



Date 24 February 2020

Subject Coronavirus Customer Advisory – Issue 5

Dear Customer,

Referring to the letter issued on 17 February 2020, we would like to give you further update on the impact of the Coronavirus (COVID-19) outbreak on DHL Global Forwarding's (DGF's) operations in China as well as the impact on Air, Ocean and Rail Freight transportation.

The situation as of today, 24 February 2020, is as follows:

- Some DGF offices gradually re-opened while some offices are not re-opened yet, pending approvals by the local authorities. Please refer to the appendix 1 'DGF Offices Re-open Dates' for details.
- Against the backdrop of the COVID-19 outbreak in China, the local government in Hubei province has implemented a series of strict controls to prevent the spread of the disease. These include cancelling commercial flights to and from the city of Wuhan, as well as closing all highways and roads into Wuhan. As a result, DHL's pick-up, delivery and warehousing services in Hubei province are currently suspended. We will resume our service in Hubei province, subject to local authority emergency controls. In response to the COVID-19 outbreak, additional controls and movement restrictions have been imposed by authorities in other provinces and cities as well. These may be expanded in the coming days.
- As a globally operating company, epidemic and pandemic risk scenarios are an integral part of DPDHL Group's continuous risk planning. Accordingly, DPDHL business operations are continually adapted to mitigate potential impacts. The Group's task force closely monitors the situation, coordinates with international organizations (such as the WHO), and provides the necessary information to all employees and relevant operations. The safety of our employees is paramount, and we have contingency measures in place to mitigate any potential impact.

Below we would like to provide you with updates on the situation as to how it impacts DHL Global Forwarding's Air, Ocean and Rail Freight operations and might be affecting your shipments:

Air Freight

DGF continues to work closely with its carriers and other partners to identify reliable options to transport shipments to and from China using alternative solutions such as charter flights.

We are pleased to share an updated overview of the dedicated roundtrip charter capacity for Europe-China-Europe and US-China-US lanes. Please reach out to your account manager or customer



service representative to discuss the possibilities of delivering cargo to/from China using charter flights.

Ocean Freight

The situation in ocean freight remains critical - several ocean carriers have stopped their services to and from China either partially or fully. In some cases, cargo is off-loaded by the ocean carriers at ports other than the booked destination. The situation is very fluid, with new announcements being made without any prior notice by carriers of cancellations. This is resulting amongst others in an imbalance in equipment (both dry and reefer) availability that affects market capacity globally.

The situations described above are unforeseeable and outside the reasonable control of DGF, thereby creating impediment(s) to DGF in providing its services to its customers, specifically on Europe-Asia trade lanes at this very moment. Therefore, DGF is declaring "force majeure" for the Europe-Asia trade lanes with immediate effect. In this respect, DGF shall be relieved of any liability under any contract for services if, and to the extent that such liability is caused by the consequences of the outbreak of COVID-19.

In view of the aforesaid, DGF reserves the right to modify all or part of its Europe-Asia trade lanes, to change its working procedures and the agreed rates, to charge surcharges or otherwise to take measures to adjust its business operations and obligations towards customers to the then prevailing circumstances arising as a consequence due to outbreak of COVID-19.

Please refer to the full Ocean Freight Force Majeure declaration (for Europe – Asia tradelanes) in the attached document.

In practical terms Force Majeure declaration entails that DGF is not liable for any delays, charges related to the Coronavirus situation on Europe – Asia tradelanes for all service agreements (short & long-term contracts as well as spot business) including but not limited to:

- Demurrage
- Detention
- Port Storage
- Peak Season Surcharge
- General Rate Increase (GRI)
- Re-routing of cargo by carriers
- Off-loading of cargo at ports other than those designated in the B/L and subsequent and related charges (DDS and transportation)
- Consequential damages of any kind (due to cargo deterioration/spoilage, missed sales, etc.)
- Other

Service and rate change (surcharge) announcements may come quickly without the usual notice periods (e.g. 30 days) and will be applicable immediately.

DGF reserves the right to re-address its position and potentially widen the force majeure scope as deemed appropriate in the coming days or weeks by adding further trade lanes outside Europe-Asia.



DGF will closely monitor all related developments and will ensure that customers are fully informed if/when this happens.

Caused by severe equipment imbalances and significant number of blank sailings, an Emergency Cost Recovery Surcharge for all container types and a congestion surcharge for reefer equipment will be implemented as of 1 March 2020 (Bill of Lading date). Please reach out to your account manager or customer service representative for more details.

To support urgent shipments for our customers, particularly cargo to the US from China, DGF will extend its MMEX (Miami Multimodal Express) service – a regular weekly consolidation service export from SHA to LAX. This option serves China-US lane (Express FCL or Express LTL/FTL). However, the service is currently subject to price and capacity changes imposed by the market conditions outside the reasonable control of DGF. For the MMEX sailing schedule, please refer to the enclosed appendix 3 “DGF Ocean Freight Options.”

To address a continuously challenging situation with a severe shortage of truck drivers in Shanghai, Jiangsu, Zhejiang and Anhui, DGF offers barge solutions to Shanghai Waigaoqiao and Yangshan for customers in some cities of Anhui, Jiangsu and Zhejiang Province, with the transit time of 5 – 8 days. Please refer to the enclosed appendix 3 “DGF Ocean Freight Options” for barge transit time from different cities to Shanghai Waigaoqiao and Yangshan.

We strongly recommend preparing for possible equipment imbalances in Europe, which may affect your supply chain planning. In the light of the developments mentioned above and forecasts, we recommend that customers shipping urgent high-value cargo consider using Air Freight or Rail Freight solutions that are currently available for inbound and outbound shipments to and from China. Please reach out to your account manager or customer service representative to discuss the possibilities of delivering cargo to/from China using alternative transportation modes.

Rail Freight

Outbound volumes from China to Europe are expected to increase significantly as soon as factories in China re-open and production re-starts. Advanced capacity planning at this time is crucial. To secure rail capacity for train departures in March 2020, we would like to encourage our customers to book space for March 2020 train departures already now with the following conditions:

- DGF offers are based on current tariffs, exchange rates, transport conditions subject to accessible and calculated transport routes
- Transport restrictions in China, especially those occurring due to the COVID-19 outbreak, can result in extra costs that are outside of DGF’s control. If the costs are unknown at the time of quotation, they will be charged additionally to the quoted transport rate (e.g. demurrage costs, redirections costs, Coronavirus-specific costs)
- Subject to trucking availability in China at the time of booking/transport
- A booking cancellation fee of 60% on the quoted Door to Door rate is applied if the shipment booking is canceled up to 16 working days before the scheduled date of train departure



DHL Global Forwarding is doing its best to support smooth transport operations for our customers at this difficult time. Therefore we have secured significant extra space in our train system, which will be allocated on the “First come – First served” basis, including DHL-owned China Rail Blocktrain capacities from Xian and Chengdu. It is important to highlight that Freight cargo trains are operating as usual between China and Europe at the moment (compared to passenger trains) crossing Kazakhstan –China border.

So far, there are no reports of DGF staff in China and Hong Kong becoming infected with COVID-19. The company has undertaken significant preventive and proactive measures to ensure we best safeguard our employees’ health and safety and continue to manage our day-to-day operations with little or no impact on our customers’ shipments.

DHL Global Forwarding is carefully monitoring the fluid situation around the Coronavirus and will be providing further updates in this regard when available.

Please rest assured that we will keep you updated on any changes to the current situation. Should you need further information, have any concerns or queries, please feel free to contact your account manager or customer service representative.

Thank you for your understanding.

Kind regards,
DHL Global Forwarding



Appendix 1 – DGF Offices Re-open Dates

Updated on 24 February 2020 – 1:15pm HKT

District	Office	City	DGF office Premise Entry Date Approved by Local Authorities
Shanghai District	SHA	Shanghai	10-Feb-2020
South District	SZX	Shenzhen	17-Feb-2020
	YTN	Yantian	14-Feb-2020
	CAN	Guangzhou	10-Feb-2020
	DGG	Dongguan	17-Feb-2020
	ZIS	Zhongshan	21-Feb-2020
	SWA	Shantou	10-Feb-2020
	HAK	Haikou	10-Feb-2020
	Central West District	CTU	Chengdu
CKG		Chongqing	TBD, under application
SIA		Xi'an	TBD
CGO		Zhengzhou	25-Feb-2020
LYA		Luoyang	10-Feb-2020
MIG		Mianyang	10-Feb-2020
East District	HFE	Hefei	24-Feb-2020
	HGH	Hangzhou	12-Feb-2020
	NKG	Nanjing	17-Feb-2020
	NGB	Ningbo	17-Feb-2020
	SZV	Suzhou	11-Feb-2020
	WUX	Wuxi	19-Feb-2020
	LYG	Lianyungang	21-Feb-2020
	XUZ	Xuzhou	20-Feb-2020
South East District	CSX	Changsha	10-Feb-2020
	FOC	Fuzhou	10-Feb-2020
	KHN	Nanchang	18-Feb-2020
	KMG	Kunming	10-Feb-2020
	NNG	Nanning	17-Feb-2020
	WUH	Wuhan	TBD
	KWE	Guiyang	TBD, under application
	XMN	Xiamen	10-Feb-2020
North District	BJS	Beijing	10-Feb-2020
	CGQ	Changchun	10-Feb-2020
	DLC	Dalian	10-Feb-2020
	SHE	Shenyang	10-Feb-2020
	TAO	Qingdao	10-Feb-2020
	TNA	Jinan	10-Feb-2020
	TSN	Tianjin	TBD
	YNT	Yantai	10-Feb-2020



Appendix 3 – DGF Ocean Freight Options

Updated on 24 February 2020



MIAMI MULTIMODAL EXPRESS

Sailing Schedule

Origin CFS Cut off Day	Origin	Loading Port	Estimated Day of Sailing	Routing	Destination Port / Destination	Transit Time PTP
Monday	Shanghai	Shanghai, CN	Thursday	Direct	Los Angeles, US	11 days

Remark:

- Sailing schedule is subject to change
- Transit Time is based on Origin Loading Port of Departure until Arrival at Destination Port
- Transit time from Origin CFS to Loading Port is approximately within 3 days
- Transit time from Discharge Port to Destination CFS is approximately within 1 day

Disclaimer:

Due to outbreak of COVID-19, there have been carrier cancellations on China inbound & outbound lanes which has impacted cargo capacities. Rates and transit times right from quoting, booking until shipping can change depending on the availability and the market scenario as this is outside the reasonable control of DGF.

BARGE SERVICE

Transit Time – to Shanghai Waigaoqiao and Yangshan Ports

Province	City	Transit Time
Anhui province	Anqing, Wuhu, Bengbu, Hefei	5-6 days
Jiangsu province	Nanjing, Yangzhou, Taizhou, Zhenjiang, Changzhou, Jiangyin, Zhangjiagang, Changshu, Huaian, Nantong, Rugao, Haian and Yixing	3-5 days
Zhejiang province	Deqing, Changxing and Anji	4 days