

Last-Mile Delivery

Canuck Courier





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Private and confidential

Canuck Courier
Innisfil, ON

Subject: Home Delivery

Frontier Supply Chain Solutions Inc. (Frontier) is a Canadian supply chain company. Headquartered in Winnipeg, and with locations in Regina and Saskatoon. We are able to provide comprehensive last-mile delivery service through our existing infrastructure, and delivery networks. Our priority is to:

- Complete last-mile home deliveries throughout Manitoba and Saskatchewan
- Provide data integration and status updates via API
- Ensure the shortest transit time at the best price
- Offer line-haul services from Vaughan, ON to injection points in Winnipeg, Regina, Saskatoon
- Provide value through our other services (cross-border line-haul, customs brokerage, etc.)

As consumer trends continue to shift towards ecommerce based platforms, having a reliable carrier to complete the transaction is increasingly important. At Frontier, we understand the importance of fulfilling the promise of a timely delivery, and the reputational impact that this has on you, the carrier. Today, Frontier processes thousands of shipments each day and records over a 98% on time delivery percentage.

We take pride in our customer service, service area, independency, and most importantly developing relationships that build trust, establish communication, and minimize error. Making a decision on a new delivery provider is an important choice that requires an assessment of many things: coverage, technology, service and performance. The ideal firm will continuously communicate with you and best understand your business needs today and in the future. We believe we are that provider.

Please do not hesitate to contact me at (204)784-4800 x127 if you have any questions. On behalf of Frontier, we look forward to working with you.

Sincerely,

Chris Borecky
Business Development Manager
Frontier Supply Chain Solutions Inc.

Proposed Solution

Frontier is an established home delivery provider with experienced drivers, knowledgeable staff, and advanced information technology capabilities. Headquartered in Winnipeg, but with strategic locations across North America, we are able to scale our solutions for both small and large sized businesses.

As an independent, asset based firm, Canuck Courier can expect not only a reliable carrier but also a high level of customer service. This is possible because of our experienced, regionalized service that we have provided and upheld throughout the years. In addition to your sales representative, Canuck Courier will have access to our operations managers in Winnipeg, Saskatoon, and Regina. This open line of communication is key to ensuring all parties are coordinated and up to date on daily events.

WebSHIP and Frontier's Shipping API

Frontier is able to offer different solutions for the order transmission process. Our software and label creation system is compatible for most businesses. We can customize status updates based on certain needs, with our experienced IT team who built WebSHIP from scratch. Orders are manually entered, or uploaded via a variety of options. Frontier will work closely with you and your IT team before implementation to ensure all testing is complete and will be a success when we go live.

Line-Haul

Frontier can offer line-haul services from Vaughan, ON to Winnipeg, Regina, Saskatoon, and Calgary. Separate rates are below and we can setup daily appointments to ensure your deliveries most into Western Canada like clockwork.

Cross Dock

Frontier has staff on hand working multiple shifts to cover day and night sorting depending on the client. We expect to receive pre-labelled parcels before noon, and shipments are immediately pushed to our sorting area for distribution:

- In City – sorted by postal code for efficient delivery the following morning
- Rural – sorted by city to be put on our rural delivery routes delivering daily
- Overnight Linehaul – sorted by delivering terminal; if the consignee is serviced from a different terminal it was picked up from, these pieces will be transported overnight to be sorted and put on delivery routes the following morning.

Delivery

Each morning our drivers arrive to Frontier warehouses to load their vehicles and complete the deliveries. Rural routes will be loaded first between 6-7am, and local routes finishing by 8am. Upon completion, a delivery scan will take place and a status update can be sent to Canuck Courier.

All delivery routes are pre-existing, meaning the dock staff know the areas, our drivers know the roads, and Frontier knows home delivery.

Implementation

Upon acceptance of this proposal, we will work with Canuck Courier to begin data integration and develop a timeline of key events that need to be completed prior to starting. A start date will then be mutually agreed upon.

The benefits of working with Frontier are:

- ✓ An experienced, asset based delivery provider accustomed to high volume clients
- ✓ Operational representation in Winnipeg, Saskatoon, and Regina for quick response times and oversight
- ✓ Existing infrastructure and know how
- ✓ Ability to help you zone skip
- ✓ Competitive pricing, transparent communication, and excellent customer service
- ✓ Dedicated sales rep overseeing the account on a permanent basis

Appendix A – Delivery Fees

Ex Winnipeg

| Origin | Destination | Prov | 1-10 lbs | Each Additional lbs |
|--------------|-------------------|------|----------|---------------------|
| Winnipeg, MB | Winnipeg | MB | 6.00 | 0.10 |
| Winnipeg, MB | Steinbach | MB | 8.00 | 0.15 |
| Winnipeg, MB | Portage | MB | 7.50 | 0.11 |
| Winnipeg, MB | Winkler | MB | 8.00 | 0.15 |
| Winnipeg, MB | Brandon | MB | 7.50 | 0.11 |
| Winnipeg, MB | Selkirk | MB | 7.50 | 0.11 |
| Winnipeg, MB | Rural Manitoba | MB | 18.50 | 0.28 |
| Winnipeg, MB | Northern Manitoba | MB | 18.50 | 0.28 |

Fuel Surcharge: See Appendix B Standard FSC Schedule – currently 17.5%

Ex Regina

| Origin | Destination | Prov | 1-10 lbs | Each Additional lbs |
|------------|--------------------|------|----------|---------------------|
| Regina, SK | Regina/Saskatoon | MB | 6.50 | 0.10 |
| Regina, SK | Rural Saskatchewan | MB | 8.00 | 0.15 |

Fuel Surcharge: 10%

LTL Line-haul Ex Vaughan

| Origin | Destination | Prov | M/C | L5C | M5C | 1M | 2M | 5M |
|-------------|-------------|------|-------|-------|-------|-------|-------|-------|
| Vaughan, ON | Winnipeg | MB | 78.11 | 21.30 | 17.56 | 14.20 | 11.75 | 11.04 |
| Vaughan, ON | Regina | SK | 81.02 | 23.32 | 19.14 | 15.95 | 13.43 | 12.70 |
| Vaughan, ON | Saskatoon | SK | 82.10 | 24.17 | 19.88 | 16.74 | 14.15 | 13.61 |
| Vaughan, ON | Calgary | AB | 91.01 | 33.14 | 26.70 | 21.46 | 19.23 | 18.00 |

- A full list of corresponding FSA and Postal Codes can be found in the attached spreadsheet
- One free redelivery, after which normal delivery rates apply
- FSC Schedule in Appendix A apply to Ex Winnipeg and LTL rates
- All rates are in Canadian Dollars
- No home deliver fees

Appendix B – Fuel Surcharge

All parcel shipments will be subject to a fuel surcharge based on the weekly average reported by BJ Ervin and Associates, updated after 4:00 PM on Monday of each week. This index price may be obtained at <http://charting.kentgroupltd.com>. If Monday is a holiday, the index will be available on Tuesday. The applicable surcharge will become effective on the Wednesday immediately following.

If the national average price of diesel rises above the following table, the surcharge will increase proportionately. The fuel charge is shown as a separate amount on the freight bill.

| From | To | Parcel % |
|---------|--------|----------|
| \$ 0.56 | \$0.58 | 1.0% |
| \$ 0.58 | \$0.60 | 1.5% |
| \$ 0.60 | \$0.62 | 2.0% |
| \$ 0.62 | \$0.64 | 2.5% |
| \$ 0.64 | \$0.66 | 3.0% |
| \$ 0.66 | \$0.68 | 3.5% |
| \$ 0.68 | \$0.70 | 4.0% |
| \$ 0.70 | \$0.72 | 4.5% |
| \$ 0.72 | \$0.74 | 5.0% |
| \$ 0.74 | \$0.76 | 5.5% |
| \$ 0.76 | \$0.78 | 6.0% |
| \$ 0.78 | \$0.80 | 6.5% |
| \$ 0.80 | \$0.82 | 7.0% |
| \$ 0.82 | \$0.84 | 7.5% |
| \$ 0.84 | \$0.86 | 8.0% |
| \$ 0.86 | \$0.88 | 8.5% |
| \$ 0.88 | \$0.90 | 9.0% |
| \$ 0.90 | \$0.92 | 9.5% |
| \$ 0.92 | \$0.94 | 10.0% |
| \$ 0.94 | \$0.96 | 10.5% |
| \$ 0.96 | \$0.98 | 11.0% |
| \$ 0.98 | \$1.00 | 11.5% |
| \$ 1.00 | \$1.02 | 12.0% |
| \$ 1.02 | \$1.04 | 12.5% |

| From | To | Parcel % |
|---------|--------|----------|
| \$ 1.02 | \$1.04 | 12.5% |
| \$ 1.04 | \$1.06 | 13.0% |
| \$ 1.06 | \$1.08 | 13.5% |
| \$ 1.08 | \$1.10 | 14.0% |
| \$ 1.10 | \$1.12 | 14.5% |
| \$ 1.12 | \$1.14 | 15.0% |
| \$ 1.14 | \$1.16 | 15.5% |
| \$ 1.16 | \$1.18 | 16.0% |
| \$ 1.18 | \$1.20 | 16.5% |
| \$ 1.20 | \$1.22 | 17.0% |
| \$ 1.22 | \$1.24 | 17.5% |
| \$ 1.24 | \$1.26 | 18.0% |
| \$ 1.26 | \$1.28 | 18.5% |
| \$ 1.28 | \$1.30 | 19.0% |
| \$ 1.30 | \$1.32 | 19.5% |
| \$ 1.32 | \$1.34 | 20.0% |
| \$ 1.34 | \$1.36 | 20.5% |
| \$ 1.36 | \$1.38 | 21.0% |
| \$ 1.38 | \$1.40 | 21.5% |
| \$ 1.40 | \$1.42 | 22.0% |
| \$ 1.42 | \$1.44 | 22.5% |
| \$ 1.44 | \$1.46 | 23.0% |
| \$ 1.46 | \$1.48 | 23.5% |
| \$ 1.48 | \$1.50 | 24.0% |