

EXPLANATION OF SURCHARGES RELATED TO COVID-19

March 17, 2020

Dear Valued Clients:

On March 11, 2020, the World Health Organization (WHO) declared the rapidly spreading COVID-19, Novel Coronavirus, outbreak a pandemic pushing the threat beyond the global health emergency it had announced in January. The arrival of COVID-19 has brought uncharted territory and unknowns. The rapid spread of the COVID-19 has resulted in a number of quarantines, government lockdowns, border closings and trade restrictions in all parts of the world. These reactions to COVID-19 have exponentially added complexity to your supply chains and given many of Magno International's (Magno) partners no choice but to restrict or cancel their operations to and from those countries affected by COVID-19.

As this pandemic has spread, Magno has monitored these government restrictions and the resulting changes in market conditions. Magno will continue to use its contingency plans in an attempt to mitigate any and all impacts of this global pandemic to your supply chain. However, due to the widespread nature of COVID-19 and the resulting governmental restrictions, there are several factors that are beyond the reasonable control of Magno and our partners. Therefore, Magno's ability to serve its clients in accordance with its current contractual responsibilities including, but not limited to, performance requirements, rates and standard operating procedures, has become commercially impracticable or in some cases impossible.

Given the foregoing and the force majeure nature of COVID-19, Magno shall not be liable under any contract or other terms maintained with its Clients to the extent any liability is the result of COVID-19. Further, Magno is implementing a surcharge to all rates to account for the changing market conditions which shall be in addition to any specific rate increases from its carriers due to the COVID-19 pandemic.

We appreciate your support and understanding as we navigate through this ever-changing situation and will continue to update you of any changes resulting from COVID-19. Should you have any concerns or would like additional information regarding this matter, please contact your primary Magno contact.

With kindest regards,

The Magno International Team