



*Erb Group of Companies*

July 1, 2013

**To Our Valued Customers:**

**Vendor Compliance Penalties**

Vendor compliance penalty programs from General Merchandise, Grocery and Food Service Distributors' have been in effect for some years. This communication is an update confirming that our position remains the same as when first introduced in January 2007.

The basis of the compliance Programs are penalties to the vendor for "No Shows" (missing a delivery appointment) and "Refusals due to vendor or carrier performance." The financial penalties are significant and levied against the vendor of the goods sold to the distributor.

Erb Transport and related companies is a carrier providing prepaid transportation, truckload and consolidated LTL services on behalf of many vendors.

We strive to provide on-time performance deliveries in an environment where consolidation of LTL shipments is becoming increasingly difficult due to rigid delivery appointments, product integrity, weekend deliveries and other issues relating to the many Transportation Management Systems that are being used in the industry.

This letter is a reminder that as a transportation service provider to the vendor of freight prepaid shipments, Erb Transport cannot accept penalties for non-conformance from the distributors to whom the vendor is selling the goods.

One of our Account Managers would be pleased to review your company's requirements and tailor a transportation solution that will provide the best options to meet your distributors' requirements, while reducing the possibility of incurring penalties.

In order to ensure efficient on-time delivery to your customers please continue to give us complete shipment information at the time of booking including: Purchase Order number, delivery due date, origin & destination addresses & contact information, pieces, weight, pallet count, temperature required etc.

We appreciate your support and thank you for entrusting Erb Transport to deliver your transportation solutions.

Sincerely,

Kevin Cooper  
Senior VP Erb Transport Ltd/Finance

John Jutzi  
Vice President, Sales