35.00

PC Miler Practical route system is used to determine all miles and the above rates are based on the origin and destination of the load. Waiting time will be paid after two hours in accordance with our waiting instruction in our Driver's Manual. All payments are in Canadian dollars. In lieu of a fuel surcharge program, effective September 24, 2000 we have set the price of diesel for Owner Operators at 49.9 cents/litre plus HST and CFAC for diesel fuel purchased in Ontario on our Canadian credit card.

Deductions

- 1. Insurance:** Your insurance costs are 5.2% of your gross revenue subject to a \$3,000.00 deductible per incident. Drivers involved in accidents and/or having violations on their abstracts will pay a surcharge of .20 % for each point occurring on our CVOR record. Surcharges apply for a period of one year from the date of conviction. Your insurance rate will be reduced by .2 % for every year of seniority up to 5 years at which time your rate will hold at 4.2 %. There is a mandatory collision insurance buy down package administered in trust by the Company on behalf of all Owner Operators. The cost is \$200.00 per year (\$100.00 min for a part year) for the first year \$50.00 per quarter thereafter. This reduces your deductible from \$3,000.00 to \$1,000.00.
- 2. Fuel:** The Company supplies a fuel card, which allows you to purchase cardlock fuel at Gra-Ham Energy, located at St Marys, Lambeth, Kitchener, and London Ontario 24 hours per day. The company also supplies a Flying J card for purchases in the US. Gallons are converted to Litres on your Settlement Statement and charged at the current rate below;

The base price of fuel is .499 + HST. Effective February 13, 2010, a Currency Fuel Adjustment Charge (CFAC) is in effect for purchases made in Canada and the US. This charge will only apply to those who are licensed to operate in the USA. Following are the base figures that will determine this calculation;

- a) The base rate of exchange will be 1.075
- b) The miles per gallon will be 7.0
- c) Adjustments will be done biweekly
- d) The CFAC will be set on the closing Friday Canadian dollar exchange rate published on the bloomberg.com website. The CFAC will end and start whenever the exchange rate exceeds or goes below 1.075
- e) For each tenth of a cent change in the Exchange rate there will be a .10 per litre change in the price of diesel fuel either up or down.

f) The current CFAC will be clearly shown on each Settlement Statement
Copies of all fuel purchases must be submitted with your trip sheets. The Company is solely responsible for all aspects of fuel tax reporting including paying all debits and receiving all credits. There is no requirement to buy specific amounts of fuel in any jurisdiction. Please note that certain states have a fuel tax surcharge, which is not included in the pump price. This amount will be determined when you hand in your fuel invoices and charged on your statement. The Michigan surcharge is currently at .0451 cents per litre in Canadian Funds. All fuel charged to our card lock systems will be deducted from your statement. At no time does Rideway act as an agent or trustee for the Owner Operator.

Other Information

1. Workplace Safety & Insurance Board: There is an agreement in effect, which allows you to make your own determination whether you wish to be covered. If you are currently covered under Workplace Safety & Insurance Board you must provide us with your registration number. Effective January 1, 1999, every Owner Operator not covered directly by WSIB must participate in a disability program that provides short and long-term coverage.

2. Medical & Drug Plan: You may obtain medical coverage, which includes out of province coverage through the Company at our cost. The monthly rate is deducted over two pay periods

3. Safety Regulations: Some customers have specific rules relating to safety boots and the wearing of jewellery. A complete safety manual is provided and must be adhered to at all times.

4. Holdback: We do not have a holdback. However, in case of termination we will hold \$1,000.00 from your final pay for 60 days from the date of your last regular pay.

Thank for your interest in Rideway Transport Inc. Please call me at 800-387-1478 x 23 if you require additional information.

Yours truly,

Steve Dixon

VP of Safety & Compliance

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