

HANNIC INC.

SCHEDULE 100

HANNIC INC.
Broker Authority # 211823

FREIGHT RATE SCHEDULE / GOVERNING RULES & PROVISIONS

Naming

LOCAL COMMODITY RATES
-Via all motor routes-

Applying On

VARIOUS COMMODITIES
(As named herein)

Between Points In

THE UNITED STATES (Except AK and HI)

APPLICABLE ONLY ON SHIPMENTS MOVING FOR THE ACCOUNT OF

Applicable on Interstate or Foreign Commerce Only

The provisions published herein will not, if effective, have
an effect on the quality of the human environment.

ISSUED BY
DEBRA L. MAASS, PRESIDENT
PO BOX 445
PLAINFIELD, IL 60544

STATEMENTS OF OPERATING AUTHORITY

HANNIC INC.

Provisions named in this schedule or as amended, are limited in their application on interstate or foreign commerce to the extent of the operating right set forth below.

HANNIC INC.
Broker authority # MC 211823

- 100 **ADVANCING OF CHARGES**
When the broker is requested to have it's carrier make a delivery to terminal markets, piers, or warehouses, where an entry fee is required, and when effective transportation necessitates the use of interlines, storage, driver load, unload or lumper services which results in an expense not otherwise specifically included in the transportation rate, the broker will pay the assessed fees or charges. Such charges will be added to the freight bill and collected in addition to all other lawful transportation charges.
- 200 **APPLICATION OF RATES - ALTERNATE APPLICATION OF RATES AND WEIGHT**
In no case shall the charge for any shipment be greater than the charge for a greater quantity of a like kind of freight.
- 300 **APPLICATION OF SCHEDULE**
Rates and charges named herein shall apply only for the account of Broker and its subsidiaries. Unless otherwise specified, the broker shall arrange for the transportation services as a broker. Service shall not be substituted without the prior knowledge of the party requesting transportation services.
- 400 **ARBITRARIES - IMPORT OR EXPORT SHIPMENTS**
Except as otherwise provided, an arbitrary rate of 50 cents per 100 pounds, subject to a minimum charge of \$30.00 per shipment, will be charged in addition to all other applicable rates, on shipments of import or export traffic picked up at or delivered to wharves or docks located at any ports. This arbitrary shall be assessed on the basis of actual weight picked up at or delivered to wharves or docks.
- a) This item is applicable also at warehouse or warehouses when such warehouse or warehouses are located on port property having a direct physical connection with the dock at which transfer from or to ocean carrier is made. This is applicable also at Container Yards or Container Freight Station at all ports.
 - b) The provisions made subject to this note also apply at warehouses owned or operated by Port authorities located within the area of the ports.
 - c) The provisions of this item apply to shipments to or from Alaska, Canada and Hawaii.
- 500 **BILL OF LADING AND PROOF OF DELIVERY COPIES**
A bill of lading copy will be issued with the transportation invoice when requested in advance and when the shipper has provided a minimum of 3 copies of the bill of lading or shipping order with the shipment. Proof of delivery shall only be submitted upon special request and shall not be issued as a condition of payment.
- 600 **CAPACITY LOADS - TRAILERS LOADED TO FULL VISIBLE CAPACITY**
Except as otherwise provided, when the broker arranges for a trailer for loading, and that trailer is loaded to full visible capacity by the consignor or its agent(s) or the broker at the consignor's direction, the highest applicable charge provided for the shipment will be assessed, subject to the following provisions
- a) Application of rates under this rule will apply only where multiple minimum quantities are published for the shipment. Where such multiple minimum quantities are provided, the highest applicable minimum will be applied only in the event the broker can legally transport a quantity in excess of that loaded upon the trailer subject to applicable Federal, State and Local Laws governing the maximum allowable quantity of the combined power unit and trailer furnished.

HANNIC INC.

- b) For the purposes of this rule where the commodity(s) loaded require the interior circulation of air to maintain a specific temperature or range of temperatures in-transit, full visible capacity will include the allowance of a minimum of 1 inches free space between the front, rear and sides of interior of the trailer and a minimum of 6 inches between the top of the load and the interior roof of the trailer. Full visible capacity will also be deemed to have been reached when the primary commodity loaded uses the full usable trailer floor space, and the nature of the lading precludes the loading of other lading on top thereof which would result in damage from compression, crushing, and other types of damage, or if the primary lading specifically precludes such so-called top loading.
- c) The provisions of the rule apply only where the shipment in question is tendered by one consignor, or on one bill of lading or a consolidation of bills of lading

700 CLAIMS, LOSS AND DAMAGE

Except as otherwise indicated, the provisions of this schedule shall be governed by 49 C.F.R. Sec. 1005 and 49 C.F.R. Sec. 1008. Under any circumstances it is the obligation of the consignor, motor carrier and consignee to mitigate all loss and damage. The broker's duty is to facilitate in this process. The consignor and consignee shall make every reasonable attempt to reduce the claim or loss to the carrier performing the service. Shortages will be subject to the conditions set forth relating to Packing and Packaging shortages. In addition, the shipper shall perform an itemized product inventory, recheck order-filling tickets and take other necessary steps to determine if shortages are created by shipping errors. Overages, if refused, will be subject to the provision relating to Refused Shipments. Fully received shipments will be considered complete and in good condition and shall not be subject to claims against the broker or carrier regardless of any notations to the contrary on the delivery receipt. All off condition product shall be refused to the shipper in care of the carrier. Precise, factual and nonjudgmental notations must be made on the delivery receipt as to the nature of damage including exact internal and external product temperatures throughout the entire shipment and the number of shipping units affected.

Broker will select only Motor Carriers that agree (1) to assume the liability of a motor carrier for full actual loss of cargo, subject to the provisions of the 49 U.S.C. 14706 (or successor regulation to such Carmack Amendment), up to a maximum liability of \$100,000 per shipment. The Motor Carriers' cargo liability for any one shipment will not exceed \$100,000, unless Broker is notified by Shipper of a higher value prior to shipment and with reasonable advance notice and Broker and/or the Motor Carrier have accepted the increased liability.

800 COD (COLLECT ON DELIVERY) SHIPMENTS

Except as otherwise provided, Collect on Deliver shipments will be accepted subject to the following provisions and charges:

- a) Collection must be made before shipment is delivered to consignee.
- b) Collection will be made only in cash, or by certified check, money order, or cashier's check, unless otherwise specified by the shipper.
- c) The letters, "C.O.D." must be stamped, typed or written on the Bill of Lading or Shipping Order immediately before the name of the consignee. The name of the payee, if other than the consignor, must be shown. The Collect on Delivery amount must be clearly shown in the space provided for this purpose on the Bill of Lading and Shipping Order.
- d) C.O.D. shipments will not be accepted with the privilege of examination or trial, nor bearing instructions to make partial delivery.
- e) C.O.D. shipments will not be accepted or receipted for when billed to the consignee with instructions to collect charges from another firm or person.
- f) The charge for collecting and remitting C.O.D. bills will be collected from the party responsible for the regular freight charges.
- g) The charge for collecting and remitting C.O.D. collections will be \$20.00. Charges for amounts in excess of \$1000.00 should be computed at the ratio that \$20.00 bears to \$1000.00.

900 COLLECT FREIGHT CHARGES

Collect freight charges shall be issued to the party specified on the Bill of Lading. Any unpaid collect freight charges will become the responsibility of the shipper regardless of any notations to the contrary on the Bill of Lading, Shipper shall make arrangements for collect shipments to be paid to broker within 15 days of presentation of its freight charges.

1000 CONSOLIDATION OF SHIPMENTS

HANNIC INC.

Upon instruction from shipper or consignee, Broker will facilitate in consolidating shipments picked up by the motor carrier from different origins into one shipment or consolidate shipments from one origin to multiple destinations within specified route subject to the following:

- a) All shipments to be consolidated must be tendered together at one time and made available for pick up together from a single origin or must be feasibly picked up the same day if shipped from multiple origins.
- b) A master Bill of Lading covering all shipments to be consolidated must be prepared and available at the point of origin.
- c) Unless otherwise provided the aggregate shipment shall be rated at the highest minimum quantity provided for.
- d) Each pickup or delivery in excess of the original pickup and final delivery shall be assessed a stop charge as per stop charge addendum.

1100 CREDIT

At its discretion broker shall extend credit. Unless otherwise specified in writing, charges are due and payable within 15 days of presentation of the bill. Bills unpaid after 30 days will be subject to a service charge of two percent per month (24% annual) or fraction thereof. Such service charge shall begin to accrue on the 31st day after presentation of bill.

1200 DEFINITION OF BROKER SERVICE

- a) Broker means:
- b) Entity who arranges for the movement of freight under brokerage authority issued by the FMCSA
- c) FMCSA requires broker to have a \$75000 bond.

1300 DEFINITION OF MOTOR CARRIER

- a) Motor Carrier means:
- b) A motor common carrier engaged in providing transportation of property by motor vehicle over regular or irregular routes for compensation.
- c) A motor contract carrier engaged in providing transportation of property by motor vehicle under continuous contract with one or more persons.

1400 DEFINITION OF SHIPMENT

A shipment is a quantity of freight received from one shipper, at one point or origin, or from places within a single plant, at one time for one consignee at one destination and covered by one bill of lading or written shipping order, for transportation in one vehicle, unless otherwise provided.

1500 DETENTION

In the event the Forwarder's equipment is unduly detained by the shipper or consignee while loading, checking freight, or preparing paperwork for receipt or movement of freight, charges of \$15.00 per quarter hour will be assessed for any time beyond the normal free time expected for such work, as follows:

- a) When the aggregate pickup or delivery is less than 5000 pounds the free time allowance is 30 minutes.
- b) When the aggregate is from 5001 pounds to 10000 pounds the free time is 40 minutes.
- c) When the aggregate is from 10001 pounds to 20000 pounds the free time is 50 minutes.
- d) When the aggregate is from 20001 pounds to 30000 pounds the free time is 60 minutes.
- e) When the aggregate is from 30001 pounds to 40000 pounds the free time is 90 minutes.
- f) When the aggregate is 40001 pounds and greater the free time is 120 minutes.

Computations of time are to be made on regular business hours, unless the carrier's driver is permitted to work through or beyond regular business hours to complete loading or unloading. The amounts due the Forwarder under the provisions of this rule shall be assessed against the party responsible for the applicable freight charges. Charges for sorting and segregating of freight by Forwarder at shipper's or consignee's dock are separate from, and in addition to these charges, if any.

1600 EQUIPMENT ORDERED NOT USED

In the event pickup is requested then canceled within 36 hours of the specified pickup time the party requesting pickup shall be charged as follows \$50.00 for the requested pickup. In the event the pickup is canceled the same day that pickup is scheduled to be made the party requesting pickup shall also be charged per mile from the point the Forwarder's vehicle was scheduled to travel from to make the pickup at the per mile rates provided herein subject to a \$250.00 minimum. If the vehicle arrived for pickup prior to the driver being notified of cancellation an additional stop charge of \$50.00 shall apply.

1700 HOLDING DELIVERIES

If shipper requests that the broker arrange to delay delivery of a shipment, either at or before the time of pickup or prior to or at the point of delivery, the following additional charges will be assessed by the Forwarder for each day of delay, exclusive of Saturdays, Sundays, or legal holidays. Chargeable days will be computed on total days from pickup to delivery minus the normal days for transit involved for each movement.

- a) Truckloads at \$500.00 per day or fraction thereof.
- b) LTL at \$1.00 per 100 pounds or fraction thereof subject to a minimum charge of \$50.00, and maximum of \$300.00 per shipment per day.

1800 IMPRACTICABLE OPERATIONS

Nothing shall require the broker to arrange pickup or delivery of freight at origin or destination point at which, on account of conditions of alleys, streets, roads, driveways, or local ordinances, it is impracticable or unsafe to operate motor vehicles.

1900 INSIDE DELIVERY - HANDLING FREIGHT NOT IMMEDIATELY ADJACENT TO VEHICLE

When requested by the consignor or consignee, and brokers operating conditions permit, the broker may arrange to move shipments or portions of shipments from or to positions beyond the immediately adjacent loading or unloading positions of the vehicle subject to a charge of 125 cents per 100 pounds with a minimum charge of \$30.00 per shipment. The broker shall be permitted to interline or put such shipments into temporary storage for later deliver, at the expense of the party responsible for the regular freight charges, if such handling will result in a delay to the carriers operations. If inside pickup or delivery is requested to floors other than ground floor and such floors are inaccessible to trucks, pickup or delivery may be made subject to a charge of 250 cents per 100 pounds with a minimum charge of \$30.00 per shipment, provided that, elevator or escalator facilities and labor, when necessary to operate same, are provided without cost to the Forwarder. The charges provided in this item will be in addition to all other lawful charges and shall be paid by the party responsible for the regular freight charges.

2000 KOSHER PRODUCTS

Products blessed by religious ceremony shall be transported with all reasonable care and expediency under the provisions of reasonable dispatch. Forwarder shall not be held liable for failure to meet rewashing or reblessing dates and times. Further, charges will be issued to the party responsible for original freight charges for reconsignment, reshipments, returns, detention, storage and interline dictated as a result of missing or readjusting schedules to meet such timetables.

2100 LIGHT OR BULKY FREIGHT

When the weight of a floor loaded LTL shipment loaded securely into a vehicle and so as it will not inhibit air circulation, or as designated by the consignor, averages less than 1000 pounds per lineal foot of floor space occupied, the minimum weight of such freight shall be computed on basis of 1000 pounds per lineal foot of floor space occupied. When the weight of a palletized LTL shipment similarly loaded averages less than 1500 pounds per 40" x 48" pallet position the minimum weight for such freight will be computed on the basis of 1800 pounds per pallet position occupied. Charges on such LTL shipments shall be assessed on the minimum weight so computed or the actual weight, if greater, at the rate applicable thereto.

2200 LOADING OR UNLOADING

Except as otherwise provided, loading of shipments onto the carrier's vehicle shall be performed by the consignor and the unloading of shipments from the carrier's vehicle shall be performed by the consignee. Upon request of the party responsible for the regular freight charges, Broker will have carrier furnish adequate labor to perform loading or unloading. The charge shall be issued with regular freight charges at a rate of 20 cents per hundred pounds subject to a minimum charge of \$30.00.

2300 MARKING SHIPMENTS AND PRODUCT

Every pallet load of product tendered for transportation must be clearly marked with the name, city and state of the consignee. Likewise, all packages must be labeled such that they are easily identified with the respective shipper, packing list, bills of lading and shipping orders. Mixtures of different items must not be packed in the same container. Unless each item is listed both on the outside of the container and on the bill of lading with the proper piece count noted. Any commodity description and temperature instructions on the bill of lading must match precisely with markings

HANNIC INC.

on the packages. If packages and bill of lading do not match, broker assumes no claim liability whatsoever. Shipments found in possession of the carrier not marked in accordance with these rules will be subject to sort and segregate charges, delay charges, delays in transit. In addition Broker may have carrier return shipment(s) to consignor with claim liability, place product in storage and reship product as necessary to reconcile shipping errors at the expense of the party responsible for freight charges as long as normal care and handling are taken by the carrier and broker.

2400 MAXIMUM WEIGHT

The maximum allowable weight per shipment shall be 43,500 pounds.

2500 MINIMUM CHARGE

The minimum charge for a straight or mixed shipment will be the applicable rate at the actual weight or minimum weight specified, whichever is greater. Any deficit between actual weight and the minimum weight specified will be charged for at the rate applying to the lowest rated article in the shipment.

2600 MIXED SHIPMENT - TRUCKLOAD OR VOLUME

Except as otherwise provided, when a number of different articles for which truckload or volume rates are provided when in straight truckload or volume shipments, are shipped at one time by on consignor on one bill of lading as a mixed volume or mixed truckload shipment, the entire shipment will be charges at the actual weight and at the applicable truckload or volume rate for each of the respective articles, subject to the highest truckload or volume minimum weight for any article in the mixture. Any deficit in minimum weight shall be charged for at the rate applicable to the lowest rated article in the mixture.

2700 OVERFLOW-CHARGE WHEN SHIPMENT CANNOT BE LOADED INTO ONE VEHICLE

When the Broker is provided a shipment on one bill of lading, and at one time, where the lading cannot be loaded on one trailer, the portion of the shipment that cannot be loaded into the first trailer, either because of weight or cubic volume of the lading, will be considered an overflow. The overflow will be treated as a separate shipment and charges will be assessed as such.

2800 PACKING REQUIREMENTS

Shipments must be in barrels, baskets, boxes, cartons, crates, hampers or kegs, sacked or wrapped, and any shipment or part thereof deemed by the broker to be not in proper condition for safe transportation will be refused.

2900 PACKING OR PACKAGING-SHORTAGE

Broker will not be responsible for shortage on shipments, which are banded, strapped, netted, shrink-wrapped or otherwise secured to bins, pallets, platforms or skids when such securing material is found to be intact at the same time of unloading by consignee. Broker will only be responsible for the number of bins, pallets, platforms or skids on such shipments.

3000 PALLET EXCHANGE

Broker does not allow for pallet exchange. Pallets shipped become the property of the receiver.

3100 PAYMENT OF FREIGHT CHARGES

Payments of freight charges are not subject to deductions or withholding for any reason.

3200 PICKUP OR DELIVERY SERVICE

Rates named include pickup and delivery service to all points within the limits of the cities, towns or villages, from, to or between which the rates apply.

3300 PROTECTIVE SERVICE

- a) Broker will contract with motor carriers that are able to provide adequate protection for the preservation of perishable commodities against heat or cold and the rates for transportation published in the schedule which includes the cost of such protection.
- b) In connection with mixed shipments of frozen and other than frozen articles the broker shall have the motor carrier provide for the holding of the articles during the course of their transportation at a temperature which is no higher

than the temperature of the unfrozen article contained in the shipment which has the highest temperature at the time of acceptance by the carrier.

- c) Shippers may, at their own expense, furnish refrigerants in the form of liquid or solid carbon dioxide or similar refrigerants, other than wet ice, in addition to that provided by the carrier's mechanical refrigerated equipment, and such additional refrigerant will be transported without additional charge.
- d) Meats, fresh, packed in barrels or tubs, must contain in the center of each barrel or tub, a cardboard cylinder minimum diameter 4 inches extending full height of barrel, which must be supplied and filled with dry ice by shipper.
- e) The Broker does not agree to have carrier deliver shipments tendered at any lower temperature than that at which the shipment is originally tendered to the carrier.

The Broker will not be held responsible for requiring the carrier to maintain any temperatures in transit, other than zero degrees, 20 degrees or 35 degrees Fahrenheit or at the ambient air temperature. The shipper may specify only one of the foregoing temperatures per shipment or consolidation of shipments. The bill of lading must be clearly noted with the desired temperature.

3400 REASONABLE DISPATCH

Except as otherwise provided, Broker is not bound to have property transported in any particular vehicle, in time for any particular market or markets, other than to transport the merchandise with reasonable dispatch. General service schedules may be issued from time to time as a guideline to reflect transit times, which can typically be accomplished. Specific guarantees shall only be accepted in writing with all condition, charges and penalties endorsed by the Broker.

3500 REDELIVERY SERVICE

When, through no fault of the Broker or the carrier it contracted, a shipment cannot be delivered when tendered, or after the Broker and carrier have made reasonable effort to effect delivery and redelivery is requested, charges for each additional delivery, or attempted delivery, will be assessed at the rates named in this schedule plus applicable return to terminal or agent charges and storage charges.

3600 RECONSIGNMENT OR DIVERSION

- a) Shipments may be diverted or reconsigned at point of original destination or at some intermediate point subject to the following:
- b) The charge for shall be \$85.00 in addition to all other applicable charges.
- c) Shippers Order or Order Notify shipments will not be diverted or reconsigned until the bill of lading properly endorsed by the party to whose order the shipment is reconsigned, is surrendered for cancellation, for endorsement of diversion or reconsignment, or for exchange.
- d) The rate on a shipment diverted in transit or at original destination shall be \$85.00 providing the shipment is reconsigned to the commercial zone of the original destination. A truckload shipment reconsigned to another commercial district shall be rated on the basis of service from origin to the new destination and shall be rated from point of origin to original destination, regardless of point of diversion, plus interline costs or applicable LTL rates herein from the point of diversion to new destination.
- e) If reconsignment results in a vehicle delay, refusal, redelivery, storage or return then such charges will apply in addition to all other applicable charges.

3700 REFUSED OR UNDELIVERED SHIPMENTS

Shipments which have been refused, or which for any reason the Broker is unable to effect delivery, will be placed at the agent's facility or qualified warehouse. If practical, Broker will make attempt to contact the consignor for alternative instructions at the time delivery is attempted but, shall not be bound to do so. Broker however, shall issue notice to consignor within one business day after Broker has been unable to effect delivery. Unclaimed product will be considered as refused after 3 days from such notification. Except in the case of product damage caused by the carrier, such shipments shall be subject to a flat fee of \$85.00 plus a stop charge of \$85.00 to place product on hold within the original destination commercial zone. If the product is placed in a location other than the commercial zone of the original shipment destination charges will apply as provided herein to reship product to the nearest practical location en route. Shipments shall also be subject to applicable storage, redelivery, reconsignment, or return charges.

3800 SORTING AND SEGREGATING

When a Broker is requested and furnishes the service of sorting or segregating at delivery point according to size, individual lot, Broker will charge 20 cents per 100 pounds on actual weight of product sorted and segregated with a

HANNIC INC.

minimum charge of \$30.00. The charge named in this item shall be assessed against the party responsible for freight charges irrespective of who requests the service to be performed. Charges shall be in addition to all other lawful charges assessed the shipment.

3900 STOPOFFS-TO PARTIALLY LOAD OR UNLOAD

Shipments may be stopped in transit to partially load or complete loading or to partially unload except as otherwise specifically provided. The following provisions govern shipments accorded additional stops to partially load or unload.

- a) Stops for partial loading or unloading will be permitted only at points within the scope of carrier's operations.
- b) A shipment to be accorded stops as herein provided must be from one shipper at one point of origin to one consignee at one destination, on one master bill of lading.
- c) The master bill of lading or shipping order must show the points at which shipment is to be stopped for partial loading or unloading together with a complete description of the kind and quantity of freight to be loaded or unloaded at each point and the name and address of the party from or to whom each portion is to be received or delivered. If receipt or delivery is made at two or more different locations at the same point (city, town or village) each pick-up or delivery will be considered as a separate stop in the application of this rule.
- d) Stops to partially unload will be permitted only at points beyond those at which the last stop for partial loading is made.
- e) Transportation charges shall be assessed on basis of actual weight of the entire shipment, but not less than the applicable minimum weight, and at the rate or rates, in effect on date of shipment, for the applicable distance from point of origin through the stop-over pointy or points to the final destination, plus charge provided in paragraph (g).
- f) An additional stop charge, as per stop charge addendum, shall be made for each stop to partially load or unload a shipment, exclusive of the initial pick-up and final delivery stop.
- g) Freight charges on a shipment stopped to partially unload must be prepaid or guaranteed by the shipper. The shipper may show on the bill of lading the name of one party from whom the entire freight charges, including the stop-off charges, shall be collected, which must be a party to whom a portion of the shipment is to be delivered.
- h) Stopping in transit for partial unloading will not be permitted on a shipment when consigned "C.O.D.", "To Order", or to be delivered on shipper's written order, or where accompanied by any other document as a condition precedent to delivery at stop-off point, or moving on a Uniform Bill of Lading having section 7 thereof signed.

4000 SUBSTITUTED SERVICE

Unless otherwise specified to the party requesting transportation service in advance of shipping, all services performed by the Broker and the duties and obligations of the Broker shall be that of a Broker.

4100 WEIGHTS-GROSS WEIGHTS

Except as otherwise provided herein, charges shall be computed on the gross weight at the time of shipment including weight of packing and preservatives. If the product net weight, rather than the shipment gross weight stated on the Bill of Lading, the Broker will add 7% tare weight to the net weight shown before computing freight charges.

4200 WEIGHTS -MINIMUM WEIGHT FACTOR

When and where Federal, State or Municipal Laws prescribe maximum gross weights which thereby prevent loading of the highest minimum weights as provided herein on the vehicle furnished, shipment will be transported at actual weight or maximum permissible weight under the provisions of such Federal, State or Municipal Laws, whichever is greater, as minimum, and at the truck load or volume rate otherwise applicable on the weight tendered for transportation.

ORIGINAL ITEMS 100-4200