

SPI LOGISTICS TERMS & CONDITIONS

By engaging Silver Pacific Investments Inc. DBA SPI Logistics (“SPI”) to arrange for transportation of freight, SHIPPER agrees to be bound by these Terms & Conditions, which are incorporated in all SPI’s Credit Agreements, and expressly waives any and all rights and remedies it may have under any applicable legislation.

1. **SERVICE.** SPI agrees to arrange for transportation of SHIPPER’s freight pursuant to these Terms & Conditions and in compliance with all federal, state, and local laws and regulations relating to the brokerage of the freight covered by these Terms & Conditions (the “Agreement”). SPI’s responsibility under this Agreement shall be limited to arranging for, but not actually performing, transportation of SHIPPER’s freight, and acting at all times as a SHIPPER’s agent, as property broker and agent-only freight forwarder. SHIPPER authorizes SPI to enter into contracts of carriage with Motor Carriers for the transportation of SHIPPER’s freight on SHIPPER’s behalf. Any contracts of carriage SPI enters into on behalf of SHIPPER with Motor Carriers are contracts between SHIPPER and Motor Carriers, with SPI acting at all times as agent for SHIPPER.

2. **NON-EXCLUSIVITY.** SHIPPER is not restricted from tendering freight to other brokers, freight forwarders, third-party logistics providers, or directly to motor carriers. SPI is not restricted from arranging transportation of freight for other parties.

3. **SHIPPER OBLIGATIONS.**

A. SHIPPER must comply with all applicable laws and regulations governing the safe and secure transportation of food products that will be ultimately consumed by humans or animals (“Food Shipments”), including those required by local, provincial, state and federal laws, regulations, ordinances and rules, and any applicable Canadian legislation, including, but not limited to, the Food Safety Modernization Act (21 U.S.C. § 2201, et seq.), the Federal Food, Drug and Cosmetic Act (21 U.S.C. § 341, et seq.) (“FD&C Act”), the Sanitary Food Transportation Act (49 U.S.C. 5701, et seq.), the U.S. Food and Drug Administration’s Final Rule on the Sanitary Transportation of Human and Animal Food (21 C.F.R. § 1.900, et seq.) and all applicable U.S. Department of Agriculture and Food Safety and Inspection Service regulations. (All of the above regulations are referred to herein as the “Food Safety Laws”). SHIPPER is responsible for the recordkeeping obligations of a ‘Shipper’ under the Food Safety Laws. SHIPPER represents and warrants that any Food Shipments offered for transportation pursuant to the Agreement are tendered in safe condition for human or animal consumption, as applicable.

B. **SHIPPER Written Instructions.**

1. SHIPPER must provide necessary shipping instructions, including the correct classification of the commodities, any seal or padlock requirements, and properly identify all Goods in the bill of lading or other shipping instructions. SHIPPER will not tender any restricted commodities including, but not limited to, hazardous materials and waste, oversize, or overweight shipments, coiled or rolled products, commodities requiring any special handling, or commodities requiring protection from heat or cold, without properly identifying such shipments and making any necessary prior arrangements for transportation.
2. If a Food Shipment is covered under any of the Food Safety Laws that prohibit the sale or distribution of unsafe or “adulterated” food, SHIPPER must specify the applicable body or bodies of law, statutes and/or regulations on face of the governing bill of lading for the shipment. At the time of booking, and prior to loading the goods, SHIPPER must further specify in the booking request and on the face of the governing bill of lading all instructions to be followed by the Motor Carriers to maintain the safety of the food, including, without limitation, all temperature control requirements and temperature control documentation requirements, including an operating temperature for the transportation and, when necessary, the pre-cooling phase, all sanitation requirements and sanitation documentation requirements for the Food Shipment,

including those for the Motor Carriers' vehicle and transportation equipment, any design specifications and cleaning procedures ("Written Instructions"). SPI will provide any Written Instructions from SHIPPER to the Motor Carriers transporting SHIPPER's food cargo. SHIPPER, including its consignors and consignees, shall permit the performing Motor Carrier to verify the temperature of Food Shipments prior to acceptance of tender and upon delivery at destination.

3. SHIPPER warrants that it will not directly or indirectly interfere with, or attempt to adversely influence, the performing Motor Carrier's safe operation of equipment including performance pursuant to the federal hours of service regulations.

C. Loading.

1. SHIPPER is responsible for ensuring that Goods are properly and safely loaded, supported, blocked, braced, and secured. SHIPPER will be responsible for expenses arising out of any load shift that occurs during transportation due to improper or insufficient loading, blocking, or bracing. If SHIPPER is loading food shipments into the motor vehicles transporting the cargo, SHIPPER is responsible for ensuring that the vehicle and/or other transportation equipment provided by the Motor Carrier meet the requirements specified in the Written Instructions and are in an appropriate sanitary condition for transporting the food shipments. SHIPPER must also ensure that mechanically refrigerated storage compartments or containers required in the Written Instructions have been adequately prepared to transport any temperature-controlled food being shipped and, if required by the Written Instructions, properly pre-cooled.
2. SHIPPER is responsible for checking all empty containers or trailers tendered for loading and rejecting any equipment that is not in apparent suitable condition to protect and preserve the Goods during transportation. Vehicles and other transportation equipment used to transport food shipments will be deemed acceptable to SHIPPER upon loading. SHIPPER's failure to fulfill the obligations under this section will be considered an act or default of the SHIPPER, and a defense to any cargo claim resulting from the condition of the trailer.
3. Unless SHIPPER has requested that SPI arrange for the Motor Carrier to provide driver count services before dispatch and the Motor Carrier performs such driver count services, SHIPPER is responsible for properly counting and recording the number of pieces transported and applying a protective seal to the loaded equipment.

D. Recordkeeping. SHIPPER is responsible for the recordkeeping obligations of a "Shipper" under the Food Safety Laws for all food shipments governed by this Agreement.

E. Dropped Trailers. If SHIPPER requests that SPI arrange for equipment to be dropped at a location for SHIPPER's convenience and left unattended by the Motor Carrier, SHIPPER and its consignors or consignees will not lose, damage, or misuse the equipment and SHIPPER will pay for loss or damage to the equipment occurring during or as a result of such custody, control, possession, or use of the equipment.

4. **FREIGHT CARRIAGE.** On behalf of SHIPPER and as agent for SHIPPER, SPI has entered into, or may enter into, written contracts with Motor Carriers it engages to perform the transportation services required by this Agreement. Any contracts entered into with Motor Carriers will be agreements entered as between SHIPPER and the Motor Carriers, with SPI acting at all times as agent for SHIPPER.

5. **RECEIPTS AND BILLS OF LADING.** If requested by SHIPPER, SPI agrees to provide SHIPPER with proof of acceptance and delivery of shipments in the form of a signed Bill of Lading or Proof of Delivery via US Mail, courier, or electronically by fax or email. SHIPPER's insertion of SPI's name on the bill of lading shall be for SHIPPER convenience only and shall not change SPI's status as a property broker and agent-only freight forwarder. All Bills of Lading issued by SPI will be used solely as evidence of the condition of the cargo at the time the Bill of Lading is signed and do not form part of any contract entered between SPI, SHIPPER or the Carrier. The terms and conditions of any freight documentation used by SPI or the Carrier selected by SPI may not supplement, alter, or modify the terms of this Agreement.

6. PAYMENTS. SPI shall invoice SHIPPER for its services in accordance with its rates, charges and provisions, and any written supplements or revisions that are mutually agreed to between the Parties in writing. If rates are negotiated between the Parties, they shall be confirmed in writing to be binding upon SHIPPER. SHIPPER agrees to pay SPI's invoice within 30 days of invoice date without deduction or setoff. Unless otherwise agreed in a signed writing, SPI shall apply payment to the amount due for the specified invoice, regardless of whether there are earlier unpaid invoices.

7. CLAIMS.

- A. **Freight Claims:** As SPI is at all times acting as SHIPPER's agent and any contracts of carriage are between SHIPPER and the Motor Carrier, SHIPPER must file claims for cargo loss or damage against the Motor Carrier unless such loss or damage is caused by an act or omission by SPI in discharging its duties as agent for SHIPPER. SHIPPER must file any claims against SPI within six (6) months from the date on which the cargo was delivered or, in the event of non-delivery, the scheduled delivery date. SHIPPER must file any civil action against SPI in a Court of Law (or commence arbitration) within two (2) years from the date on which the cargo was delivered or, in the event of non-delivery, the scheduled delivery date.
- B. **Limitation of Liability:** As an arranger of freight services, SPI's aggregate liability on any load is limited to the total service fee charged for the shipment. The Motor Carrier will be liable for all losses. Neither SPI nor the Motor Carrier are responsible or liable for shipper error or packaging.
- C. **Inspection and Loss or Damage to Food Shipments.** SHIPPER acknowledges and agrees that the definition of "adulterated" as applicable to Food Shipments shall be that provided in the FD&C Act (21 U.S.C. §§ 342(a)(i)(4), 342(i)). In the event of apparent adulteration of any portion of a Food Shipment, SHIPPER will require its consignee to accept the entire shipment and hold the portion that is apparently adulterated for inspection. SHIPPER warrants that it will at its own expense obtain a reliable inspection of the Food Shipment as soon as possible after delivery by a qualified expert. SHIPPER acknowledges that the performing Motor Carrier will bear no liability for Food Shipments wrongfully refused by SHIPPER without a timely and documented determination by a qualified expert of adulteration. SHIPPER additionally acknowledges that if it fails to provide written instructions, as required above, the performing Motor Carrier will not be liable for loss or damage to Food Shipments deemed adulterated.
- D. **Mitigating Damages.** None of the provisions in this Agreement in any way limit SHIPPER's obligation to mitigate its damages, including by salvaging all portions of a shipment for which there is a secondary market.

8. INSURANCE. SPI agrees to procure and maintain at its own expense the following insurance coverage amounts:

- A. Comprehensive general liability insurance covering bodily injury and property damage \$5,000,000
- B. Contingent Cargo Liability \$500,000
- C. Errors and Omissions Liability \$500,000
- D. Contingent Non-owned Auto Liability Insurance or other insurance providing substantially similar coverage \$10,000,000

9. ADDITIONAL CARGO INSURANCE REFERRAL PROGRAM. At the request of SHIPPER, SPI may facilitate the procurement of additional cargo insurance for high-value loads. In facilitating such additional cargo insurance, SPI is not acting as a producer of insurance to solicit, negotiate, or sell insurance. SPI's role under such an arrangement is merely that of a referral source to a producer of insurance. SPI is not a licensed insurance agent or insurance carrier and does not assume any liability or risk associated with the purchase or sale of insurance. SPI does not receive any fee or earn any profit based upon SHIPPER's participation in this insurance referral program. Under this insurance

referral program, SPI is able to refer shippers and carriers to Lloyd's of London ("Lloyd's) for the potential procurement of additional cargo coverage. SPI makes no representations about Lloyd's or its policies, coverages or rates. To the extent SHIPPER opts to procure additional cargo insurance through this insurance referral program, it is SHIPPER's sole responsibility to determine whether the Lloyd's insurance policy satisfies SHIPPER's insurance needs and risk tolerance. SHIPPER is under no obligation to utilize Lloyd's policies or to participate in this insurance referral program in order to procure additional cargo coverage.

10. SURETY BOND. SPI shall maintain a surety bond or trust fund agreement as required by the Federal Motor Carrier Safety Administration in the amount of at least \$75,000 or as otherwise required by the FMCSA and furnish SHIPPER with proof upon request.

11. HAZARDOUS MATERIALS. SHIPPER shall comply with all applicable laws and regulations relating to the transportation of hazardous materials as defined in 49 CFR §172.800, §173, and § 397 et seq. to the extent that any shipments constitute hazardous materials. SHIPPER is obligated to inform SPI immediately if any such shipments constitute hazardous materials. SHIPPER shall defend, indemnify and hold SPI harmless from any penalties or liability of any kind, including reasonable attorney/legal fees, arising out of SHIPPER's failure to comply with applicable hazardous materials laws and regulations.

12. HOMELAND SECURITY. As applicable to each, respectively, SPI and SHIPPER shall comply with federal, state and local Homeland Security related laws and regulations and any applicable Canadian provincial or federal laws and regulations.

13. ASSIGNMENT/MODIFICATIONS OF AGREEMENT. Neither Party may assign or transfer this Agreement, in whole or in part, without the prior written consent of the other Party. No amendment or modification of the terms of this Agreement shall be binding unless in writing and signed by the Parties.

14. SEVERABILITY/SURVIVABILITY. In the event that the operation of any portion of this Agreement results in a violation of any law, or any provision is determined by a court of competent jurisdiction to be invalid or unenforceable, the Parties agree that such portion or provision shall be severable and that the remaining provisions of the Agreement shall continue in full force and effect. The representations and obligations of the Parties shall survive the termination of this Agreement for any reason.

15. INDEPENDENT CONTRACTOR. The relationship of the Parties to each other shall at all times be that of independent contractors. None of the terms of this Agreement, or any act or omission of either Party shall be construed for any purpose to express or imply a joint venture, partnership, fiduciary, or employer/employee relationship between the Parties. Each Party shall provide sole supervisions and shall have exclusive control over the actions and operations of its employees, and agents used to perform its services hereunder. Neither Party has any right to control, discipline or direct the performance of any employees, or agents of the other Party.

16. NONWAIVER. Failure of either Party to insist upon performance of any of the terms, conditions or provisions of this Agreement, or to exercise any right or privilege herein, or the waiver of any breach of any of the terms, conditions or provisions of this Agreement, shall not be construed as thereafter waiving any such terms, conditions, provisions, rights or privileges, but the same shall continue and remain in full force and effect as if no forbearance or waiver had occurred.

17. FORCE MAJEURE. Neither Party shall be liable to the other for failure to perform any of its obligations under this Agreement during any time in which such performance is prevented by fire, flood, or other natural disaster, war, embargo, riot, civil disobedience, or the intervention of any government authority, or any other cause outside of the reasonable control of the SHIPPER or SPI, provided that the Party so prevented uses its best efforts to perform under this Agreement and provided further, that such Party provide reasonable notice to the other Party of such inability to perform. Performance obligations of the Parties may be extended by the amount of delay caused by Force Majeure events, upon mutual agreement.

18. CHOICE OF LAW AND VENUE. All questions concerning the construction, interpretation, validity, and enforceability of this Agreement, whether in a court of law or in arbitration, shall be governed by and construed and enforced in accordance with the laws of the Province of British Columbia, without giving effect to any choice or conflict of law provision or rule that would cause the laws of any other jurisdiction to apply. Any disputes arising under this Agreement shall be brought in the courts of the Province of British Columbia.

19. CONFIDENTIALITY. Other than as required to comply with law or legal process requiring disclosure, the Parties agree to the following:

- A. SPI shall not use SHIPPER's name or identity in any advertising or promotional communications without written confirmation of SHIPPER's consent and the Parties shall not publish, use or disclose the contents or existence of this Agreement except as necessary to conduct their operations pursuant to this Agreement. SPI will require its carriers and/or other brokers to comply with this confidentiality clause.
- B. In addition to Confidential Information protected by law, statutory or otherwise, the Parties agree that all of their financial information and that of their customers, including but not limited to freight and brokerage rates, amounts received for brokerage services, amounts of freight charges collected, freight volume requirements, as well as personal customer information, customer shipping or other logistics requirements shared or learned between the Parties and their customers, shall be treated as Confidential, and shall not be disclosed or used for any reason without prior written consent.
- C. In the event of violation of this Confidentiality paragraph, the Parties agree that the remedy at law, including monetary damages, may be inadequate and that the Parties shall be entitled, in addition to any other remedy they may have, to an injunction restraining the violating Party from further violation of this Agreement in which case the non-prevailing Party shall be liable for all costs and expenses incurred, including but not limited to reasonable attorney's fees.

20. ENTIRE AGREEMENT. This Agreement constitutes the entire agreement intended by and between the Parties and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements, and understandings, whether oral, written, expressed or implied, with respect to the subject matter hereof. For added clarity, these Terms & Conditions apply to every agreement entered between SPI and SHIPPER and supersede any other agreement, contract, standard terms or provisions of any kind. In the event of a conflict with any terms of any other agreement, contract, standard terms or provisions of any kind, these Terms & Conditions will govern.