



OWNER OPERATOR AGREEMENT

THIS AGREEMENT is made on _____

BETWEEN: **PLUTO TRANSPORT INC.**
500 Oak Point Hwy, Winnipeg, MB R2R 1V3

AND: _____ Unit: _____

("Contractor / Owner Operator")

1. DEFINITIONS AND INTERPRETATION: Following are the definitions of certain words as used in this Agreement:

1.1--"Agreement" – this Agreement, Schedules 1 and 2 attached hereto and Operating Procedures, together with all amendments to any of the foregoing. Search

1.2--"Driver" – Contractor (if the Contractor is an individual) and any employee of Contractor who has been approved by Company under 4.1, plus any individual who has been approved by Company as a driver outside the scope of this Agreement (and whose approval has not been revoked or otherwise terminated), and who subsequent to the date of this Agreement becomes an employee of Contractor and operates Equipment and provides related transportation services in connection with this Agreement.

1.3--"Equipment" - tractors, trucks, trailers, vans or other transportation equipment like Satellite owned or leased by Contractor which meet the equipment specifications set out in Operating Procedures.

1.4--"Operating Procedures" - Company's specifications, policies and procedures relating to the operation of Equipment and the provision of transportation services including, but not limited to, pick-up and delivery procedures, driver reporting procedures, accident reporting procedures, Equipment specifications, including decal specifications, and dispatch rules.

1.5--"Terms of Payment" - the terms, including those related to deductions, set forth in attached Schedule A.

2. OPERATING PROCEDURES:

2.1--Operating Procedures may be set out in any binder, manual or other document provided to Contractor by Company, including any document transmitted electronically to Contractor by Company, and Company, in its sole discretion, may amend Operating Procedures from time to time as it deems advisable.

3. ENGAGEMENT:

3.1--In return for the amounts to be paid by Company to Contractor, Contractor will provide all necessary Equipment for the exclusive service of Company and will hire the required number of Drivers to operate Equipment and provide related transportation services to meet the reasonable needs of Company in accordance with this Agreement. Contractor and its employees are not restricted, by virtue of this Agreement, from working for others.

3.2--The relationship created by this Agreement between Company and Contractor is that of independent contractor and not that of employer and employee. Nothing in this Agreement will constitute Contractor or any Driver or any other employee of Contractor, an employee of Company for any purpose. Contractor will at all times be regarded as an independent contractor with no authority to bind Company under any circumstances.

3.3--Transportation services must be performed in a safe, efficient and courteous manner and therefore Contractor will be fully compliant with this Agreement, including Operating Procedures, and will ensure that all of its employees, including Drivers, who are in any way connected with the delivery of services pursuant to this Agreement, do not do or omit to do anything which could result in non-compliance with this Agreement, including Operating Procedures.

4. DRIVERS:

4.1--To enable Company to determine if individuals should be approved as Drivers, Contractor will provide to Company all information reasonably requested by Company, including driver's licenses and abstracts, of Contractor (if Contractor is an individual) and those employees of Contractor who wish to operate Equipment and provide transportation services. Company will only approve as Drivers those individuals who meet the standards set out in Operating Procedures and who, in the sole opinion of Company, have suitable qualifications and experience. Company shall have no obligation to approve Drivers in excess of Company's requirements.

Driver to be compliant with NSC Standard 1;

- 1) to disclose of all driver's licenses held, including the jurisdiction (Province, Territory or State);
- 2) To provide class of license, status of license and actual name in which each license is held;
- 3) To hold a license in one jurisdiction only; and
- 4) to provide a current copy of driving record before being hired, and annually thereafter. (The driver may sign a waiver authorizing the Company to obtain a copy of the driving record.
- 5) To possess a valid driver's license of appropriate class to operate assigned vehicle and provide ongoing evidence of a valid license

4.2--Contractor will ensure that all of its employees, including Drivers, who are in any way connected to the delivery of services pursuant to this Agreement and Contractor (if Contractor is a Driver) are registered under and covered by applicable workers' compensation legislation and will pay when due all related assessments. Contractor is responsible for all salaries, wages and other remuneration of its employees, including Drivers, and the provision of employee benefits. Without limiting the foregoing, Contractor will pay when due all salaries and wages and will remit when due all source deductions, including those arising under the *Income Tax Act*, *Employment Insurance Act*, *Canada Pension Plan Act* and other applicable legislation.

4.3--Contractor will not permit Equipment to be operated except by Drivers.

4.4--Contractor will be responsible for all actions of Drivers and all such actions will be deemed to be the actions of Contractor.

4.5--To ensure compliance with this Agreement, Contractor will familiarize itself and will train and familiarize all Drivers and its other employees, who are in any way connected with the delivery of services pursuant to this Agreement, with Operating Procedures. Without limiting the foregoing, if a Driver accepts a load or job, Contractor will ensure that Driver will comply with Operating Procedures.

4.6--As required by applicable legislation or as reasonably requested by Company, Contractor will ensure that Drivers promptly submit to medical examinations by a medical examiner or physician selected by Company, plus submit to pre-approval, random and post-accident drug and alcohol tests.

4.7--if a Driver fails to comply with Operating Procedures or any terms of approval imposed by Company, Company may, in its sole discretion, revoke its approval of that Driver. If approval of any Driver is revoked, Company will notify Contractor and Contractor will be solely responsible for taking immediate and appropriate action with respect to that Driver. Without limiting the foregoing, the following will result, at the option of the Company, in the immediate revocation of a Driver's approval:

- 4.7.1 use or possession of alcohol, drugs, stimulants or any other material which impairs or is likely to impair the ability of a Driver to operate Equipment in a safe, competent and professional manner; or
- 4.7.2 failure to report any accident, regardless of severity, which damages Equipment or Company property, or which causes damage to the property of a third party or personal injury to a third party; or
- 4.7.3 any other unprofessional conduct which could materially affect the ability of Company to serve its customers or could otherwise materially interfere with the relationship which Company has with its customers, including, but not limited to, the abuse of a customer; or
- 4.7.4 theft, falsification of documents or any other dishonest conduct.

5.EQUIPMENT:

5.1--Contractor will ensure that:

5.1.1--Equipment is and remains in good, clean, safe and efficient operating condition and in compliance with all applicable laws, regulations and government safety standards and the Equipment specifications contained in Operating Procedures;

5.1.2--Equipment is and remains free of any liens, encumbrances or other restrictions, which might, in any way, affect Company's rights under this agreement or Contractor's ability to perform its obligations;

5.1.3--Equipment is used exclusively in the service of company and not used for any other purpose, including personal or business use;

5.1.4--All taxes, repairs, maintenance and other costs relating to Equipment are paid when due by Contractor and contractor will not contract in the name of company for any such taxes, repairs, maintenance or other costs;

5.1.5--Equipment is inspected, at Contractor's expense, when required by applicable law and that Company is provided with copies of all such inspection reports; and

5.1.6--A replacement unit of Equipment, satisfactory to Company, is provided if the regular unit of Equipment is unavailable for any reason and that insurance as required by this Agreement applies to the replacement unit of Equipment.

5.2--To fulfil the requirements of government authorities, Equipment will be registered in the name of Company in addition to the name of Contractor and Contractor will execute all documents required to affect such registration. This registration will not constitute a transfer of the legal or beneficial ownership of Equipment to Company.

6.CARGO:

6.1--Contractor will handle all cargo with the utmost care while providing services under this Agreement and without limiting any other rights or remedies available to it, Company shall be entitled to apply the applicable deductible if there is loss or damage to cargo.

6.2--Contractor agrees not to, and will ensure Drivers do not, solicit or transport any cargo using Equipment other than on behalf of Company.

7.PAYMENT:

7.1--In return for Contractor's performance of the services required by this Agreement, Company will pay Contractor in accordance with Terms of Payment.

7.2--Company may withhold any or all amounts payable under this Agreement for failure:

7.2.1--to submit POD for the loads delivered or to Company any documents or other information required to establish the amounts payable to Contractor in accordance with Terms of Payment; or

7.2.2--to complete inspections of Equipment when required by applicable law and to provide Company with copies of all such inspection reports; or

7.2.3--to accurately complete log books as required by law or to submit the log books to Company; or

7.2.4--to comply with this Agreement.

8.INSURANCE:

8.1--Contractor will comply with the insurance requirements set forth in Schedule 2 as amended at the sole discretion of the Company from time to time.

9.MEETINGS:

Contractor will ensure that each Driver, including Contractor, attends training and safety programs scheduled by Company and meetings at which a Driver's attendance is requested by Company.

10.LICENSES, PERMITS AND REGISTRATIONS:

10.1--Throughout the term of this Agreement, Contractor will, except as otherwise provided in Terms of Payment, obtain and maintain, at its sole expense, all licenses and permits and renewals thereof required to perform the services required by this Agreement. Contractor shall also be solely responsible for the payment when due of all fees and other amounts relating to Equipment or this Agreement, including all taxes, levies, assessments, fines, penalties, sanctions or other amounts imposed in connection with the possession or operation of Equipment or the provision of services required by this Agreement. Contractor will provide full particulars of all such licenses, permits and payments to the Company.

11. TERMINATION:

This Agreement may be terminated

11.1--at any time by one party providing thirty days prior written notice of termination to the other; or

11.2--immediately by Company providing written notice of termination to Contractor, if Contractor is in breach of this Agreement, including without limitation non-compliance with any Operating Procedures.

11.3--Notwithstanding 11.1, if Contractor is a company, this Agreement will terminate, at the option of Company, immediately upon a change in any shareholders of Contractor or if Contractor reorganizes by way of amalgamation, merger or otherwise. Contractor agrees to promptly notify Company in writing of any event which would entitle the Company to exercise the option in this 11.2.

11.4-upon termination of this Agreement, Contractor will immediately:

11.4.1--remove or cause to be removed from Equipment any coloring, letters, symbols, words or names which are distinctive of Company;

11.4.2--deliver to Company all motor vehicle licenses and plates, motor carrier plates and fuel tax plates, all interstate, intrastate, interprovincial, interprovincial and Company freight movement authority documents and any other regulatory or statutory identification relating to Equipment or this Agreement;

11.4.3--pay any amount due or to become due to Company; and

11.4.4--return all Company-owned property, if any, to Company.

11.5--Any amounts owed by the Company to Contractor on the effective date of termination, less any amounts due or to become due from Contractor to Company, will be paid to Contractor without interest thirty(30) days after the effective date of termination or if the thirtieth day is not a business day, on the first business day thereafter.

11.6--On the effective date of termination, all insurance coverage and benefit plans arranged by or through Company shall terminate and all approvals of Drivers shall be deemed to be revoked.

12. LEGAL MATTERS:

12.1--Amendment – This Agreement (excluding Schedules 1 and 2 and Operating Procedures) may only be amended in writing signed by both Company and Contractor. Company may amend Schedule 1 and Schedule 2 upon not less than thirty (30) days prior written notice (the “Amendment Notice”) to Contractor setting forth the amendments and the effective date of the amendments (the “Amendment Date”) and if Contractor does not agree with the amendments to Schedule 1 or Schedule 2, then Contractor shall advise Company in writing of its disagreement within ten (10) days of receipt of the Amendment Notice. If Company and Contractor fail to reach agreement on the amendments on or before the Amendment Date, Contractor shall be deemed to have given the Company notice of termination pursuant to 11.1.--provided however, the thirty (30) days notice period provided for therein shall be deemed to be waived by Company and the effective date of the termination of this Agreement shall be the Amendment Date. If Contractor does not advise Company in writing of its disagreement with the amendments to Schedule 1 or Schedule 2 within ten (10) days of receipt of the Amendment Notice, Contractor will be deemed to have accepted such amendments. Company may amend Operating Procedures immediately upon written notice to Contractor and Contractor shall be deemed to have accepted such amendments.

12.2--Non-Assignment - This Agreement is personal to Contractor and cannot be assigned.

12.3--Waiver of Breach – Company may, from time to time waive any breach of the obligations imposed on Contractor under this Agreement, which waiver will not operate or be construed as a waiver of any subsequent or other breach by Contractor.

12.4--Compliance with Laws - Contractor will comply at all times with all applicable laws, regulations and standards and will ensure that all of its employees, including Drivers, who are in any way connected with the delivery of services pursuant to this Agreement, so comply.

12.5--Provision of Information - Contractor will provide copies to Company of any document, report, certificate, license or other item reasonably requested by Company or as required by Operating Procedures.

12.6--Notice - Any notice to be given to a party under this Agreement will be in writing and shall be sufficiently given if delivered personally or sent by mail or electronically and shall be deemed to have been given and received on the day it is personally delivered or sent electronically and any notice sent by mail shall be deemed to have been given and received on the fifth day following the date of mailing. Without limiting the foregoing, in the case of any notice to be given to Contractor, if the notice is placed in Contractor's home mailbox, it will be deemed to be personally delivered at the time of such placement.

12.7--Severability - If any provision of this Agreement is ruled to be unenforceable, invalid or illegal by any court, board or arbitrator of competent jurisdiction, the ruling will not affect the remainder of this Agreement.

12.8--Time of Essence - Contractor will punctually perform all of its obligations under this Agreement.

12.9--Entire Agreement - This Agreement (including Schedules 1 and 2 and Operating Procedures and any amendments thereto) constitutes the entire agreement between the parties and supersedes all prior agreements, whether written or verbal, between the parties with respect to the subject matter of this Agreement.

12.10--Governing Law - This Agreement will be governed by and interpreted in accordance with the laws of the Province of Manitoba and the parties irrevocably submit to the non-exclusive jurisdiction of the courts in the Province of Manitoba concerning any matter related to this Agreement.

12.11--Binding Nature - This Agreement is for the benefit of the parties and will be binding upon them and their respective heirs, executors, administrators, successors and assigns.

12.12--Gender - Words importing the singular shall include the plural and vice versa and words importing gender shall include the masculine, feminine and neuter genders.

12.13--Survival of Rights and Remedies of Company - Rights and remedies available to Company in respect of any failure by Contractor to perform any of its obligations under this Agreement shall remain in full force and effect notwithstanding the expiration or earlier termination of this Agreement.

12.14--Language - It is the express wish of the parties that this Agreement and any related documents be drawn up in the English language.

12.15--Effective Date - Contractor and Company agree that this Agreement shall be effective on the date set forth at the top of the first page of this Agreement, notwithstanding the date of execution by Contractor or Company.

SCHEDULE 1: TERMS OF PAYMENT

1.PAYMENTS:

In return for Contractor's performance of services required by this Agreement, Company will pay to Contractor at end of month as follows ("Payments"):

1.1-**Load Rates:** (single or team tractor, trailer loaded or empty, or bobtail): Contractor to be paid 88 percent of; Contractor's paystub provided by Pluto, less required deductions as set out in (2) below such as; Diesel + Def, Insurance, Plating, Toll, Satellite Installation, Parking, admin fee, border crossing, trip expense etc.

2.DEDUCTIONS:

Amounts will be deducted from Payments otherwise payable to Contractor under these Terms of Payment as follows:

2.1.--**License Plates** - Company will purchase all license plates for Equipment. The charge for licenses on a linehaul unit is deducted in equal installments over every statement. The charge to be assessed per unit will be for a twelve month period, and may adjust yearly according to MPIC (Manitoba Public Insurance Corporation). The first deduction will be on the contractor's first pay period. If a piece of equipment ceases to be Equipment subject to this Agreement for any reason and before the useful life of the license plate is used, the value of the unused and/or unamortized portion will be deducted until such time as Pluto physically receives the returned plate or notice from MPIC that it has been cancelled. Contractors are charged directly for any replacement licenses purchased and for transfer fees when an existing unit is traded or changed to another unit. A contractor who resigns, or is terminated, will be charged the portions of their unit's license that is not transferable or non-refundable, plus any administrative fees for portions that can be transferred. Sales Tax is not included in the licensing deduction and actual cost is charged to the broker.

2.2.--**Random Alcohol and Substance Abuse Program** -Company will deduct a charge of \$90 each fiscal year of Company for each full-time Driver and for each US approved part-time Driver employed by Contractor for conducting Alcohol and Drug Testing. Pre-employment drug testing fees are the responsibility of Contractor for any applicant becoming full-time or part-time driver with Company. The yearly fee will cover post accident/random testing as required.

2.3.--**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 Section4, item 4.1.7--of this agreement.

2.4.--**Insurance** - the Contractor agrees to participate in insurance arranged by Company, the charge to be assessed per unit will be minimum of \$1900.00 per month which may change depending upon the truck. The insurance may be adjusted only by increase/decrease from Insurance provider, which will be advised in writing to Contractor.

2.5.--**Group Insurance** – Should the future allow benefits, the cost of providing Group Insurance to Contractor (if Contractor is an individual and a full-time Driver) and Contractor's full-time Drivers, will be deducted from Payments.

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

2.7.--**Garnishee Orders and Similar Orders/Demands for Payment** - If Company receives any garnishee orders or similar orders or demands for payment from Revenue Canada or other third parties ("Third Party Demands"), Company will be entitled to deduct and remit from Payments the amounts set forth in Third Party Demands and all such amounts shall be deemed to have been paid by Company to Contractor.

2.8.--**Security Holdback** -Company will deduct \$250.00 from each Payment for all new units being brought on by contractor following and apply it to a security account ("Security Account") in respect of Contractor until the account has a balance of \$2,000.00. Upon termination of the Agreement, Contractor will be paid the outstanding balance in the Security Account subject to any right of set-off available to Company. Company will hold back \$2000 for 2 months once the contract is terminated.

2.9.--**TOLLS/BRIDGE PASSES/BORDER CROSSING:** Contractor to be responsible for their portion of any truck utilization of tolls, bridge passes, border crossing fees, scaling of trailers or expenses for transport of load in compliance with DOT Regulation and Company safety requirements

2.10—Pluto Transport Inc. Admin fees for administrative costs.

3.COMPANY RESPONSIBILITIES:

3.1--Company will provide: Trip information, Log Books for use by Drivers

3.2--Decals with PLUTO TRANSPORT logo, operating authority numbers, and unit number will be provided by the Company. Decals must be installed to comply with Company's policies. If installed improperly or damaged during installation, broker is responsible for cost.

4.CONTRACTOR RESPONSIBILITIES:

Except for costs expressly set forth in Section 3 of these Terms of Payment which are to be paid by Company, all other costs will be the responsibility of Contractor, including all costs relating to:

4.1.1--Equipment maintenance, repairs and inspections

4.1.2--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

4.1.3--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.

4.1.4--Obtaining and maintaining all licenses, permits, registrations and authorizations required to perform the services required under this Agreement

4.1.5--Taxes, fees, assessments and other charges relating to Equipment or its use

4.1.6--Fines, fees and other charges incurred by Drivers while operating Equipment

4.1.7-- 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

4.2--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.

4.3-- Company's Operating Procedures – the Contractor must at all times respect and abide by all of 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.

5.CURRENCY:

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

(c-4) spouse; and subject to prior authorization in writing from the Company

(c-5) driver in distress, driver in training, and children (during the applicable summer months) are passengers in the Equipment.

(c-6) Driver is non-compliant or to be found, falsified the NSC Standard 1 as set forth in 4.1 of this agreement

(D) If the driver or Contractor uses the tractor for their personal use or park it in an unsecure yard or place, Pluto Transport Insurance won't be responsible for the coverage of loss or damage.

1.6--Pending determination as to whether Contractor may be liable to pay a deductible, Company may, at its discretion, demand payment of such deductible by Contractor to Company or alternatively, may withhold such deductible from any payment to be made to Contractor by Company.

1.7--Contractor may arrange for its own insurance with insurers satisfactory to Company and containing terms and conditions satisfactory to Company. Unless Contractor notifies Company in writing that it is arranging for its own insurance, Contractor shall be deemed to have elected to participate in the insurance program arranged by Company. If Contractor notifies Company in writing that it is arranging for its own insurance, it shall not provide any services under this Agreement until Company has confirmed in writing that the insurance arranged by Contractor is satisfactory to Company (which confirmation may be given or withheld at the sole discretion of the Company and without any reasons being given by Company to Contractor if withheld) and Contractor has provided to Company documentation determined by Company to be necessary or advisable in connection with the foregoing, including without limitation a covenant to the effect that such insurance coverage will remain in full force and effect throughout the term of this Agreement. If the insurance arranged by Contractor is not satisfactory to Company, Contractor may elect to participate in the insurance program arranged by Company or to not provide any services under this Agreement. Without limiting any other provision hereof, in determining whether or not insurance arranged by Contractor is satisfactory, Company may seek confirmation from Company's own insurers that Company will not be adversely affected by the insurance arrangements.

1.8--Contractor will ensure that it and its employees, including Drivers, will not do or omit to do anything that could result in any insurance coverage being reduced, terminated or adversely affected.

Contractor acknowledges that it will abide by the Operating Procedures as of the date hereof and agrees to comply with and ensure that all Drivers comply with all such Operating Procedures and all amendments thereto.

Contractor acknowledges that it has been afforded an opportunity to seek independent legal advice with respect to this Agreement and its legal obligations and confirms that it has either obtained such independent legal advice or declined, of its own volition, to do so.

SIGNED:

PLUTO TRANSPORT INC.

By: _____
(Signature)

MANPREET SINGH SRAN
(Name)

Date: _____

SIGNED:

(Company Name)

By: _____ By: _____ By: _____
(Signature) (Signature) (Signature)

(Name) (Name) (Name)

Date: _____ Date: _____ Date: _____