



December 14, 2021

Dear Valued Partner,

The year of 2021 will go down as one of the most challenging in the transportation industry. With unprecedented volumes, capacity constraints, rising costs and over all chaos in the supply chain.

Given the combination of the current US inflation rate of 6.2% and significant cost increases, we have found ourselves unable to sustain our current rate structure. Our transportation costs have increased 25%, dock 29%, and operations and clerical 28%. Most significantly, terminal lease expenses soared over 65%.

In 2021, we were able to limit our GRI to 4% through great efforts by our team.

Considering the increases listed above, we will require a more significant GRI in order to maintain the service levels on which our customers depend. Effective February 1, 2022, the GRI for all cargo will be 6.5%. This GRI rate will enable us to continue to invest in equipment, IT, our team, and most importantly, continue to supply you, our most valued partners, with the service you deserve.

In addition, the following changes will be effective January 1, 2022

As the supply chain continues to back up and our warehouses become full of cargo that cannot be delivered to consignees at capacity, we will be reducing the number of free days at our terminals. Storage charges will be assessed after 2 days on our dock for cargo that cannot be delivered due to consignee congestion.

Additionally, container customers will be charged \$75.00 per day to store empty imports or full exports unable to be moved due to the pier's constraints.

Given the doubling of chassis expenses since August of 2021, we find it necessary to increase the daily chassis rental rate from \$38.00 to \$43.00.

While this may seem alarming, the reality is that we have been absorbing these increased costs throughout 2021. We appreciate your understanding.

If you enjoy volume-discounted rates with Energy, your account representative will be issuing a new pricing agreement in January. Please feel free to contact them.

All updated accessorials will be available on our website: energytransportlogistics.com

Thank you for your understanding and continued support.

Best,

Energy Management Team