

Proposal to Serve:

**Quality
Classrooms**

Customs Brokerage and Logistics Services





Frontier Supply Chain Solutions Inc.
310-555 Hervo St
Winnipeg, MB R3T 3L6
Canada

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January 12th, 2021

Private and confidential

Quality Classrooms
840 Bradford St
Winnipeg, MB
R3H 0N5

Subject: Canadian Customs Brokerage and Cross Border

We are pleased to propose a partnership that would have Frontier Supply Chain Solutions (Frontier) providing professional customs brokerage and cross-border logistics services.

Frontier is a North American supply chain company. We feel we have put together a comprehensive program for Quality Classrooms that will provide value in a number of different areas, and benefit you in to the future. Our main priorities are:

- Implement freight consolidation program to lower costs on import shipments
- Decrease customs fees
- Give the ability to drop-ship to customers in Eastern or Western Canada
- Implement EDI transmission or CSV File uploads of customs entries for accuracy and added cost savings
- Offer additional support through other services (local courier, domestic logistics, ocean freight forwarding)
- Provide dedicated sales rep to look after your account on an ongoing basis and ensure service standards are met

As Frontier engages new partnerships, we will work for continuous improvement. This is to ensure Quality Classrooms is always up-to-date on the most effective programs available by CBSA and USCBP.

Choosing a new provider is an important decision. You must assess your needs and select a business that will continuously communicate with you, provide valuable insights, 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 Ext. 127 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.

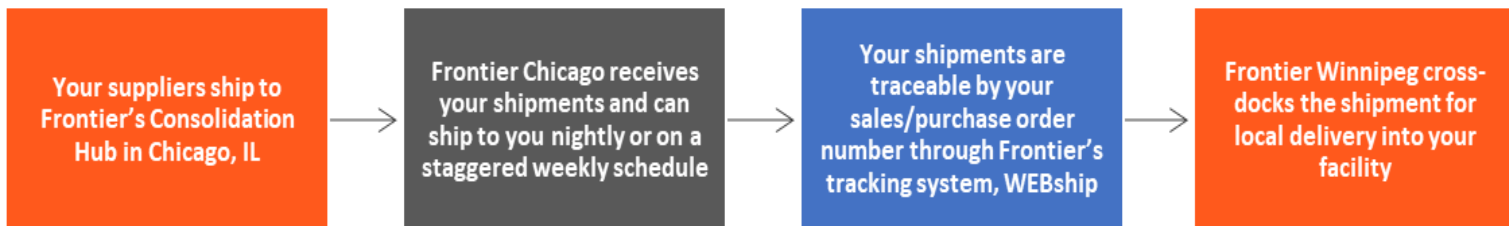
Frontier's Cross-Border Consolidation Program

Quality Classrooms currently consolidates stock orders once per week in Pembina, ND. Frontier's US Pool Point is in Itasca, IL. Being one of the largest centers in the US, Chicago will typically receive product from your vendors quicker than a rural point along the border. Being a zone 1, prepaid freight is less into Itasca. Then instead of 5-ton trucks making the run in to Winnipeg, we run full 53ft highway trailers into Winnipeg. Team drivers move freight on our own trucks, making the next-day service into Winnipeg one of the quicker consolidation programs available. Everything is traceable through our online system, WebSHIP.

Quality Classrooms will also have the option to drop-ship directly to customers in Eastern or Western Canada. Frontier can pull paperwork, creating a blind shipment, and ship directly to your customer at your request.

The whole program is very streamlined, and will provide the following benefits:

- **Quick Delivery**
 - Frontier delivers overnight from Chicago to Winnipeg
- **Significant Cost Savings**
 - Take advantage of US domestic freight rates
 - Save money by consolidating the cumulative weight on import shipments
 - Reduce customs brokerage fees by having 1 customs clearance
- **Improved visibility**
 - Shipments are traced by your Purchase Order #, inbound tracking # to Chicago, etc.
 - Spreadsheet manifest provided for each consolidation with full details
- **Drop-Ship Options**
 - If there are pertinent shipments or stock outs that need to get to your customers quicker, we can drop-ship directly from Itasca to your customers in Canada



Quality Classrooms would also look at buying terms that will have more favorable freight allowance, for shipping to Chicago. It is possible vendors will provide more favorable rates or buying terms if they only have to ship to Chicago instead of Pembina.

Canadian Customs Brokerage Services

Frontier's head office and main operations are in the Fort Garry Industrial Park in Winnipeg, MB. We employ over 100 people in this office, a bulk of which are part of our customs brokerage operation.

Some time ago, CBSA implemented electronic transmission of customs releases; therefore, we centralize our customs release departments here in Winnipeg. Our customs release system and software allow your brokerage team to submit your information the quickest way possible, ensuring there are no delays at the border.

Frontier's philosophy is a one-client/one-border/one-team approach. Quality Classrooms is provided a single team for Canadian customs clearances. Each team consists of an Account Manager and 3-5 Integrated Service Representatives (ISR), of which one of these people will be your direct contact for all shipments and processing.

Your Account Manager will manage the day-to-day review of your customs releases for all imports and exports. The team will gain a comprehensive knowledge of your product and the specific needs of your shipments.

Frontier has a heavy focus on trade compliance. Our goal is not only a timely customs release, but just as important is the accuracy. Ahead of any transition to Frontier, we offer a proactive review of your customs tariff database to ensure accuracy.

Our system performs automatic quality checks to ensure any entry that may be subject to a Free Trade Agreement, is taken advantage of. We also have a two-step post-entry audit process. Our focus on accuracy will help ensure you avoid costly audits.

Our Customs Brokerage system, allow us to export the data in a spreadsheet, and we can audit from that. This is especially helpful for auditing high-lineage shipments. We tailor each report to the client.

We also have a data portal through Visual Importer, which provides document retrieval, shipment tracking, ability to run reports, and access to tariff database. We can do excel uploads for shipment data, so if you have invoices already in excel or a convertible format we can upload it for a quick release to eliminate data entry and eliminate the potential for human error.

The appealing interface and dashboard provides you with a single view of your duty/tax liabilities. It is very simple to use, and gives a consolidated view of all brokers and daily notices. You can view your duty and tax trends over time, allowing for better cash flow and internal planning. Can show totals and averages for B3 transactions, payments paid, interest owing, adjustments, credits, penalties, refunds, etc. More information is below.

EDI and Streamlined Paperwork Transmission

Frontier utilize's EDI data transfers whenever possible to reduce human error. We recommend implementing this for Quality Classrooms into daily Standard Operating Procedures. This would increase accuracy, reduce errors, and take less time and resources away from Quality Classrooms's normal course of business. Frontier IT and operations team would work closely to implement this process.

Tracking and Reporting: Visual Importer

Frontier's customs brokerage system for Canadian Customs has all the tools for shipments to be tracked, giving Quality Classrooms full reporting capabilities and access to their shipments. Real time statuses can be obtained; ensuring important deadlines and ship by dates are met.

- **Visual Importer will allow Quality Classrooms to get real time Shipment status by confirmation day:**

The screenshot displays the 'ACTIVE CONFIRMING' section of the Visual Importer software. It features a navigation bar at the top with options like 'Home', 'Imports', 'ARL', 'Brokerage', 'Items', 'Trade Partners', 'Reports', 'Tools', 'Links', and 'Setup'. Below the navigation bar, there are filters for 'Division', 'Status', and 'Mode', along with a search and reset button. A color-coded bar indicates the confirmation days: Overdue (red), Day 5 (orange), Day 4 (purple), Day 3 (yellow), Day 2 (green), and Day 1 (light green). The main table lists four records with columns for IMG, Transaction Number, Reference Number, Importer, Release Date, No of Day, AQ, Lines, B3 Type, Release Type, Duty, SIMA, ETAX, GST, Status, and A/T. The first record is highlighted in red, indicating it is overdue.

IMG	TRANSACTION NUMBER	REFERENCE NUMBER	IMPORTER	RELEASE DATE	NO OF DAY	AQ	LINES	B3 TYPE	RELEASE TYPE	DUTY	SIMA	ETAX	GST	STATUS	A/T
<input type="checkbox"/>	12237-00000006-6	RENEE	CNHCAN	2019-09-01	10	Appraisal Quality Data	1	AB	IID	105.64	7943.75	0	490.5	Pending i	re
<input type="checkbox"/>	12237-00000039-5	TEST	CNHCAN	2019-09-12	3	Appraisal Quality Data	1	AB	IID	0	152.56	0	12.12	Pending i	re
<input checked="" type="checkbox"/>	12237-00000016-6	DEMO RENE	CNHCAN	2019-09-13	2	Appraisal Quality Data	1	AB	PARS	76.71	0	0	62.85	Pending i	re
<input type="checkbox"/>	12237-00000017-9	RENEE DEMO	CNHCAN	2019-09-16	1	Appraisal Quality Data	0	AB	PARS	0	0	0	0	Pending i	re

4 records
 Hide Release Only Hide Do Not Send

Frontier can set up scheduling and automatic reporting to provide Quality Classrooms an exported file (In Excel format) with any requested or regularly required information.

- **Visual Importer will allow Quality Classrooms users to retrieve custom documents by shipment # via imaging document system:**

VISUAL IMPORTER and ARL Home Imports ARL Brokerage Items Trade Partners Reports Tools Links Setup OnLine Help renee

SHIPMENT MANAGER Add New Shipment Add Shipment from Template

Division: No Division Selected CNHCAN Search Reset Delete

TRANSACTION NUMBER	REFERENCE NUMBER	RELEASE DATE	IMPORTER	B3 TYPE	RELEASE TYPE	OFFICE NUMBER	LINES	CCNO	CONTAINER NUMBER	ACROSS / CADEX STATUS	MODE OF TRANSPORTATION
12237-00000005-5	0081224177	2019-09-05	CNHCAN	AB	RMD	395	0	3959776051345		P / A	TRUCK
12237-00000006-6	RENEE	2019-09-01	CNHCAN	AB	IID	502	1	5068PARS0042772		P / P	TRUCK
12237-00000013-5		2019-07-18 (E)	CNHCAN	AB	IID	705	1	23DR011609		P / P	TRUCK
12237-00000014-6		2019-07-18 (E)	CNHCAN	AB	IID	440	1	5116PARS030865		P / P	TRUCK
12237-00000016-8	DEMO RENEE	2019-09-13	CNHCAN	AB	PARS	440	1	3959833949944		A / P	TRUCK
12237-00000017-9	RENEE DEMO	2019-09-16	CNHCAN	AB	PARS	453	0	3959853951604		A / P	TRUCK
12237-00000027-1		2019-08-01 (E)	CNHCAN	AB	PARS	440	0	225284035436		P / P	TRUCK
12237-00000032-8		2019-08-02 (E)	CNHCAN	AB	PARS	440	1	21R6PARS009890		P / P	TRUCK
12237-00000033-9		2019-08-02 (E)	CNHCAN	AB	PARS	351	1	5826PARS200336		P / P	TRUCK
12237-00000034-0		2019-08-05 (E)	CNHCAN	AB	PARS	502	0	2246PARS067822		P / P	TRUCK
12237-00000035-1		2019-08-06 (E)	CNHCAN	AB	PARS	705	0	1C7F000718		P / P	TRUCK
12237-00000039-5	TEST	2019-09-12	CNHCAN	AB	IID	453	1	22T0PARS123459		P / P	TRUCK
12237-00000043-1		2019-08-07 (E)	CNHCAN	AB	PARS	602	0	2277PARS402201		P / P	TRUCK

Shipment Tasks: Export to Excel, Import from Excel, Retrieve from history, Post to history

Common Tasks: Create Shipment Stub, Create Blank Shipment, Create Shipment from Template, Create LVS Entry

Shipment Manager: LVS List, Release Manager, Confirming Manager, CCI Manager

Item List, Trade Partner List

Our Accounts Receivable Ledger solution will give controllers and compliance officers an ongoing and complete overview of all import-related activities recorded by CBSA. This includes duty, taxes, GST, refunds, and adjustments. Your information is consolidated and ready to use in a simplified format.

The appealing dashboard provides you with a single view of your duty/tax liabilities. It is very simple to use, and gives a consolidated view of all brokers and daily notices. So anything cleared by UPS or FedEx will be shown in the same area. You can view your duty and tax trends over time, allowing for better cash flow and internal planning. Can show totals and averages for B3 transactions, payments paid, interest owing, adjustments, credits, penalties, refunds, etc.

With ARL already implemented by CBSA, the reporting capabilities within this software will be that much more important:

- View your daily notices and monthly statements
- Get notified when values are out of normal range
- Give your finance people what they need, when they need it

Sample Implementation Timetable

To accommodate your busy schedule, Frontier would develop a streamlined implementation plan to use as few of your resources as possible. The following is an example, and more tasks may be added for each specific customer:

Set Up Documents

Document	Responsibility	Time Needed to Complete
Credit Application	Quality Classrooms	5 minutes
CDN Power of Attorney	Quality Classrooms	1 minute
GST Letters	Quality Classrooms	1 minute
Cancellation Letter	Quality Classrooms	1 minute
Carrier Authority	Quality Classrooms	1 minute

Developing Standard Operating Procedures

Task	Responsibility	Time Needed to Complete
Questions for Quality Classrooms	Frontier and Quality Classrooms	10-15 minutes
Provide NAFTAs/Database	Quality Classrooms	15-30 minutes
Internal Set up Meeting	Frontier	30-60 minutes
HS Code review	Frontier	1-5 hours
Load HS Codes into system	Frontier	30 minutes
SOP Review/Approval	Frontier and Quality Classrooms	30 minutes

Finalizing Transition

Task	Responsibility	Time Needed to Complete
Send Cancellation Notice	Frontier	1 minute
Send Carrier Authority	Frontier	5 minutes
Send Notice to Suppliers	Quality Classrooms	15-30 minutes

Estimated Total Transition Time Allocated by Quality Classrooms: about 60-90 minutes

Fees

Canadian Customs Brokerage

The following fees are based on one consolidation per week, and approximately 200-300 direct shipments per annum

Standard Market Value Release Fee	Additional Fees
Standard US-Canada Border Release Fee: \$35.00 (20 lines free)	\$0.75 per additional line over 20
CLVS (courier shipments under \$3300 in value): \$17.50 per Canadian Customs Release (up to 20 lines free)	Line Fees Capped at \$65 If CSV file is provided Line fees are eliminated
DeMinimis Customs release (shipments value under \$150): \$10	Sub-Header Fee: \$8

*Canadian Dollars

US Customs Brokerage (for returns/warranty shipments)

US Customs Clearance (any value over \$800)
PAPS Release: \$25.00 per US Customs Release up to 10 free lines
\$0.45 per additional line over 10
Continuous Bond Fee
\$475 US
To be renewed annually

*US Dollars

*Additional Accessorial Fees are included as a separate attachment

Consolidation Rates

Leg 1 – Vendor to Itasca

Origin	Destination	M/C	L5C	M5C	1M	2M	5M	Class
Union, MO	Itasca, IL	113.37	24.62	24.57	19.40	14.48	12.39	100
Union, MO	Itasca, IL	113.37	34.96	34.88	29.11	23.09	17.91	150

Consolidation Rates continued....

Small Parcel

Origin	Lbs	1	2	3	4	5	6	7	8	9	10	11+
Itasca, IL	ON - GTA	6.02	6.27	6.52	6.77	7.02	7.27	7.52	7.77	8.02	8.27	0.25
Itasca, IL	ON - South	6.31	6.58	6.85	7.12	7.39	7.66	7.93	8.20	8.47	8.74	0.27
Itasca, IL	ON - Central	9.09	9.42	9.75	10.08	10.41	10.74	11.07	11.40	11.73	12.06	0.33
Itasca, IL	ON - East	11.30	11.73	12.16	12.59	13.02	13.45	13.88	14.31	14.74	15.17	0.43
Itasca, IL	ON - North	14.30	14.74	15.18	15.62	16.06	16.50	16.94	17.38	17.82	18.26	0.44
Itasca, IL	QC - Montreal	6.64	6.98	7.32	7.66	8.00	8.34	8.68	9.02	9.36	9.70	0.34
Itasca, IL	QC - Province	11.30	11.73	12.16	12.59	13.02	13.45	13.88	14.31	14.74	15.17	0.43
Itasca, IL	Maritimes	14.78	15.18	15.58	15.98	16.38	16.78	17.18	17.58	17.98	18.38	0.40
Itasca, IL	NL - Province	18.76	19.24	19.72	20.20	20.68	21.16	21.64	22.12	22.60	23.08	0.48
Itasca, IL	MB - Winnipeg	8.92	9.09	9.26	9.43	9.60	9.77	9.94	10.11	10.28	10.45	0.17
Itasca, IL	MB - Province	14.57	14.77	14.97	15.17	15.37	15.57	15.77	15.97	16.17	16.37	0.20
Itasca, IL	SK - Regina	10.19	10.44	10.69	10.94	11.19	11.44	11.69	11.94	12.19	12.44	0.25
Itasca, IL	SK - Province	12.21	12.48	12.75	13.02	13.29	13.56	13.83	14.10	14.37	14.64	0.27
Itasca, IL	AB - Calgary	10.78	11.12	11.46	11.80	12.14	12.48	12.82	13.16	13.50	13.84	0.34
Itasca, IL	AB - Edmonton	10.78	11.12	11.46	11.80	12.14	12.48	12.82	13.16	13.50	13.84	0.34
Itasca, IL	AB - Province	13.92	14.34	14.76	15.18	15.60	16.02	16.44	16.86	17.28	17.70	0.42
Itasca, IL	BC - Vancouver	10.80	11.20	11.60	12.00	12.40	12.80	13.20	13.60	14.00	14.40	0.40
Itasca, IL	BC - Province	17.23	17.69	18.15	18.61	19.07	19.53	19.99	20.45	20.91	21.37	0.46

LTL

Origin	Destination	Prov	M/C	L5C	M5C	1M	2M	5M	10M
Itasca, IL	Winnipeg	MB	105.00	22.38	20.83	19.27	17.88	16.77	15.19
Itasca, IL	Regina	SK	105.00	25.98	21.48	19.73	18.19	17.70	17.39
Itasca, IL	Saskatoon	SK	105.00	27.12	22.26	20.39	18.95	18.26	17.91
Itasca, IL	Edmonton	AB	106.94	31.19	25.98	23.57	21.49	20.48	19.97
Itasca, IL	Calgary	AB	106.94	31.19	25.98	23.57	21.49	20.48	19.97
Itasca, IL	Vancouver	BC	130.01	40.12	31.66	26.13	23.65	22.94	22.64
Itasca, IL	Toronto	ON	105.00	23.42	23.11	18.28	17.03	16.15	15.50
Itasca, IL	Ottawa	ON	107.41	33.01	28.37	24.50	22.21	19.73	18.56
Itasca, IL	Montreal	QC	105.00	28.86	25.77	22.23	20.61	19.28	17.96
Itasca, IL	Quebec	QC	105.00	30.97	27.55	23.64	21.78	20.25	18.95
Itasca, IL	Halifax	NS	116.03	35.88	32.50	28.57	26.60	24.76	22.99
Itasca, IL	Moncton	NB	108.68	32.83	29.59	25.78	23.90	22.22	20.69
Itasca, IL	St Johns	NL	168.17	56.84	52.33	47.03	44.39	40.89	37.60

Notes:

- The cost of fuel is not included in these rates.
- The greater of the Cubed weight and actual weight will always be used when calculating the freight fee
- Cubed Weight Formula = $(L \times W \times H / 1728) \times 10$
- Duties, Taxes and Brokerage are not included in the freight fee
- The rates indicated in this spreadsheet are in US funds
- Rural and remote destinations are subject to additional charges.

Appendix A – US Vendor Routing Guide

Vendor Routing Guide for Quality Classrooms

- Quality Classrooms suppliers (in the US) will send POs that can be sent via domestic courier (UPS/FedEx), prepaid to the following address:

Quality Classrooms c/o Frontier Supply Chain Solutions
1450 W Thorndale Avenue, Itasca, IL, 60143

Hours of Operation: 9am-5pm

Warehouse Manager: Mike Virizi – (630) 250-3544 x 402

- Any questions or shipment issues can be directed towards the Quality Classrooms team at Frontier:

frontier8@frontierscs.com

This email address goes to the Quality Classrooms team who is ultimately managed by:

Account Manager: Chris Rech – crech@frontierscs.com - (877) 704-3727 X188

Integrated Service Rep: Christiane Paes – cpaes@frontierscs.com - (877) 704-3727 X134

- ALL Quality Classrooms vendors and suppliers must treat shipments going to Itasca, as a CANADIAN SHIPMENT. Meaning the following documents must still accompany shipment:
 - Canadian Customs Invoice
 - NAFTAs for new parts
 - Accurate values and piece counts
- Ship to MUST READ → Quality Classrooms c/o Frontier Supply Chain Solutions
1450 W Thorndale Avenue, Itasca, IL, 60143

References

Artists Emporium
Suzanne Paintin
Accounting and Purchasing
(204) 772-2421

McNally Robinson
Chris Hall
Owner
(204) 475-0483

The Teacher's Trunk
Tanner or Tracey Baudais
Owners
(306)-653-3000

Month	Release Date	Statement Date ³	CBSA Cheque/Frontier Payment Due Date ¹	CBSA Online Payment Due Date ²
January	15	25	27	29
February	17	25	24	26
March	17	25	29	31
April	16	26	28	30
May	14	25	27	31
June	17	25	28	30
July	16	26	28	30
August	17	25	27	31
September	17	27	28	30
October	15	25	27	29
November	17	25	26	30
December	17	27	29	31

1 Customers paying by cheque to “Receiver General of Canada” and/or Frontier must be received two business days prior to the CBSA due date allowing for processing and delivery to avoid CBSA late penalties and interest. Administration fees apply when paying Frontier.

2 Customers paying CBSA through online banking will receive a separate statement for Duty and/or GST and payment must be received by CBSA on the due date listed by 16:30 EST. Payments are due on the last business day of the month.

3 The statement are generated on the 25th day of each month varying only on weekends and holidays. CBSA's SOA will be available on the 25th.