Much has changed since my last newsletter update. Arrow has been a very busy place and a lot has changed over the last several years. We are proud of the progress that we have made, there is a great deal to look forward to and much to be cautious about.

First, progress. The last two years have seen a tremendous amount of change at Arrow, some of it visible from the exterior and some of it under the hood. Gold Star Transport has become Arrow Transportation as we brought our trucking operations outside of British Columbia under the Arrow banner. We expanded our reload business to include crude oil, diesel, jet fuel, sulphur, rig mats and others. We added many new reload facilities in Canada and the United States and now operate in 21 locations. We added two new major mining contracts and established a new First Nations joint venture organization in the Kamloops area. We extended contracts with all major customers including a new long-term agreement for the Huckleberry Mine in northwestern British Columbia.

Under the hood, progress has been equally rapid. We brought on two new Vice President roles to bring more direct management to trucking and materials handling and distribution. We have an enhanced focus on corporate responsibility with the goal of balancing the well-being of our people, the environment, our communities and our financial health. We have successfully upgraded our financial management and accounting systems with the addition of a new series of enterprise software packages. We have strengthened our internet presence and updated our fleet management software and hardware. We have added key personnel throughout the company allowing us to deal with more geographically diverse business operations.

On a cautionary note, we have many things we need to constantly keep front of mind. First, as we continue to grow, we need to ensure that we are putting in place the service processes and support staff to properly serve our customers. We cannot afford to disappoint the customers that we serve for there are many competitors that would happily trade places with us.

We need to constantly be aware of market conditions and be prepared to deal with them. This means always keeping an eye on the competitive factors of our business and ensuring that we can present to our customers a high quality service package at a competitive long-term price. We also need to continually improve in all aspects of our business recognizing that excellence today that is unattained can quickly become mediocrity in the future.

We have to also be particularly aware that we are treating the people we work with respectfully and kindly. A workplace is always more fun and more successful if people come first. This doesn’t just apply to management treating operating staff in this manner but is also relevant to our drivers, lease-operators, mechanics, yard labourers and administration staff treating each other this way. We need to have pride in our company and in how we each do our jobs.

The future looks very promising. We are over 825 employees strong and are fast approaching our 100th anniversary as a company. We continue to grow and strengthen our company through an aggressive business development strategy and a focus on service quality. We are staffed by a committed and diverse group of employees who share common values and a penchant for operating excellence.

It is a great time to be working at Arrow, and like many of you, I’m excited to play my part in this business. Thank you to each and every employee at Arrow for the contributions you have made in the past and are continuing to make today.

Best Regards,

On behalf of the Arrow Executive Group

Mitchell Zulinick - Chief Operating Officer
Milestones

The employees mentioned below reached their Milestones between October 2012 and January 2013. Please join us in congratulating these people for their time with Arrow. Great people work here.

**ALBERTA REGIONAL OFFICE**
- 5 years
  - Matthew Cook

**CHILLIWACK RELOAD**
- 2 years
  - Barry McIntyre

**EDMONTON RELOAD**
- 2 years
  - Colin Bennett

**GRANDE PRAIRIE**
- 30 years
  - Abe Wiebe
  - Vic Costley

**KAMLOOPS CKIPS**
- 10 years
  - Cory Webber
  - Walter Slusarchuck
  - Norm Hall

**KAMLOOPS OPERATIONS OFFICE**
- 2 years
  - Joanne Robertson

**PORT COQUITLAM RELOAD**
- 2 years
  - Gary McIntyre

**SCOTFORD RELOAD**
- 2 years
  - Matt Hebert

**STREAMLINE ALBERTA**
- 2 years
  - Steve Doucet

**QUESNEL CHIPS**
- 10 years
  - Tim Pearson
  - Rick Short
  - Roger Eckland
  - William Morrison
  - Darrell Benko
  - Douglass Watson
  - Michael Kopetski
  - Nicholas Murray
  - Wayne Broad
  - Brenda Snow

**TACOMA RELOAD**
- 2 years
  - Loree Duchesne
  - Matthew Morales
  - Anthony Mulligan III
  - Anthony Mulligan IV

**Grande Prairie Celebrates Abe Wiebe and Vic Costley**

We are proud to announce that Abe Wiebe and Vic Costley have both reached a major career milestone: 30 years with Arrow! We are very proud that such quality professionals chose to stay with us for so long and celebrate the dedication and hard work they consistently demonstrate.

Since starting with Arrow in November 1982, Vic has worked as a lease operator. In November 2010, we honored Vic with an Arrowlife feature article – not just for his tenure with Arrow – but also for his incredible character. Vic is a significant asset to our team and one of the kindest and hardest-working men you will ever meet.

Abe joined as a lease operator in January of 1983. A dedicated family man, Abe says working with Arrow has allowed him the time to be home with his family, even though his five children are now grown. Abe’s CB handle is “Vagabond,” as he loves being on the road. His love of driving is an obvious benefit to Arrow and also to his family, as he spends his time off on the road to visit his kids, who now live all over British Columbia and Alberta.

“These two men exemplify dedication, commitment and trust – qualities you don’t see every day. Abe and Vic are true leaders,” said Dan De Palma, general manager for Alberta Trucking, who has worked with Abe and Vic for several years.

Arrow’s 2013 Scholarship/Bursary Application

Do you strive academically? Do you work in order to raise the funds required to further your schooling? Do you already show signs of leadership by giving back to your community?

Or do you just need a break in order to move your life forward?

If you answered “YES” to any of these questions, you should apply for Arrow’s 2013 Scholarship/Bursary Award.

In 2012, Arrow gave a total of $10,000 to three exceptional candidates. We know that even $1,000 helps with the cost of education and Arrow wants to continue to contribute another total of $10,000 to up to 10 candidates depending on the number of successful applications received by May 15th.

Application package information is as follows:

Spouses, children and grandchildren of full time Arrow employees, lease operators and lease operator drivers are eligible and are required to apply on their own behalf.

Applications can be found at www.arrow.ca and must include:

- Name, address and phone number
- Relationship to and name of Arrow employee
- Why the applicant feels they should be the deserving recipient
- Future goals relative to education sought
- Community involvement
- Name of the registered post secondary institution (Canada or the U.S.) the applicant plans to attend
- All applications must be typed – handwritten forms will not be accepted

Please also include:

- A copy of applicant’s high school transcript (including effort marks)
- Most recent post secondary transcript (if applicable)

Packages need to be received no later than May 15th and successful applicants will be contacted by June 15th. Details can be found at www.arrow.ca.

If you have any questions, please contact Rachann Pedersen.

email: rpedersen@arrow.ca or phone: 250-571-7771

Everyone who enters has a chance to win!
2012 Million Mile Club Inductees

Again this year three of our professional drivers were nominated by their division managers and ultimately inducted into the Canadian Association of Fleet Supervisors Million Mile Club (MMC). To be nominated, drivers must meet the CAFS specific qualification criteria and must be approved by the association’s board of directors.

2012 inductees were Larry Bevan and Tim Cobb from Kamloops Chips and Gord Malin from Quesnel Division. In addition to receiving a unique MMC jacket and certificate at the recognition dinner, MMC drivers receive a commemorative watch from Arrow.

Congratulations to Larry, Tim and Gord for this well deserved recognition.

Clockwise from top: Gord Malin pictured with Rick Viventi, Larry Bevan, Tim Cobb

Safety 2012: A Year In Review

Arrow is focused on improving the safety of its people. To do this, we use government audits to make sure we are meeting and exceeding industry standards. Although we passed a range of government-sponsored safety audits last year, we can and will do more to protect our people from work injuries and accidents.

In 2012, Arrow drove further and worked longer than the year before. Although we saw fewer vehicle collisions, we had more equipment damage incidents and personal injuries.

Most of the damage incidents took place in the tight confines of loading and unloading sites. As the equipment gets bigger and trickier to operate in tight places, we must work with our customers to improve access so our drivers can pick up in a safe and cost efficient manner. Given that we haul more than 40,000 loads per year, a little improvement can make a big difference.

On the injury front, there were more soft tissue injuries from slips, falls and overextensions. While we had 29% more injuries than in 2011, there were 10.3% fewer lost work days. That the bulk of these injuries healed more quickly could mean they were less severe than injuries suffered in previous years.

Beyond the human cost of physical accidents, the increase of workplace accidents has resulted in increased WorkSafeBC rates over the next three years. At $350,000 annually, these increased rates hurt our competitive advantage.

Our main goal in 2013 is to create a safer workplace while keeping our competitive edge. We will review our processes and engage the staff at all levels to find solutions. Safety is measured not only by end results such as audit results, accident statistics and premiums, but by the tasks we complete safely every day that collectively reduce damage to our equipment and injuries to our people.
Workplace Wellness Program

As part of our commitment to corporate responsibility, we are pleased to announce that we are in the process of implementing a Workplace Wellness Program. Our goal with this program is to provide our entire workforce with support in adopting and sustaining behaviours that reduce health risks, improve quality of life and enhance personal effectiveness. As we all know, health encompasses not only the physical aspects but also emotional and social aspects.

We’ve established a Wellness Committee to generate ideas, create direction and plan program strategies. This committee is made up of a cross-section of our organization and has nine members.

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<th>Wellness Committee 2013</th>
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<tr>
<td>Cheryl Ozero, Administrator, Kamloops Chips</td>
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<td>James Cathcart, IT, Kamloops</td>
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<td>Jim Wilson, Driver/Mechanic, Grande Prairie</td>
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<td>Kate Magee, Reload Group Administrator, Edmonton</td>
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<td>Lisa Savage, Director of People Systems, Kamloops</td>
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<td>Kelly Hawkins, Division Manager, Kamloops Reload</td>
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<td>Mike Connell, Operations Supervisor, Peace River</td>
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<td>Rick Viventi, Director of Safety, Kamloops</td>
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<td>Jackie Charles, Director of Corporate Responsibility, Vancouver</td>
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The committee serves as the communication link with our workforce: facilitating their input into the process as well as making sure that everyone is informed of progress and developments.

In the next couple of weeks you will be asked to fill out a confidential voluntary wellness survey. The results of this questionnaire will reveal the health needs of our workforce and thus, serve as the basis for future wellness initiatives. The higher the response rate, the better aligned our program will be with the health issues our people are dealing with. We appreciate the personal nature of the information we are asking you to provide and want to stress that your anonymity will be respected and protected. Thank you in advance for your participation in our Wellness Needs Assessment.

Mitchell Zulinick - Chief Operating Officer

Team “Hairrow” raises $1,000

During November each year, Movember is responsible for the sprouting of moustaches on thousands of men’s faces, in Canada and around the world. With their “Mo’s”, these men raise vital funds and awareness for men’s health, specifically prostate cancer and male mental health initiatives. This year the “real” men from our Sherwood Park Reload in Edmonton, Alberta, raised $1,000 for this very worthy cause. Congratulations go to Rob Ruys, Colin Bennett, Steve MacEachern, Taylor Carruthers, Dave Sevigny, Mark Taylor, Robin Anhelher, John Varty, Jeff Plouffe and Stewart Garden (from Canfor). Also congratulations to the women in their lives for supporting them! For more information you can go to: www.movember.com.

BC New Years Baby

David Junior Rick Joe James, born just two minutes after midnight and weighing in at 8 lbs. 11 oz. was the first baby born in British Columbia this year! David’s parents are very proud of him. His dad, David James Sr., also happens to work for Arrow hauling chips out of Merritt, British Columbia.
Holiday Happenings

Please enjoy the stories and photos below that represent the incredible holiday spirit that seems to grow each year around Arrow. Thank you again to everyone that worked to make this holiday season incredibly special for all!

Arrow Christmas Float, Kamloops

From L to R: Jason Askeland, Kelly Hawkins, James Hibner and Jason Davidson

Daryl Froese stands in front of his masterpiece

Oh what fun it is to ride!

Huge thanks go to Daryl Froese and his wife Vicky for building and decorating the Arrow float which was part of four holiday parades in the communities of Merritt, Kamloops, Penticton and 100 Mile House, British Columbia. Also a big thank you to Dave Elliott for coordinating the equipment, and to Jason Askeland, James Hibner, Jason Davidson, Rick Deneef and their families for bringing the float to their communities.

Chilliwack Food Bank, from L to R: Susan Vivian, Kerry Fournier, Ian Pratt, Rob Davies and Crystal Weiss

Edmonton Food Bank, from L to R: Gord Asmussen, Marjorie Bencz, Kate Magee and Ken Chapman

Arrow contributes $6,650 to Food Bank

Each year Arrow sells raffle tickets at our Kamloops and now Edmonton Christmas parties to raise money for a local charity. The contributions are then matched by Arrow and this season the charities chosen were two Food Bank locations in Chilliwack, British Columbia and Edmonton, Alberta. Thank you to the people that organized the raffle and to all the people that purchased tickets. Cheques were presented to Ian Pratt of the Chilliwack Food Bank by Arrow Chilliwack employees and to Marjorie Bencz of the Edmonton Food Bank by Arrow Edmonton employees.
La Crete Christmas Party, from L to R: Jacob Bergen, John and Betty Doerksen, Jake Peters

La Crete Christmas Party, from L to R: Elizabeth Dyck, Elizabeth and Abe Doerksen, Jake Neustaeter, Susie Neustaeter, Martha Bergen

Kamloops Christmas Party relays, Mark Taylor and Crystal Weiss

Peace River Christmas Party: Justin Glaab and Ryan Connell

Edmonton Christmas Party, from L to R: Scott Foster, Corey Vail, Alex Encina, Darcy Raves

Edmonton Christmas Party, from L to R: Chris Miller, Jeffery Picouffe, Mike Lynn

Edmonton Christmas Party, drivers for AOK Transportation with Kate Magee, from L to R: Ibrahim, Berkelst, AK, Kate Magee, Miki, Tsehaye

Lenny Lloyd, getting down with his bad self at the Kamloops Christmas Party

Peace River Christmas Party: James and Chrissy Neustaeter, Cornie Neustaeter and Charity, Clifford and Alme Chalkoux, Randy Beaulieu, Shirley Parenteau