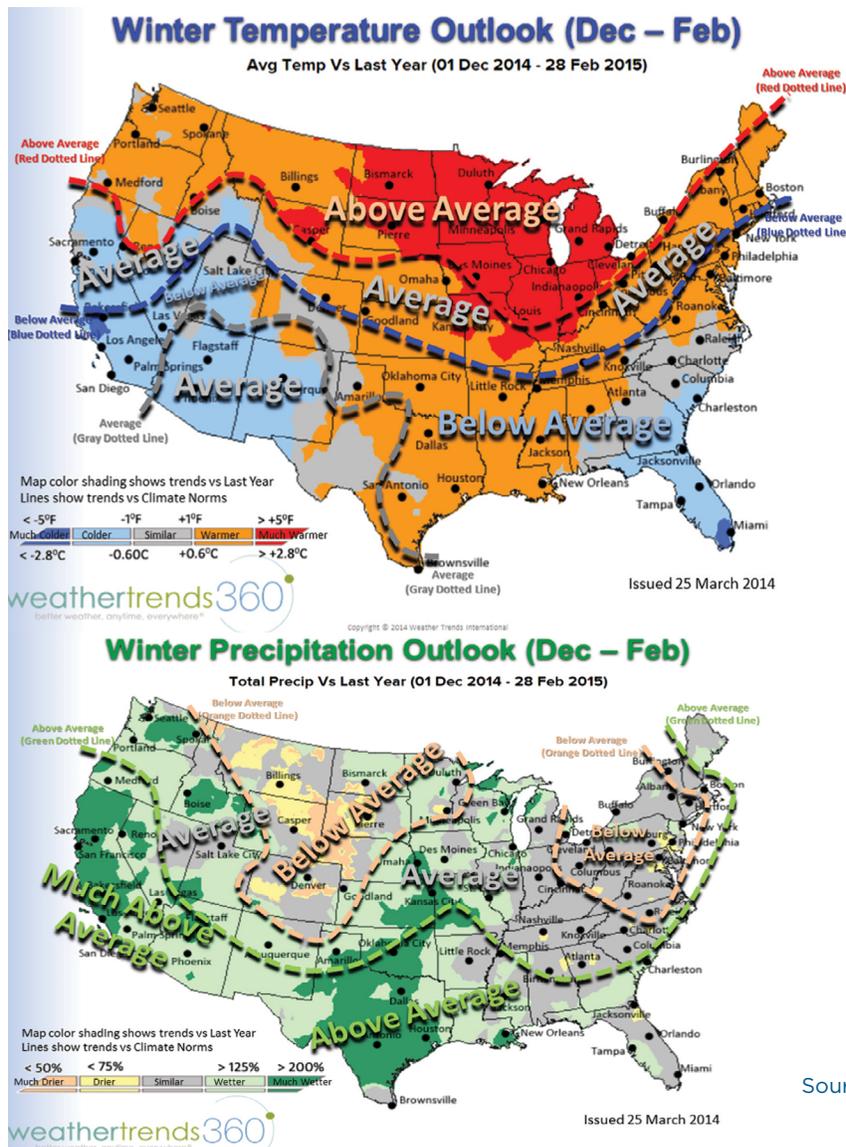


U.S. Transportation Industry Update

Winter Weather Planning

As part of an ongoing series, this report provides a brief overview of updates within the U.S. Transportation Industry. Quotes and charts are included from established industry analysts and researchers to ensure comprehensive coverage of current and expected conditions. This issue focuses on the upcoming winter season and 4th Quarter holiday period, encompassing a long-range weather forecast and recommended holiday planning actions to assist in maintaining efficient assured supply.

After an extensive review of a variety of winter weather forecast sources, Armada has determined that the weathertrends360[®] forecast appears to have significant credibility in terms of highest probability of being realized. The 2014-2015 weathertrends360[®] winter weather forecast is detailed in the illustrations below:



Source: Weather Trends International, Inc.[®]
www.weathertrends360.com

As part of Armada's winter weather planning process, we have updated our Disruptive Events Protocol and will be using this modified approach to manage identified winter storms. The highlights of this protocol include consistently and proactively monitoring potential disruptive weather events before they are scheduled to occur and developing an appropriate network solution to mitigate the effects of each targeted event.

By following these key steps, we can better manage the challenges that winter weather can bring. Each call-to-action may vary slightly depending on the expected event severity and warning lead time.

Disruptive Events Protocol

1. Identify and assess the disruption as early as possible. Armada has contracted to use a long-range weather forecasting service to identify potential severe weather issues.
2. An Armada response team will be formed for each event that is identified and deemed to have the potential to significantly disrupt network operations.
3. The response team will determine which network stakeholders are likely at the greatest risk to be impacted by the identified event.
4. Armada will then host a meeting open to all identified stakeholders to jointly determine a mitigation strategy (i.e. expected disruption, ship/receive date changes, recovery plans, etc.).
5. The mitigation strategy will be communicated throughout the network and the response team will meet periodically to monitor the event and ensure mitigation activity execution.
6. Once the event has concluded and the network is back to normal, an After Action Review will be conducted to determine what went right, what went wrong and how we can make improvements.

Overall, the intent of utilizing the Disruptive Events Protocol is to better ensure supply to our clients' restaurants and retail customers while working to keep associated mitigation costs under control.

Armada encourages all of its clients' stakeholders to consider making appropriate adjustments to their inventory safety stock and ordering practices throughout the winter weather season. Stakeholders in regions prone to get heavy winter precipitation are especially encouraged to make adjustments.

Recommendations to help avoid an emergency replenishment situation

1. Increase safety stock by at least 24-48 hours depending on product criticality and source point.
2. Advance orders by at least 2 days prior to any identified winter storm.
3. Arrange for extended shipping and receiving hours, including weekends, during winter weather.

The above recommendations become increasingly important as more and more carriers decide to park trucks during severe weather for safety reasons and decline shipments that would place their drivers and equipment in affected areas where they could possibly be stranded for unknown periods of time.

Armada's Supply Chain Operations Center will continue to provide advance daily weather alerts and operate 24/7 regardless of weather conditions. Our Field Services team will work with all stakeholders to ensure there are supplier- and distribution center-specific holiday operating plans in place during the upcoming winter holiday season.

For more information regarding Armada's Managed Freight or Redistribution operations, contact:

John Lyons, Director, Field Services
412-406-5824 or jlyons@armada.net (or your assigned Armada Account Manager)