BIG BLUE MAGNUM COMPANIES QUARTERLY NEWSLETTER | Q3 2020



I want to thank all our drivers for the outstanding job they do. We would not be able to be recognized as an outstanding carrier if it were not for you, so Thank You for all you do to make Magnum successful.

As reported in our last Big Blue News, LTL continues its expansion of terminals; and I am happy to report that all terminals are now handling freight. Our shop and Driver lounge project is on schedule and should be completed sometime this early winter. We are excited about the project and know it will be nice for Drivers to have a place to relax while in Fargo.

I am also happy to report some changes within Magnum's management. James Johannesson has been promoted to President of Magnum LTL, Inc. James started with Magnum as a trainee right out of college and has done an outstanding job through his career path at Magnum.

Matthew Gadberry has been promoted to President of Magnum, LTD and Magnum Dedicated, Inc. Matthew has

been with Magnum through college as a part-time employee to full time after graduation. Matthew has and continues to be positive about Magnum's future and works hard to help us be successful.

David Gadberry has been promoted to President of Magnum Logistics, Inc. and Magnum Warehousing, Inc. David is also responsible for overseeing HR and all our construction projects. David has also been with Magnum since graduating from college and continues to be a productive manager with Magnum focus.

Please extend congratulations to these individuals. We are all blessed to have such a great team, which includes all employees, at Magnum.

Alongside you all to make Magnum successful, as well as the best place to work in the region.

Wayne Gadberry

ACCOUNTING news

What is new in the third quarter of 2020?

As we discussed in June newsletter, we started 2020 in a very positive manner related to budgeted revenue and net income levels. With the event of COVID-19, we witnessed a downturn in everything overnight. April and May were very tough for everyone in all industries. With the economy open, we have seen a steady recovery since the end of May. With the efforts of everyone at Magnum, we can continue to have a positive recovery and a successful 2020.

We have approved the renewal of all our benefit packages with no changes in our health care coverage options for 2021 with open enrollment starting the end of October. With the continued increase in health care cost, we again received an increase in our overall cost. Again, Magnum will share the plan increase with our employees. We will still provide the \$6,350 deductible single plans to all employees at no cost. We will again contribute between 70% to 82% toward the employee plus spouse, employee plus children(s) and family coverage depending on the plan provider selected for the \$6,350 deductible plans. **We have no changes in the cost of** *our other benefit programs in 2021.*

Magnum will continue to match your 401k contributions at 50% up to the first 6% of your contribution or a 3% match. We continue to auto enroll all employees in the 401k on the first of the month following 60 days of employment at a 3% rate and a 1.5% Magnum match. In January, we will also increase the contribution level for all employees under 6% by an additional 1% and increase Magnum's contribution by 0.5%. Employees do have the option to opt out on the above programs.

In early 2021, we will again be sending out Employee Compensation statements to all Magnum employees. For the rest of 2020, we need to get through this election and continue to work toward a vaccine for COVID-19. Let's all pray that our economy continues to thrive for the rest of 2020 and into 2021 despite the current struggles in our world.

Everyone at Magnum has worked very hard during the pandemic. Thank you for your efforts during 2020. Keep up the good job.

Don Jemtrud

Chief Financial Officer



Safety - Slow Down & Enjoy the changing Seasons

Winter is just around the corner. The first snow/ice always brings with it mishaps. In our business we see a higher percentage of accidents and injuries from November through March. Whether you are driving a company vehicle or your personal vehicle, please SLOW DOWN! Speed contributes to losing control causing damage and injuries. Slips and falls happen fast and cause serious injury. Slowdown, be conscience of the increase risk and stay safe. Our goal at Magnum is to have zero crashes and zero injuries. Do your part to make sure everyone goes home safely to their family and friends at the end of the day!!

I would also like to thank all the efforts of our Magnum employees. Because of your hard work and dedication, our company is growing. This allows us to provide more jobs and opportunities to advance. While we are growing, we are improving our safety metrics. Compliance, Crashes & Injuries are showing improvement. We want this to continue and improve!!

Thanks and enjoy the fall/winter seasons with the recreational opportunities that come with the cooler weather.

James Johannesson President of LTL



TRUCKLOAD news

As Magnum continues to move forward within the industry, we are fortunate to have many long-term employees who have helped Magnum become a top-notch supply chain organization. I wanted to share a little bit about Randy Gilbertson, our Director of Maintenance who started with Magnum in March 1 st, 1984.

Today, Randy is responsible for over 600 power units, 1,500 trailers, 150 forklifts, multiple facilities and all the staff that go along with it. Randy grew up in rural North Dakota and wrestled at North Dakota State University in Fargo, ND. He started on the Gadberry farm during beet harvest and was no stranger to hard work and dedication to the operation at hand. Randy quickly grew into an all-purpose player, taking the lead when equipment was breaking down and working for over 24 hours to complete the harvest in the allotted time. Randy remembers one date specifically, March 1993, the day Magnum moved the Maintenance Shop to Fargo, ND and our plans of growth began. Randy has been a part of many changes in 36 years. He has adapted well to the ever-evolving technology world we live in which has changed the way we do business and maintained our fleet of equipment. Randy always brings a positive attitude to work and truly has the, "employee first" mentality. With Randy's continued leadership at Magnum, I am excited to see us grow, become more efficient and learn from all Magnum employees. Thank you, Randy, for all you do to keep Magnum a fun and exciting organization to work at. You are the true definition of what being part of the Magnum family is all about.

> Matt Gadberry President of LTD & Dedicated



LOGISTICS news

Are you good at juggling?

If you are you would love transportation and if you're not you would love transportation. Sometimes it's hard to explain what it's like to be working in the world of transportation, so I occasionally associate our world with Juggling (usually beyond our experience). When I speak about transportation, I mean everything related to moving product from origin to its destination. Within this definition there are many different modes but to name a few most are familiar with, there is Truckload, LTL, Dedicated, Warehouse and Logistics. We at Magnum have all the above and each division performs their own juggling act every day.

For now, I'm going to talk about Logistics. We're looking for more jugglers willing to learn this act we play out every day. Sometimes we need to stand on our head while juggling, sometimes we must walk a tight rope while juggling...jk but some days it does seriously feel like you did. We're living

through some interesting times and the freight market is no different. Truck capacity is at an all time low, while rates in certain lanes are increasing into the double digits. What does this mean? It means, Freight becomes more difficult to move unless you have a solid base of core carriers. While Logistics is actively pursuing new customers, we must also actively pursue new carries that will handle our growth. Both are vital for the growth goals we have in the short/long term plans. Logistics will be expanding our customer sales and developing our carrier sales this year, as our carrier growth will be just as important as landing new customers. I know full well that other business sectors have their own challenges and/or juggling acts but some days transportation also feels like you're on a gravy train with biscuit wheels! So, if you're interested in becoming good at juggling and/or riding a train, we welcome you to the wonderful ever-changing world of transportation!



TRACTOR SHOP

Hope everyone had an enjoyable summer as it is unfortunately coming to an end. We just celebrated Driver Appreciation Week and this year we had a breakfast wagon set up just outside my office serving from 6am to 9am all week, so I had a bird's eye view of all the drivers stopping by. It nice to see you all and we really thank you for all you do and the sacrifices that go along with being on the road for weeks at a time. Drivers are the backbone of Magnum.

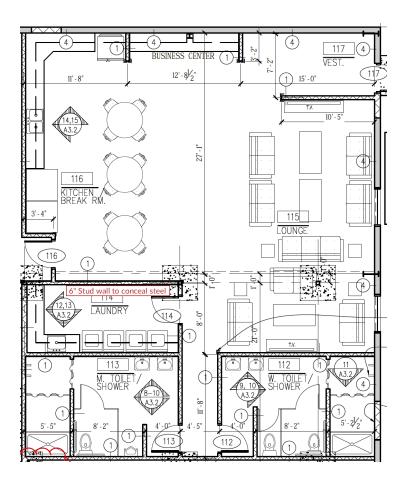
We are excited at the Fargo tractor shop as we are adding a 65 ft addition to the north-side of the shop that will allows us to add 3 drive through bays. Our current shop office will be remodeled with the parts room expanding out into the current shop and the east side of the existing shop will be remodeled to accommodate the muchneeded drivers lounge. During this remodeling, the shop personal will be required to operate out of the new section and our vendor repairs staff that is currently upstairs in the shop will temporarily office in the

Over the last 5 years Magnum has invested a lot back into our employees and our facilities. Our Corporate offices in Fargo were completely remodeled in 2018. A brand new 80 door terminal was constructed in Coon Rapids MN in 2015, complete with a Maintenance shop, Driver lounge and a Warehouse. In this same time a number of LTL terminals have been built or updated! **So what's next?**

One of the biggest points of contention with LTD drivers over the years has been the Fargo driver lounge, facilities and dusty yard. Our Maintenance shop, which was originally built in 1993, is currently undergoing a large upgrade! 6 new bays are being added along with improved offices, parts room and a DRIVERS LOUNGE! The new lounge will include many of the same amenities included in our Coon Rapids lounge. Drivers will be able to take advantage of a partial kitchen, vending, TV, separate Men's and Women's showers, laundry and much more. With the Lounge being part of the Maintenance shop, drivers will be able to enjoy these comforts while they wait for their truck to finish its services. These upgrades are expected to be completed towards the beginning of 2021 for the employees and drivers to enjoy. We are very excited to be able to offer these amenities to our drivers! Keep up the good work and know you are appreciated more than you may know!

Chad Nielson LTD Operations Manager safety building. This move should be in mid-October and hopefully by first of the year we can be back in our new and remodeled building. Magnum Coon Rapids shop had Kolton Nelson start in the shop this fall. Kolton is going to the tech school and working for Magnum when he is not at school, this young man is a nice addition. Every fall it seems like I preach to drivers to get ready for winter and this year I will briefly mention that if you need any help in putting together a checklist to prepare you for winter conditions we will be happy to assist. Winter weather needs to be taken seriously as it creates additional hazards that are not normally encountered. Last year we started the winter with a couple of very serious accident, and we are hoping for a much safer winter this year. Remember Safety is no Accident

> Thanks for all you do, Randy Gilbertson



LTL SIOUX FALLS expansion news









Just a quick update from the Sioux Falls terminal on the expansion plans that are still underway and getting much closer to completion.

The new office is in the process of getting the furniture installed and final touch ups before move in. Next step is the hooking up of the internet and phones on the IT side and we should be ready to set up shop.

Couple other items that are being added to the updated terminal are a fuel tank and DEF fueling station this is installed just waiting on the final hook ups. Our scale has been installed and in process of calibration to be able to start using. Lastly, we have a snow scraper for trailer roof tops and that is also very close to being ready to use. Of course we don't want to be talking about snow yet.

We are all very excited to be set up and running out of the new office and having drivers able to utilize all the new features of this state-ofthe-art facility.







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LTL EAST REGION

Coon Rapids DC

Manager Kelly Mastin 9 years with Magnum. Alec Hanson Assistant Terminal Manger 1 year with Magnum. 160 employees

Responsible for safe and efficient movement of well over 2 million lbs of our customers freight each day. Over 1500 shipments pick up and/or deliver daily at Coon Rapids each week day.

Willmar

Manager Kerry Kummrow over 9 years with Magnum. 30 employees

Handles over 350K lbs of freight each day. 345 shipments per week day on average pick up and/or deliver at Willmar each week day.

Saint Cloud

Ken Peterson who began his career with Magnum just 7 short months ago. 11 Employees

Handles on average 185K lbs of freight each day on 150 pickups or deliveries. This is freight that used to be handled at the D.C. last year which frees up dock space and resources in the metro and offers an entire new part of Minnesota to be serviced by a local terminal facility which we are fast outgrowing.

Lakeville

Hybrid operation overseen by Ryan Botten 9 years with Magnum and Alec Hanson ATM at Coon Rapids. 7 employees

Handles over 300K lbs of freight daily relieving that pressure from the D.C. in Coon Rapids this year.

The addition of Saint Cloud and Lakeville operations this has allowed growth opportunities as what they perform keeps our D.C. fluid and efficient to support rapid growth we have enjoyed year to date.

We appreciate all the hard work and dedication from all our dedicated employees during the crazy 2020 year.

Lastly I would like to recognize a recent promotion Jessica Kirchner 14+ year veteran at our Coon Rapids D.C. has recently excepted the position of Night Operations Manager. Jessica is truly worthy of the role she has worked her way through the ranks and has sought out and excepted every challenge and excelled. I personally am very proud of her accomplishments and determination to care for our customers.



LTL WEST REGION

I would like to take a moment to introduce our **Billings, Montana** crew. Our terminal is 420 miles from our Bismarck location and 380 miles from our Rapid City Terminal. They allow us our LTL connections to the western states through partners like USF Reddaway, North Park and DTS. This allows us over night service to and from Billings proper to good share of North Dakota points. We do a nightly line haul between Billings and Bismarck (which amounts to a 840 mile turn) where our drivers swap trailers in Glendive Montana. The drivers start and coordinating times from both ends.

One of these line haul drivers is Stephen Doely who has been with us 5 years! Stephen is looking to retire the end of this year... but not leave us, remain on but on in a more limited role. We hate to lose him, so great to still have him on the team. Our hard working p&d team that services a growing customer base like T&E Equipment, Yellowstone Valley Parts, .Ryan Schoepp leads our crew for more than two years now (time flies), he as proved to be a jack of all trades! He has brought on Thomas "Matt" Crocker in August who has been a great addition to our crew. Matt quickly hit the ground running and made a seamless move to our operation. Most recent Tom Staker who have had pleasure of know and working with in several capacities in Billings over the years has joined or team to fill Stephens retirement. Tom has been very flexible and fill all roles asked of him. We are fortunate to have such a talented and dedicated team!

> **Eric Grove** West Regional Manager

LTL SALES news



Dan Kackman Account Executive

Dan started his career on the other side of the table. Dan worked for Reechcraft for many years, one of his responsibilities was logistics. He later moved into sales for the company. LME had an opening for an Account Executive out of the

Fargo terminal, so Dan decided to switch to our side of the table. Dan was with LME for 5 years covering ND and Northern SD. Dan's most recent position was a Business Development Executive with Valley Management covering ND and Western MN. We recruited and hired Dan, he started on June 15, 2020. Dan will be covering the Jamestown terminal service area and parts of the Fargo terminal service area. Please welcome Dan to the team.

Dan has been married to his wife (Joyal) for 20 years. They have two wonderful daughters, Haley (16) and Katelyn (13). In his time away from work, Dan is spending time going to his kid's activities like basketball, softball or dance. Dan is also a referee for men's city league basketball, coaches his daughter Katelyn's basketball team, helps on fund raising for the West Fargo Packatahnas (2020 UDA Nationals Champions) which his daughter dances for. If he has any time left, he tries to get out and do some golfing.

Matt Crocker



Ryan Schoepp



Stephen Doely



Tom Staker

LTL NORTH REGION

Jamestown ND Spotlight

Our Jamestown ND terminal finished construction in November of 2016. The terminal consists of a heated dock, eight dock doors, and one ground level ramp. The terminal sits on 5 acres with expansion opportunities to the west as we continue to grow. Our Jamestown terminal is seeing good growth in 2020 with bill counts increasing over 17% year to date. Our staffing in Jamestown continues to do an outstanding job with managing the growth and keeping our customers' needs on the forefront. Magnum currently has 5 employees in Jamestown with hopes to add staffing in the near future to assist with the growing needs of the W&R program.

Jamestown Employee Spotlights

- Kirk Davis started with Magnum in Dec. of 2017 and runs the in town peddle route and coordinates our linehauls.
- Brian Ganser also started with Magnum in Dec of 2017 and runs the South and Northwest peddle routes.
- Justin Harvala was hired on in July of 2017 and runs daily up to Carrington ND where he picks up our Dakota Grower pasta loads.
- Chad Nelson started in January of 2020 and runs the Northeast peddle route.
- Kody Pickett started in July of 2019 and runs the Fargo linehaul and he also covers a run up to Fosston MN nightly.

Thank you guys for the all the hard work and dedication to Magnum throughout the years. We would not be able to handle the continued growth without great employees.

Craig Mahan North Regional Manager





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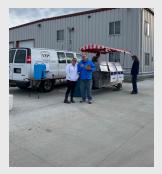


NATIONAL TRUCK DRIVER APPRECIATION WEEK















Last month we celebrated National Truck Driver Appreciation Week. Although it was a little different from what we have done in the past, it was still an important week. A few highlights from the week: Fargo LTL and LTD came together and catered in breakfast and lunch every day for the week, ending Friday with a Phillies Sandwich cart for dinner. A few people from Fargo went to the Mapleton (ND) Weigh Station and handed out lunches as the highway patrol pulled all truck drivers in. Coon Rapids Terminal had a nice array of breakfasts and even had a taco truck one of the days! With billboards and signs displayed all over the Fargo area we hope that ALL drivers felt appreciated all over. We thank you for your dedication and endless hard work ALL YEAR LONG!



We appreciate you.



Save The Date September 12-18, 2021 Add this to your calendar for next year! This year was our 15th Annual Golf Tournament. With everything being a little different this year, it felt pretty close to normal at this event. We couldn't have asked for better weather! Save the date for next year, September 11th, 2021 at Rose Creek Golf Course.

Golf Tournament















MARKETING News









Nick Kare





We post daily; fun facts, celebrations, giveaways, position openings and more!

> Here are a few photos submitted recently from our drivers all over!

We enjoy seeing our trucks on the road and hearing where you are!

Have a cool photo you want to share with us? Please send them to marketing@magnumlog.com



Janda





MAGNUM CLOTHING STORE

Don't forget about our Magnum Clothing Store! We've been working with Rambow for almost a year now and we couldn't be happier with it, (and we hope you are too!) If you ever have any ideas of specific items of clothing to be added to the store: mens, womens or even kids, please email ideas marketing@magnumlog.com!

AS A REMINDER: We are no longer doing anniversary jackets! We are doing store credit, that way employees can purchase whatever they would like with their alloted money they receive for the years of service. Years of service recognized with this program: 1, 5, 10, 15, 20, 25, 30, 35 +.

If you do not have an account set up, please feel free to set one up yourself!

Please visit the store here: https://store.rambow.com/magnum/ **OR** You can always find it on our website at the very bottom where it says Magnum Apparel.





SmartWay High Performer

Every year the EPA recognizes carriers that lead the freight industry in producing more efficient and sustainable supply chain transportation solutions. Among the hundreds of companies partnering with EPA through SmartWay, there are those that are a step ahead.

SmartWay Partners submit efficiency and air quality performance data to EPA annually. EPA aggregates and divides the data into five ranked performance ranges. SmartWay High Performers are Partners whose efficiency and/or air quality performance falls within the top-ranked performance range.

Based on SmartWay's annual emissions reports for partners, Magnum LTD and Magnum Dedicated were recognized as 2020 High Performers.

Fleet Safety Award

Congratulations goes out to Magnum LTD for receiving the 2019 Fleet Safety Award from the North Dakota Motor Carrier Association for fleets that travel 10-25 million miles. This is the second year in a row that Magnum LTD has received this award.

Awards like this would not be possible without the help of all Magnum employees. Don't underestimate your importance or the impact you can have no matter what your job title is. Safety needs to be a company core value, not a priority. Priorities change, values do not. The Safety Department would like to thank all of you for making safety a company core value.

Bryce Allickson Safety and Compliance Manager



WAREHOUSE

Coon Rapids Spotlight



I have the pleasure of sharing with you that the warehousing division has been up and running in Coon Rapids for a couple years already with our first tenant being Northern Wholesale. Northern operates in a portion of the building which began 2 years ago and has been a great tenant and customer for Magnum. In the time the warehouse has had the addition of the Coon Rapids facility we have more recently added some additional customers that we service directly and have worked to run closer to capacity. Helping the Coon Rapids facility get up and running has been a smooth road with the help of some great folks. One of those names is also Magnum's first warehouse employee in the state of Minnesota. This employee is Mitch Leibold, and he has served on both the Logistics and the LTL side and has been with Magnum since 2011. Now you can imagine with Mitch being our only warehouse employee in CR and the first in the state of Minnesota he can have a lot going on some days. When he asks for a day off to go do some hunting or fishing (which he really enjoys) my first thought is absolutely not who will run the place but then I realize we all enjoy doing some things away from work once in a while and I enjoy hearing the stories from everyone once they are back from time off. We have been very fortunate to

have Kelly Mastin and Alec Hanson from our Coon Rapids LTL division as well as David Lybeck from our logistics team help us out when we need it to get things covered. Our plans are to continue to grow with our existing customers if we can and bring on a new warehouse employee to work with Mitch.

BIG BLUE news

We also continue to expand on our recent implementation of our warehouse management system by Camelot and have really worked to get it fully on board in our Coon Rapids warehouse. During this implementation we have had a lot of help from Nathan Maciej who is our supply chain engineer and has been part of the Magnum family for nearly 2 years already. Nathan has had the lead on the on-boarding of this wms system and is very instrumental in keeping the implementation progressing forward. The next big step will be an accounting interface to help with automating the billing process. Nathan also works on our KPI's and works closely with our kitting operations at Magcorp. We provide daily metrics to our Case New Holland team who we fill a vital role in the supply chain each and every day. Magnum does a lot for CNH and has been a customer of ours for a very long time and we really enjoy having them and being a great partner and thank you to everyone that helps make Magnum a great supplier!



HUMAN RESOURCES

Open Enrollment runs from October 26 - November 17

Changes in the HR Department

We have two new faces in our HR Department! Jennifer

Moran has taken over the Benefits side of HR and Briana

has decided to take a step back from the HR Manager

position. Briana is still in the HR department at Magnum,

so you'll get to work with her when needed. Please help us

welcome Erin Bahr as our new Human Resource Manager

and Jennifer as the HR Administrator.

This is your chance during the year to make any changes to your benefits without needing a life-qualifying event. Elections made during this time will go into effect January 1, 2021.

We will again have a "Passive Enrollment," meaning if you don't want to make any changes, everything you currently have will simply carry over into 2021.

Flu Shots!

As if there isn't enough talk about viruses in life nowadays, it is also the beginning of the flu season. Did you know the Flu Shot is 100% paid for by your health insurance? This means you go can go anywhere in your network to receive the Flu Shot at no charge. Go and get one today!

MAGNUM

Innovation

With Value

Hello, I'm Jennifer Moran, I've been with Magnum so far, a total of 8 years. I recently took on a new role as Human Resource Benefits Administrator with the company. I enjoy spending my spare time with my daughter and dog along with sewing on occasion. I love decorating for Halloween and Christmas.



Erin has a diverse multi-state, multi-industry background of 14 years in Human Resources; most recently with another transportation company. She was raised in California and after attending college in Virginia, spent a few more years there in order to gain some career experience. 8 years ago she moved to Utah and continued to develop her career by completing her M.B.A while still working in the HR field. She met her husband in Utah and they have recently relocated to his home state of North Dakota with their 2 dogs.



welcome to MAGNUM

LTD DRIVERS

Elroy Mason William Billings Darrell Potter Aaron Dillon Michael Broadbent Mary Manley Robbie Batson Heather Werner Phillip Espinoza Tyressa Mcconnell Patrick Jenkins Vladimir Khlistunov Jeffrey Ashby Randall Lauckner Broc Boitnott Jill Murray James Hermes John Sammons David Chase Dishawn Smith Nathaniel Allen Kenneth Stewart Jorge Aquilar Robert Krom Trevor Brindle Ronald Svetlick Peter Bertch Lorenzo Bucknor Marshall Kopfer Mark Mcdermott James Franks Karimah Lindsay Blas Garcia Ladell Hemsworth Joshua Horton Tyler Bumgardner Billy Whitley Harold Kuptz Eugenio Pena Jonathan Robinson Wendell Purham Kevin Hawkins Harnell Walton Thomas Prance Daparis Gamble Kolten Nelson

LTL

Matthew Gross Thomas Staker Thomas Crocker Morgan Jerome Randle Beerbower Edward Pace Collin Knor James Gregory Daniel Hilsgen John Poehls James Wills Brody Farmer Margus Smith Robert Hudson Nevin Kadlec Michael Hanson Luis Mendez Dennis Horak Casey Omer Luke Bien Derek Lavone Brian Chabot Paul Conley William Griffin Robert Stark Michael Kolb James Cummings Charles Nettleton John Belville Terry Patrick John Schutte Vincent Holst James Ross Cody Little Luther Andal Andrew Merten Jordan Heinemann Ryan Hatch Kenneth Beckett Tyler Bourgoin Ethan Kohler Fulton Krakue Kon Heu Josh Ulring Samantha Gorder Shea Nelsen Alan Winters



DEDICATED

Thomas Sand Daniel Defries Gerald Jagerson William George Petr Fiser Alexander Soto Daniel Sturtevant Kenneth Roemmich Joseph Scholl John Morris

WAREHOUSE

Tamara Miller Garret Macabee Dylan Meyer Richard Catania Stephanie Johnson