

## **Corporate Profile**

In operation since April 16, 1962, Maritime-Ontario Freight Lines Limited is one of Canada's leading providers of freight transportation, distribution and logistics services.

Many of our customers are market leaders in their respective fields. Our solutions strengthen their market position. Our customer base includes many Fortune 500 companies. The freight product mix is diverse, with food, beverages, consumer goods, pharmaceuticals, automotive and retail, to name but a few.

Some of our customers include; Canada Post, Purolator Courier, Canada Border Service Agency (CBSA), Loblaws, Matrix (Shoppers Drug Mart), Campbell Soup, Home Depot, Hershey Canada, Gordon Food Services, Nestles and McCormick.

Maritime-Ontario Freight Lines Limited specializes in developing business practices and processes to meet our customers' unique requirements. Through its five distinct operating divisions; M-O® Freightworks®, M-O® COLDChain®, M-O® DedicatedWORKS®, M-O®BULKServices® and M-O® Logisticworks®.

M-O® is a fully integrated transportation company. Its operations include multi-modal services, including intermodal, trucking services and dedicated service. M-O® has multiple terminals across Canada including, but not limited to, Vancouver, Edmonton, Calgary, Brampton, Mississauga, Ottawa, Montreal, Moncton, Saint John, and Dartmouth with satellite depots in smaller municipalities countrywide.



#### M-O® FreightWORKS®

Over-the-road and intermodal full load and less-than-truckload (LTL) temperature control, reefer or dry service throughout Canada. This segment of our business services over 5,000 customers.

This division features our unique logistics FreightWORKS loading system. Benefits to shippers include safe handling of their product as each pallet occupies its own space in the trailer without touching any other freight; achieves more pallets per load, providing excellent consolidation opportunities for large volume shippers.



#### M-O® COLDChain®

Formed in 2006, following an acquisition of On Ice Express, this division is a fully certified carrier for temperature critical deliveries. We provide pharmaceutical and medical manufacturing and distribution companies with the solution they are seeking – temperature-verified shipping in compliance with Canadian federal regulations, including the latest published Health Canada guidelines.



#### M-O® DedicatedWORKS®

This division was launched in 1987 to service the Canada Post Corporation. Today this divisions' largest customer still remains Canada Post however has grown to servicing several other accounts with dedicated line-haul services right across Canada. M-O Dedicated works out of a warehouse and office owned by M-O® and encompasses 44,000 square feet of space with a staff (including drivers) of over 320 people at 1740 Aimco Blvd., Mississauga, ON.



## M-O®BULKServices®

This division was launched in 2005 and is operated through our office and yard located in Timmins, Ontario, specializing in large volume bulk movements. Our operating schedule allow us the flexibility to meet the fluctuating seasonal demands of our customers yet maintain a high level of safety.

# LogisticWORKS.

## M-O® LogisticWORKS®

This flexible division provides services outside of the realm of domestic services offered through M-O®. LogisticWORKS® expertly handles our customers' trans-border, international and specialty move shipments as well as warehousing requirements.

#### Awards

Maritime-Ontario Freight Lines Limited has won the following awards:

- M-O FreightWORKS was awarded the prestigious designation as **PLATINUM** member of 50 Best Managed Companies. This is M-O's 15<sup>th</sup> consecutive year qualifying for this honorable award, of which 9 have been at the Platinum Level.
- Recipient of the following:
  - The Ontario Chamber of Commerce, Outstanding Business Achievement Award Distribution Category.
  - The Brampton Outstanding Business Achievement Award Distribution Category.
  - o The Shippers Choice Award for Canadian Transportation and Logistics Magazine.
  - Canada Post's Annual Award of Achievement including the Award of Excellence for All Suppliers Across Canada.

# M-O® FreightWORKS® Brief Overview of Services

# General Service Offerings:

No.	Feature as M-O® Advantage
1.	Across Canada Coverage
2.	Large Fleet (over 1500 trailers/intermodal containers) Equipped with Unique Freightworks® Logistical Loading System
3.	Fleet equipped to handle temperature sensitive shipments including refrigeration and heated shipments. Available in both TL and LTL operations.
4.	State of the Art IT Platform designed by Truckmate 2013 (TMW Systems Inc.)
5.	Website Tracing (POD's and BOL's Imaging). Extensive EDI opportunities.
6.	Low Claims Frequency
7.	Mall Deliveries
8.	After Hour Pick-Ups
9.	Weekend & Holiday Deliveries
10.	Retail and Automotive Experience
11.	24/7 Operations Contact Capabilities
12.	Exceptional On-Time Delivery Performance
13.	Equipment Availability (Drop & Live Load, 40-ft, 48-ft, 53-ft, tri-axle, tandem)
14.	Trans-border USA shipments
15.	Satellite Tracking of Trailers and temperature monitoring

<sup>\*</sup>Please note above value-added services featured by M-O® may be subject to additional charges outlined in our "Conditions of Carriage".

#### M-O® SERVICE PROPOSAL

M-O® provides a strong competitive advantage when handling the transportation requirements.

M-O has a large fleet encompassing over 1500 trailers and intermodal containers. One hundred percent of M-O's road and intermodal equipment is equipped with logistical loading bars, including temperature controlled intermodal containers and highway trailers.

A successful example of the competitive advantage of FreightWORKS® is our Shoppers Drug Mart account. Over the past years using the FreightWORKS concept, Shoppers Drug Mart has enjoyed up to an increased loading capacity of 40%. They have significantly decreased the number of loads shipped out and have dramatically reduced the cost of transportation and eliminated claims. Our unique logistic loading system "Freightworks" is demonstrated below:



Our unique FreightWORKS® logistical loading system will allow M-O to introduce tremendous efficiencies through increased loading capacity and virtually eliminating damage to products shipped. The system can accommodate any pallet configuration.



Palletized shipments are transported as intact units. The FreightWORKS® system provides maximum equipment utilization and handling efficiencies. M-O provides:

- Easy tracking of individual shipments
- Pallet pricing for varying sizes of pallets
- No breaking-down or top-loading palletized shipments



Insulated state-of-the-art logistic equipment provides protective service for temperature sensitive freight.



The net result - your palletized freight is transported in a secure "warehouse on wheels" to its final destination. Some additional benefits are:

- Consolidation capabilities for large volume shippers and/or receivers
- Simplified pricing structure which eliminates surprises
- Easy tracking of shipments, supported by web-based image retrieval of BOL's and POD's

Since 1962, our core business has been providing transportation services. Our services are performed through 24 locations across Canada. We are known for our reliability of service and innovation. We are known to creatively develop the solution our customers are looking for. Our FreightWORKS loading concept further enhances our abilities to consolidate loads without breaking down pallets and effectively and efficiently reducing handling time and minimizing claims.

The following are links to our video's which are also available on our website at www.m-o.com

Corporate Video

http://www.m-o.com/corporate-video.html

FreightWORKS Video

http://www.m-o.com/freightworks-video.html

COLDChain Video

http://www.m-o.com/coldchain-video.html

#### **M-O Commercial Information**

## Ownership

Graham Munro Holdings Inc. 50% of common shares DGM Holdings Inc. 50% of common shares

Both holding companies listed above are owned entirely by members of the Munro family.

i. Employees and Owner-Operators

M-O employs a staff of approximately 1,200 non-union employees and owner-operators. Most of our staff and owner-operators have been with the company many years, consequently we have a very low rate of turnover.

- ii. Locations, Size of Offices, Facilities and Geographic Areas
  - 1 Maritime-Ontario Blvd.
     Brampton, Ontario
     L6S 6G4

General freight warehouse, distribution centre and administrative head office of Maritime-Ontario. Owned by related company, Tordar Investments Ltd. The building contains 96 truck-level cross-dock doors and 3 drive-in doors, 127,000 square feet of heated warehouse space, 42,000 square feet office space, plus full basement with change-rooms, lockers, showers and employee fitness room. The facility is located on a 65-acre site (Airport Rd. & Highway #7) with direct access to CN's large Brampton Intermodal Terminal with trailer parking availability for approximately 400 units.

- Crossroads Distribution Centre 8495 Goreway Drive, Brampton, Ontario L6T 5R8

Maritime-Ontario is pleased to announce the opening of a second cross-dock distribution centre to supplement its distribution centre located at 1 Maritime-Ontario Blvd. Situated on 30.12 acres, is 359,341 sq. ft. comprised of 155,833 sq.

ft. refrigerated, 193,875 sq. ft. dry and 9,633 sq. ft. office space with 175 truck level doors, 2 drive-in bays, and secure yard parking for more than 300 trailers and/or intermodal containers. The site is fully paved, fenced, and lighted and is equipped with manned security gate control, card reader access and CCTV camera surveillance throughout the premises.

1740 Aimco Blvd.,
 Mississauga, Ontario
 L4W 1V1

DedicatedWORKS terminal and office owned by M-O. The building totals 44,000 square feet, comprised of 40,000 square feet warehouse and 4,000 square feet office, with 4 truck-level and 2 drive-in doors set on a fenced site of 3 acres.

- 2800 Andre Ave.,
Dorval, Quebec
H9P 1K6
General freight terminal and office leased by the company. The leased area contains 40 truck-level cross-dock doors with 28,500 square feet of heated warehouse space, and 5,000 square feet of office space, with fenced yard parking for up to 60 trailers.

- 91 Simmonds Drive Burnside Industrial Park Dartmouth, Nova Scotia B3B 1N7

General freight terminal, distribution centre and administrative office. The terminal building contains 33 truck-level cross-dock doors with 48,000 square feet of warehouse, and 8,000 square feet office space. The office space component includes high quality, kitchen/lunch room, changerooms, showers, and lockers. The building is located on a paved asphalt site of 14.0 acres, able to park more than 100 trailers.

Additionally this facility operates on behalf of The Canada Border Service Agency, for the purpose of inspecting international marine containers originating from foreign countries through the port of Halifax

- 11 Bill Slater Drive Berry Mills (Moncton), New Brunswick E1G 4K4

Built on a 46 acre parcel of land in close proximity to Canadian National Railway and the Trans-Canada Highway, this new terminal will become the principal operating hub in Atlantic Canada for Maritime-Ontario Freight Lines Limited. The site selection was in keeping with M-O's commitment to convert more traffic to rail from road and our ongoing commitment to reduce where possible CO2 emissions. The facility includes a two level office tower consisting of 20,000 sq. ft. and a 68,000 sq. ft. warehouse and cross dock.

- 55 Watertower Road Spruce Lake Industrial Park Saint John, New Brunswick E2M 7K2

General freight terminal and office owned by related company Tordar Investments Ltd. The building contains 18 truck-level cross-dock doors with 5,450 square feet of warehouse space, and 1,550 square feet of office space, fenced and located on 2.75 acres of land with capacity to park 25+ trailers.

- 2206-20 Avenue NE Calgary, Alberta T2E 8T7

The newest terminal opened in July 2018, and is situated on a 5.76 acre, fully paved and fenced lot. Located in the central north east part of Calgary, provides quick access to the highways. This location offers 22 warehouse doors and 61,000 square feet of office/warehouse space.

- 10288 Grace Road Surrey, British Columbia V3V 3V6

> The facility opened in August 216 and is located in the Pacific Link Business Park. Situated on a 16.42 acre site with 8,600 sq. ft. of office and warehouse

comprising of 78 truck level doors, the state of the art cross-dock facility features the latest in building technology and design.

## **Corporate Status**

Maritime-Ontario Freight Lines Limited is incorporated under the laws of the Province of Nova Scotia and fully bonded.

## **Affiliated and Related Companies**

- i) Commercial Transport (Northern) Limited
- ii) Tordar Investments Ltd.
- iii) FreightWORKS, operating division of M-O.
- iv) COLDChain, operating division of M-O.
- v) DedicatedWORKS, operating division of M-O
- vi) BULKServices, operating division of M-O
- vii) Logistic WORKS, operating division of M-O.
- viii) M-O Investments Ltd.
- ix) M-O Holdings Inc.
- x) Transport Nord-Ouest Inc.
- xi) Transport Begin Ltee
- xii) Transport Rouanda Inc.

#### **Years in Business**

The business was commenced in 1955 and incorporated April 16, 1962.

## **Equipment Details & Geographic Distribution**

Each terminal of the company uses a combination of equipment for local purposes that is owned and leased. All company equipment is maintained to the highest standards, painted and lettered to company specifications, and of recent vintage, owner-operators / brokers are also used.

Moreover, M-O has also entered into long term strategic alliances with both Canadian National Railway and Canadian Pacific Railway. These alliances provide M-O with the capability to draw from these very large and diversified pools of equipment while providing seamless service Coast to Coast.

#### **Head Office**

As a Nova Scotia corporation, the legal head office of the company for is:

91 Simmonds Drive Burnside Industrial Park Dartmouth, Nova Scotia B3B 1N7 Phone: 902-468-1351 Facsimile: 902-468-2086

The administrative and executive offices of the company are located at:

1 Maritime-Ontario Blvd., Brampton, Ontario L6S 6G4

Phone: 905-792-6100 Facsimile: 905-792-6102

## **Strengths of Maritime-Ontario**

i) M-O currently operates its general freight service successfully and profitably. We possess experienced staff and management with specialized knowledge of numerous cross sections of industry, and a powerful data management system that will meet and / or exceed customer's requirements. M-O is experienced with starting-up and operating, large specialized contracts from parcel deliveries in the GTA for Canada Post Corporation to container examination facilities for Canada Customs as well as temperature sensitive validated pharmaceutical deliveries to hospitals, doctors offices and home care. Some other strengths are as follows:

- Hands-on management team in place familiar with the specialized distribution needs of customers;
- Large group and pool of employees and owner-operators, well trained and familiar with the specialized needs of the retail industry;
- o 24 hour central dispatch and designate available on a 24 hour basis to deal with customer's needs;
- O More than five decades of experience servicing Ontario and Maritime Provinces. Our core business has been providing a LTL and Truckload distribution service throughout Atlantic Canada. In 1983 we began servicing the Province of Newfoundland, in 1985 we began offering our services in the province of Quebec and in 2000 we successfully began servicing Western Canada through a group of well-proven and established provincial carriers. In 2008 we opened our 1st Western based office and terminal located in Calgary, Alberta.
- In 2001 we introduced M-O LogisticWORKS our Logistic Division who provide a transportation Network coverage throughout North America for the LTL and TL industry.
- Contingencies for repair and / or vehicle replacement to recover in the event of vehicle breakdown or accident for these extremely sensitive loads.

- o Internal administrative system software for producing accurate and timely billings, payroll, financial statements, operating and performance reports, complete with full EDI capability;
- o Modern M-O distribution facility and warehouse in Brampton that allows short term warehousing, distribution and consolidation;
- o Large pool of equipment in place.
- ii) Non-union work force;
- iii) Well known company with good reputation in the industry, in business since 1955;
- iv) Maintain liability insurance limit of \$50 million dollars and cargo insurance limit of \$1 million dollars. Refer to the table of contents for the tab reference number to locate copies of M-O's certificates of insurance;
- v) In good standing with Workplace Safety & Insurance Board (WSIB).

## I.T. Capabilities

M-O® has again reinvested to bring new innovations having recently launched our new IT platform, Truckmate (TMW). This continues our journey to be a leading edge transportation provider addressing customer demands for aligning ourselves with industry trends and significant value to its customers. We have embraced high-tech advances in satellite, wireless and other communication technologies providing our customers with a competitive edge in their respective markets. Some notable features which include, but not limited to, are:

- Advanced electronic data interchange (EDI).
- Web based internet capability which includes real time track & trace, customized reports, etc.
- Satellite tracked trailers.
- Refrigerated (reefer) trailers are equipped with a GPS tracking system which monitors temperature. This state-of-the-art system ensures safest possible handling of food products to the Canadian marketplace.

- Handheld technology (tractors & warehouse distribution centers)
- Bar Coding.
- Internal Administrative Systems Software.

## **People Strength**

Our greatest strength is our people. Our President and Owner, Doug Munro, always leads by example. Doug's strong value system is demonstrated consistently by his compassion, integrity and generosity. He reinforces the value of communication with his staff through his open door policy. His vision and leadership fuel our company's success.

Team building is strengthened daily through constant interaction and in an environment rich with respect and appreciation. Along with our executive management team, Doug Munro participates in daily meetings every morning with Terminal Managers across Canada to keep abreast of challenges and achievements. Doug is actively involved with all aspects of the business.

The company employs more than 1200 people (including owner-operators) across Canada. Every effort is made to nurture our employees and their career development and provide them with an environment where they are encouraged to grow. Additional key factors are as follows:

- Promote from within wherever possible.
- Equal opportunity employer.
- Ongoing training and staff are encouraged to further their education.
- Competitive wages and benefits.
- Cross-training practices are enforced whereby various staff at periodic times are transferred to other positions for developmental assignments to expand their knowledge and abilities. This expands and strengthens our employees' skills.

M-O® dedicates a great deal of time and effort to the process of hiring and training. Our turnover rate in comparison to industry levels is very low. Long-term employees are prevalent throughout our organization, including employees who have been with us for up to 52 years.

M-O® is committed to providing a stimulating work environment and promoting humanistic values. We strive to be an Employer of Choice in Canada.

## M-O® Organizational Structure

Maritime-Ontario is comprised of the following groups:

- Executive Management;
- Finance & Accounting;
- Information Technology;
- Administration;
- General Freight Operations & Dedicated Services;
- Safety Compliance & Environmental Awareness.

# **Community Involvement**

At M-O®, our generosity in terms of community involvement and charitable assistance is likely unparalleled by any organization of our size, regardless of industry.

The Graham Munro Charitable Foundation is a private foundation located in Brampton, Ontario. It supports selected organizations centered on the advancement of social programs at a community level.

The foundation has been registered as a charity since 1986, Maritime-Ontario President and owner, Doug Munro also leads the foundation, illustrating his commitment and beliefs that business must continue to contribute back to the community.

# Reduce, Reuse and Recycle

## **Committed to Reducing Our Environmental Footprint**

## Things We Do

Continually implementing the newest "green" technology and fostering a work environment which respects our commitment to the environment.

M-O is proud to participate in the FleetSmart program in conjunction with the Canadian government's Department of Natural Resources.

## Pollution Prevention

M-O recognizes as our company grows so does our impact on the environment. We strive to ensure all employees are aware and do their utmost to minimize the impact of these potentially harmful effects. Minimizing emissions, energy usage and alternative ways of moving freight are entrenched values in all employees.

## Minimizing Emissions

- i) Making sure all drivers are shutting down their engines when they are not driving.
- ii) Using bunk heaters for winter months as opposed to idling their engines.
- iii) No idle policies at all M-O facilities.
- iv) The use of speed limiters to reduce the amount of fuel consumed and C02 emitted.

#### Alternative Ways of Moving Freight

- M-O's Logistic loading process to maximize trailer utilization.
- Using intermodal service to reduce the number of trailer moving over the road.
- Using container vessel to reduce the number of trailers moving over the road.

#### Energy Usage

- Lights out policy on all M-O facilities when not in use.
- Keeping all dock doors closed when furnace is on and doors not in use.
- Keeping thermostats set at a reasonable level for heat and air conditioning.
- Utilizing natural light to reduce electricity in buildings.

#### Proactive Measures

- Purchasing equipment that is certified for energy efficiency to reduce the amount of fuel burned on shipments requiring temperature control.
- Maintain all equipment on a regular basis to ensure maximum efficiency.
- Ensuring proper tire pressure on all units.

#### Innovation

M-O has developed a process to maximize utilization on all units. Trailers and containers are loaded logistically which increases the total space available by upwards of 40%. If we take an

average of 25% this has actually reduced the total number of units shipped on the rail by 2226 and reduced C02 by another 6,118 tonnes.

# **Quality Assurance**

## Monitoring and Analysis of Delivery Compliance and Performance

M-O's on-time pick-up and delivery performance ratio is 98.85%. Our goal is to achieve 100%. Electronically managed manifests are produced for each trip as a record to allow M-O to extensively audit each driver's deliveries. Each driver record is reviewed on a daily basis at the end of their day, for delivery times and on time delivery compliance, etc. Problems are graduated to management attention, as are trend type issues.

## **Loss & Damage Ratio**

M-O® prides itself on the safe and secure handling of our customers' freight. Our loss and damage ratio is less than 00.25%. This is achieved through secure facilities equipped with guard house, electronic gates, security cameras and alarm systems. We have strong procedures and policies in place, including a stringent Loss and Prevention Standard Operating Procedure.

#### **Customer Service – Business Units**

M-O® FreightWORKS' customers continually derive benefits of our innovative approach to Customer Service. Sales, marketing and customer service issues for the general freight division are performed by two "business units". These units are designed to provide more personalized attention to customer needs. Each unit is comprised of a manager and customer service representatives.

## **Hiring and Screening Process**

Our hiring and screening practices are thorough and our expected qualification level tends to be higher than the industry average. Ensuring we hire qualified personnel is critical and contributes strongly to our Quality Assurance efforts. One example is when hiring drivers, safety is paramount in our company and an extensive checklist requirement must be met. The checklist is as follows:

- Detailed information on driver application;
- Copy of current license;
- Copy of current abstract;
- Extensive reference checks:
- Review of work and company expectations with prospective driver;
- WSIB history check;
- Copy of current criminal record search;
- Two pieces of photo ID;

- Road test:
- Seminar attendance (training);
- Final review between supervisory staff and management to approve each driver.

## **Training Programs**

- Drivers attend an in-house training seminar prior to commencement of work;
- Each seminar begins with a presentation by management and is followed up by supervisory personnel with extensive procedural and job training utilizing a company developed training manual.
- All drivers are trained by a company supervisor for up to five days on the road, to ensure commitment of service, procedures and paperwork, etc. are maintained;
- Training is on-going.

## **Company Procedure Manual**

The Company Procedure Manual is used for driver training and as part of all new staff members training. The manual has been developed to ensure full job and procedural knowledge is corporately available. The manual consists of Standard Operating Procedures and has become an internal reference guide for all staff regarding handling and service.

## **Internal Administrative Systems Software**

An integral part of managing quality assurance is the need to manage administrative data flowing from day to day operations. This includes; billing, payroll, A/R, A/P and related financial reports as required with assurance of accuracy. We have developed custom designed software (IAS) that meets these requirements. Our process is documented and is available upon request.

## **Security**

Our fully secured facilities include 24 hour monitoring and security response. Yards are gated, fenced with 24 hour, 365 day per year security. Warehouse and yard operators are managed by CCTV camera, inside and outside to record all warehouse and vehicle movements.

Security is a fundamental responsibility of all individuals employed by M-O®.

## **Initiatives to Increase Productivity & Quality Improvements**

We have outlined below a few of our service initiatives that have resulted in improved productivity and quality improvements:

• FreightWORKS® resulted from an idea that Doug Munro and our team developed in an effort to increase cost efficiencies, reduce damages, increase load capacity and improve productivity.

Benefits of our unique logistics FreightWORKS® loading system to shippers, include safe handling of their product as each pallet occupies its own space in the trailer without touching any other freight; achieves more pallets per load which results in less cost per pallet and provides excellent consolidation opportunities for large volume shippers.

# **Strategic Plan**

Maritime-Ontario Freight Lines Limited will continue to implement programs to increase market share while maintaining profitability. These programs are broad in their scope, yet intrinsically focused on specific results.

- We will continue to embrace high-tech advances in satellite, wireless, and other communication technologies ensuring our customers a competitive edge in their respective markets.
- We will continue to be at the forefront of highway safety and education.
- We will strengthen our industry advocacy, with plans to further our (already extensive) involvement with industry associations.
- Leverage parcel division assets to develop additional distribution business within the GTA.
- Seek out strategic acquisition opportunities to strengthen market presence
- Continued expansion of our LTL general freight business across Canada.
- Continued expansion of intra Ontario and Quebec freight distribution business.
- Expand customer base to maximize and build upon home delivery network.
- Qualify and secure additional business opportunities (i.e.: additional lanes, service modes, etc.) from existing customer base.

#### **Our Mission**

- To be the leading Canadian carrier providing transportation, distribution and logistics solutions across North America.
- To continue to pioneer leading edge services to meet the ever-changing needs of our customers.
- To provide the "ultimate" transportation experience for our customers.
- To be recognized as good corporate citizens in the communities in which we work and in the communities we travel through, enforcing safe practices and presenting a friendly and helpful image at all times.
- To be known as an Employer of Choice, creating a nurturing environment rich with opportunities where employees thrive.