



McCain Foods Limited

North American Customer Pickup Policy

version 1.0

PURPOSE

This Customer Pickup Policy ("CPU Policy") sets forth the requirements which McCain Foods USA, Inc.; McCain Foods (Canada) and its affiliates (collectively, "McCain") requires of those Customers/Distributors who desire to manage their own freight pickup and transport from McCain Facilities ("CPU Program"). All such Carriers/Distributors desiring to participate in the CPU Program ("CPU Participants") must submit a signed "Application for CPU Program Participation" (the "Application") to McCain. Submission of a signed Application constitutes CPU Participant's agreement to abide by the terms of this CPU Policy. This CPU Policy applies to all loads picked up by CPU Participants at any facility owned by McCain, any facility leased by McCain or any other facility from which McCain has contracted to obtain 3PL services (collectively, a "McCain Facility"). This policy applies to all business units (i.e. QSR, National Accounts, Retail, and Food Service) within McCain.

CONDITIONS FOR PARTICIPATION

1. GENERAL TERMS AND CONDITIONS OF CPU PROGRAM

- I. CPU Participants are solely responsible for the selection and performance of their own vehicle fleet or that of their selected freight carriers. All transportation costs and expenses incurred by a CPU Participant are the sole responsibility of CPU Participant.
- II. CPU Participant assumes all risk and liability relating to the transportation of products purchased from McCain. McCain is not liable for any loss or damage to the product while in transit or, thereafter, or for any late deliveries.
- III. CPU Participant's driver or its selected carrier's driver must sign a bill of lading or other receipt evidencing possession of the shipment and the receipt shall be "prima facie" (burden of proof) evidence of delivery and possession of product specified in the receipt on behalf of CPU Participant.
- IV. All orders from a CPU Participant are subject to product availability. McCain will determine the order source point.
- V. By executing a copy of the Application attached hereto, CPU Participant accepts in writing the terms and conditions of the CPU Program and agrees to abide by this CPU Policy.
- VI. A CPU Participant commits that 100% of its volume on any specific lane will be handled in accordance with this CPU Policy. Lanes will be defined in appropriate schedules as an origin – destination pairing with the base freight allowance defined.
- VII. By participating in the CPU Program, a CPU Participant agrees to abide by McCain Carrier Seal Policy for North America as defined in Appendix "A", attached hereto and incorporated herein, and comply with all laws, rules and regulations (including the U. S. Food and Drug Administration's Bioterrorism regulations) applicable to it or the transport of product.
- VIII. See Schedule "A" for fuel surcharge guidelines and Schedule "B" for pickup allowances.

2. APPOINTMENT & RECEIPT

- I. A CPU Participant (or its selected freight carrier) must secure a McCain customer purchase order number as a shipping confirmation at the applicable McCain Facility during McCain's normal business hours. The complete



McCain Foods Limited

North American Customer Pickup Policy

version 1.0

purchase order number and the word "McCain" in the subject line of an email or other written correspondence with McCain must be provided to secure shipping (pickup) appointments. All appointments are provided on a first come first serve (FCFS) basis and must be made no earlier than 72 hours and no less than 48 hours in advance of the requested appointment time. Appointments will be scheduled according to the McCain Facility's shipping hours of operation based on availability.

- II. A CPU Participant (or its selected freight carrier) must arrive at the McCain Facility and check in 30 minutes prior to the confirmed appointment time (live loads) or "load-by" time (drop and hook). Late arrivals will be worked in as time and circumstances permit in the exercise of commercially reasonable efforts by McCain. CPU Participant's driver or its selected freight carrier's driver must have sufficient on-duty time to complete the pickup service being provided, without going off-duty while at the McCain Facility.
- III. During the loading process drivers will be provided access to the dock in order to verify kind, count, and quality of goods and pallets prior to loading on their equipment. Any exceptions to this must be reported to Warehouse Supervisor at time of incident and must be clearly noted on bill of lading. Drivers are subject to all facility safety, security and loss prevention policies and procedures while on the premises. Drivers shall provide appropriate identification prior to pick-up. McCain reserves the right to refuse pick-up if, in its discretion, the Customer/Distributor's carrier does not comply with the safety and security regulations.
- IV. If requested by McCain, CPU Participant shall, and shall cause its selected carrier to, allow prompt, reasonable access to their shipping records to verify that each shipment pursuant to the CPU Program was, in its entirety, transported to the destination CPU Participant had represented to McCain. In the event that McCain determines that any such destination was inaccurately represented, McCain may, notwithstanding section 7.1 hereof, immediately, by the giving of notice to CPU Participant, restrict, condition or prohibit CPU Participant's further participation in the CPU Program.
- V. Orders not picked up within two hours after the confirmed appointment time will be returned to stock and may be subject to restocking fee up to \$1,000 per shipment. A new pickup appointment time and date will need to be scheduled with the facility. Orders not picked up within 15 days of original requested pick up date are subject to cancellation.
- VI. No appointments will be scheduled for orders that fail to meet the McCain minimum order requirements.
- VII. CPU Participant (and not McCain) is responsible to itself and its own customers for the safe and timely delivery of all products. Any delivery issues are the sole responsibility of CPU Participant and/or the carrier selected by CPU Participant. No deductions on any amount charged to McCain will be accepted for late delivery.

3. EQUIPMENT

- I. Frozen product trailers must be pre-cooled and maintained at zero degrees Fahrenheit or minus eighteen degrees Celsius, prior to scheduled appointment to indicate refrigeration unit is functioning properly. McCain reserves the right not to load the product if the trailer is not pre-cooled properly.
- II. CPU Participant (or its selected freight carrier) must turn off refrigeration unit immediately prior to loading.
- III. McCain reserves the right to refuse to load any railcar/trailer where, upon inspection, the container does not meet our standards for cleanliness and safety.



McCain Foods Limited

North American Customer Pickup Policy

version 1.0

4. FREIGHT CARRIER DETENTION

- I. Detention charges may not begin to accrue until three hours after appointment time.

Example: If appointment time is 7:00 am CST, detention would begin at 10:01 am CST. CPU Participant or its selected freight carrier's dispatch must notify McCain Customer Service electronically (see Appendix B for McCain contacts) after arrival time is at two hours after appointment (i.e., 9:01 a.m. CST, or one hour pre-alert before detention would begin). If detention should occur, charges will accrue in fifteen minute increments:

0-14 minutes = \$0.00
15-29 minutes = \$15.00
30-44 minutes = \$30.00
45-59 minutes = \$45.00
60 minutes = \$60.00

Maximum detention charge per twenty-four (24) hour period:

McCain Foods USA, Inc. = \$400.00
McCain Foods (Canada) = \$300.00

- II. A signed bill of lading illustrating appointment time and stamped time driver departed facility must accompany any submission for a detention charge; all charges are subject to review and approval of McCain management.
- III. McCain will not pay for detention charges if CPU Participant (including its designated freight carrier):
 - i. arrives after its confirmed appointment time;
 - ii. vehicle/trailer is the wrong size or type;
 - iii. vehicle has other freight loaded on it which encumbers efficient loading and causes McCain warehousing staff to reposition (off-load / re-load) the product;
 - iv. vehicle is not ready for loading due to failure to pass pre-loading inspection for sanitary and safe equipment or incorrect pre-loading temperature of below zero F,
 - v. fails to conform with any other obligation under this CPU Policy which contributes to the delayed loading;
or
 - vi. McCain is unable to load due to a force majeure event.
- IV. If CPU Participant is early for its appointment, the three hour grace period begins at the confirmed appointment time.

5. PALLET EXCHANGE

- I. McCain Foods does not exchange pallets at any warehouse locations.
- II. No deductions are to be taken for pallets for any reason.

6. TERMINATION OF AGREEMENT:

- I. McCain or CPU Participant may terminate CPU Participant's participation in the CPU Program, whether with or without cause, at any time upon a minimum of thirty days' prior written notice to the other party. CPU



McCain Foods Limited

North American Customer Pickup Policy

version 1.0

Participant acknowledges that McCain may terminate, modify or amend the McCain CPU Program and this CPU Policy at any time with thirty days advance notice to CPU Participant. In the event that the CPU Participant elects to terminate its participation in the CPU Program by giving thirty days' notice as aforesaid, McCain may require CPU Participant or its customers to prepay all freight costs with respect to delivery requested at any time after notice of such termination is given to McCain.

- II. A CPU Participant who voluntarily departs the CPU program, in whole or part (e.g., including leaving with respect to a specific lane) will not be allowed to participate in the CPU Program for a minimum of one year from date of such departure with respect to any such particular lane departed.

7. INDEMNIFICATION and INSURANCE

- I. CPU Participant agrees to defend and fully indemnify McCain and their respective officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities whatsoever, regardless of the form or nature of the same and including attorneys' fees and related costs and expenses, arising from or in any way related to CPU Participant's breach of this CPU Policy by CPU Participant or the negligent acts/omissions or willful misconduct of CPU Participant, its affiliated entities, and their respective officers, directors, employees, freight carriers, and agents (including, without limitation, any personal injury and damage to property in connection with the loading and pickup of product from a McCain Facility. CPU Participant shall and shall cause its designated freight carrier (if applicable), at its own respective cost, to maintain insurance policies providing: worker's compensation coverage meeting or exceeding the applicable statutory minimums in the jurisdiction governing each of its employees assisting in performance under this agreement; and comprehensive automobile liability policy covering all owned, non-owned and hired vehicles in the amount of at least five million dollars (\$5,000,000) per occurrence. Upon request, CPU Participant shall provide McCain with certificate of insurance for all such coverage.

Revision Log			
Date	Revised By:	Reason for Revision	New Version Number



McCain Foods Limited

North American Customer Pickup Policy

version 1.0

Application for CPU Program Participation

CUSTOMER/DISTRIBUTOR REQUESTOR

Company: _____

Address: _____

City/State/Zip: _____

Phone: _____ Email: _____

Customer/Distributor Representative: _____
(print name)

Customer/Distributor Representative*: _____
(signature)

Company Title/Position: _____

McCain Sales/Broker Representative: _____

Date Submitted to McCain Corporate Office: _____

** By signing this agreement, you are acknowledging that you are an officer of the company and have the authority to assume responsibility for all requirements as stated.*

MCCAIN CORPORATE OFFICE ONLY

Date Received in McCain Corporate Office: _____ Approved: Yes ___ No ___ Effective Date: _____

Internal Notifications/Comments: _____

McCain Corporate Representative: _____
(Print name)

McCain Corporate Representative*: _____
(Signature)

Appendix A:
Carrier Seal Policy for North America



North American Customer Pickup Policy

Carrier Seal Policy for North America



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North American Customer Pickup Policy

version 1.0

Revision Date: July 24, 2014

Revised By: Tina Rowsell – Logistics Manager, North America

As a Manufacturer that ships to/within the U.S.A., McCain Foods Limited is required to meet the following rules and comply with standards as required by U.S. Customs, the F.D.A. and the U.S.D.A. The purpose of this document is to outline the carrier requirements to allow McCain to continue certification in the C-TPAT program.

Carriers hauling product from Canada into the U.S. must be a C-TPAT Certified Company (Customs – Trade Partnership Against Terrorism) or meet C-TPAT minimum security requirements of a carrier.

McCain Foods Limited has developed the following policies regarding product entering or leaving our properties:

Inbound Full Load Shipments:

All incoming loads shall have seals applied by the originating supplier or third party storage. The bill of lading shall state the seal number. It is the responsibility of the Carrier to verify that the trailer has been properly sealed, that the seal number on the bill of lading is accurate, and the bill of lading has been signed by the shipper. This bill of lading must accompany the shipment and be provided to receiver at time of delivery. Contents of the load and **INTACT** seals must correspond with the documentation. The trailer will be subject to possible inspection. McCain Foods reserves the right to refuse product for non-compliance of any of the above. The carrier shall be responsible for all costs associated with the refusal of product for any non-compliance with these requirements.

Outbound Full Load Shipments from McCain or 3rd Party Site:

All outbound shipments shall have seals applied by the originating shipping location. The bill of lading must state the seal number. It is the responsibility of the Carrier to verify that the trailer has been properly sealed, that the seal number on the bill of lading is accurate, and that the bill of lading has been signed by the shipper. Random inspections of outgoing trucks may occur. The carrier shall be responsible for all costs associated with the refusal of product for any non-compliance with these requirements. A McCain Customer's refusal to accept product because of discrepancies in seals or documentation is an example of this.

Replacing Seals While Travelling To/From McCain Facilities:

Circumstances may require that a seal be broken so that the trailer's contents may be examined. Examples of this would be a customs inspector or a driver's suspicion that a load may have shifted. Customs will from time-to-time replace the seal, but **not always**. In all situations (including those when customs does not replace the seal), it shall be the responsibility of the carrier to replace the seal. Regardless of who replaces the seal, the carrier must ensure the



McCain Foods Limited

North American Customer Pickup Policy

version 1.0

documentation accurately reflects the circumstances of any broken seal or replacement of seal. US destined freight must be re-sealed with a bolt seal. Each time a seal is broken, the carrier must advise the McCain Logistics Coordinator of the seal breakage and provide details of the circumstances surrounding the seal breakage. The carrier shall be responsible for all costs associated with the refusal of product for any non-compliance with these requirements.

LTL Inbound Shipments:

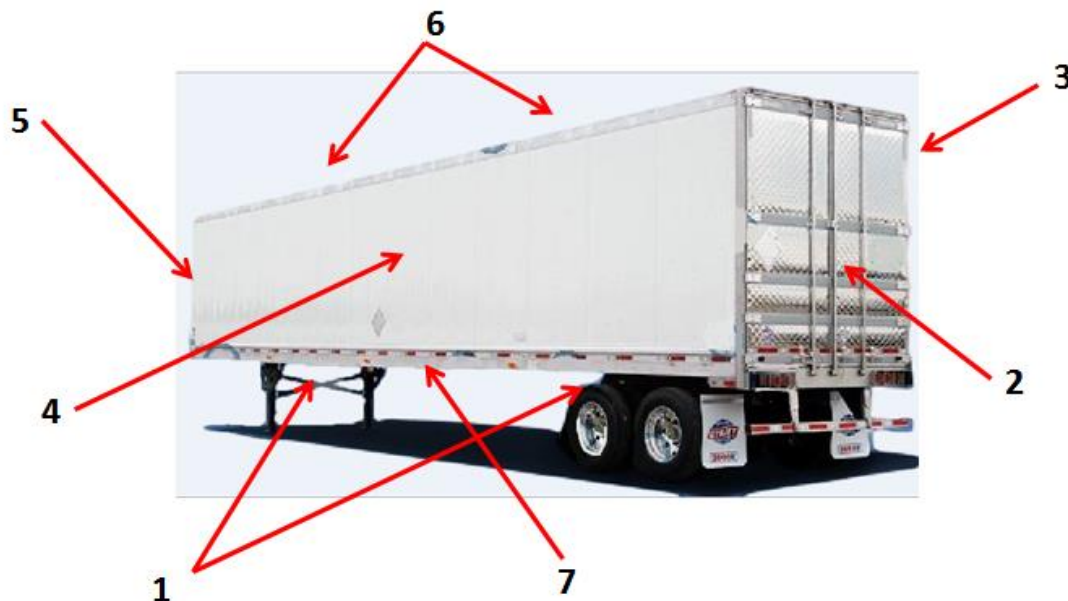
All incoming loads shall have seals applied by the originating supplier or third party storage. The Carrier must ensure the container is sealed or padlock applied when picked up. At the first drop, the seal may be broken. Before proceeding along LTL route, it is the carrier's responsibility to assure that the trailer is re-sealed or a padlock applied. A seal or padlock must be in place anytime the trailer is not being loaded or unloaded. Where additional seals have been used, this shall be noted on the documentation. If a seal or padlock is not applied, McCain Personnel reserve the right to detain or reject a trailer pending resolution by the receiving department and/or purchasing, and subject to possible inspection. The carrier shall be responsible for all costs associated with the refusal of product for any non-compliance with these requirements.

LTL Outbound Shipments from McCain or 3rd party Sites:

All outbound shipments must have seals applied by the originating shipping location. The Carrier must ensure the trailer is sealed when picked up. When the next pickup is added or delivery is made, the seal may be broken. A seal or padlock must be in place anytime the trailer is not being loaded or unloaded. The carrier shall be responsible for all costs associated with the refusal of product for any non-compliance with these requirements.

Product Picked Up By Customer's Carriers:

Any carrier entering a McCain site or 3rd Party warehouse location may be subject to a seven (7) point trailer inspection at time of arrival at the pickup location. Inspection points shown below



1. Undercarriage
2. Outside / Inside Doors
3. Right Side
4. Left Side



McCain Foods Limited

North American Customer Pickup Policy

version 1.0

5. Front Wall
6. Ceiling / Roof
7. Floor

These procedures are ultimately about security of our food supply. McCain Foods Limited expects that all of our Carriers will take an active interest in protecting the food supply and will ensure that systems and procedures are in place to meet these requirements.



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North American Customer Pickup Policy

version 1.0

Schedule A:

McCain Foods (US) Freight Allowance Fuel Surcharge

A fuel component has been built into the rates charged under the McCain CPU Program on a per hundred weight basis. No additional fuel programs shall override, replace or serve in place of this component. Consistent unauthorized claims or deductions for fuel surcharge are grounds for exclusion from the McCain CPU Program.