

14 May 2021

Dear Customer,

As we head further into 2021 and the cooler winter months, I thought it might be appropriate to provide you with an update of several things that we have or are working on, which may be of interest to some of you, particularly those who use our Southdown Container Terminal and also those who are in the business of moving hazardous goods.

Vehicle Booking System

As you will all be aware, we introduced a VBS at our Southdown Container Terminal facility on the 8th of February and at the time we advised that we would be delaying the application of some of the fees, namely those for late cancellations and unutilised bookings, for a period of time while customers and their transport operators got used to the system.

The delayed start date for these fees was initially to be 1 April 2021, but in March we subsequently extended this out to 1 June 2021 to give even more time for familiarisation.

As a courtesy I would like to remind you that there is now only a little over two weeks remaining before all of the fees outlined below will be applicable, so I would ask that you please ensure that all relevant staff and any third party transport operators you may use, take note of this.

There will be no further extensions permitted for any reason. We will ensure this advice is also sent out to all registered VBS users as well as a safe-guard.

The full list of the applicable VBS fees that will apply as from 1 June 2021 and what they are for, is outlined below for easy reference.

Fee Type	Fee	Fee Description
Booking Fee	\$7.00	Applies for each booked time slot (Booking) made by a Transport Operator to either deliver and/or uplift a container and it applies on a per container basis.
Unutilised Fee	\$21.00	Applies when the Transport Operator fails to turn up for a Booking. This is additional to the Booking Fee.
Cancellation Fee	\$14.00	Applies when the Transport Operator cancels a Booking within 4 hours of the commencement of the Booking's time slot. This is additional to the Booking Fee.

Notes to Fees:

1. All of the above Fees exclude GST;
2. All transport operators seeking to enter our Southdown Container Terminal will be required have a Carrier Access Agreement for our site and hold a valid account with Containerchain; and

3. A VBS booking is required for each and every container being either delivered into the Container Terminal, or uplifted from it, regardless of whether or not the same vehicle is being used.

Hazardous Goods

Those customers who are involved with the carriage of hazardous goods, be they on road or rail, should already be well aware of the various restrictions and regulations regarding transport of these commodities.

There is one key area from KiwiRail's perspective that we would like to remind you all of and which we are obligated to address in order to try and avoid potential breaches occurring.

That is the maximum amount of time allowed by law regarding how long we are permitted to 'hold' containers at our Container Transfer facilities that contain hazardous goods, both prior to and post their rail transport.

Although there is some variation in this maximum allowed time, as it depends on the particular class of hazardous goods being transported, the maximum permitted time is to be no more than 72-hours.

This starts from the time of acceptance of the container at the point of its rail origin to the time of its booked departure, and the same 72-hour rule then applies from the time of its arrival at its booked rail destination, to the time it is uplifted and removed from our care.

Every customer seeking to move hazardous goods on rail has an obligation to ensure they are aware of these allowable time limits and to ensure they abide by them, by not bringing containers into our Container Transfer facilities earlier than is permitted and by also uplifting them within the maximum timeframe permitted.

If you are unsure as to just what the rules are in this regard, I urge you to seek professional advice and then ensure that all staff members who need to be aware of this, are duly advised so they can manage this aspect in accordance with the regulations.

Cover booking changes

You will all be aware of the changes we made recently to the way in which we allocated cover bookings on our key rail services. I won't repeat our rationale for doing so again, but I would like to thank you for accepting the need for this change, as it was clear from feedback we received that everyone agreed the old methodology wasn't working fairly for all parties.

We do accept that the changes weren't insignificant for some of you, but nonetheless we would like to thank you all for embracing the changes and it's very pleasing that even at this early stage, we can already see some benefits flowing.

We've had several customers advise us they have been able to access surplus rail capacity for extra volumes that would not have been available previously, as the old cover booking system would have usually allocated all of the capacity on key trains, meaning nothing was left for casual users or those who simply needed extra slots.

As customers continue to get more accustomed to the changes, we expect more capacity to be freed up for others to use, meaning a good win-win outcome.

Traffic Management changes at Southdown

Following on from our recent introduction of a VBS and in an effort to further improve truck flows, reduce queueing time and thereby further speed up truck throughput at our very busy Southdown Container Transfer facility, we have embarked on a significant development project which will see a clear separation of KiwiRail's freight activity, from those relating to Metroport and Metrobox.

We are developing a completely separate container transfer and storage area within Southdown which will be supported by a new truck entrance via Neilson Street (the exit will remain as is today) for customers seeking to deliver containers into or uplift containers from Southdown. Trucks servicing Metroport and Metrobox containers will continue to use the existing accessways.

This is quite a large project, but we are hoping to have this completed and operational some time in mid-July. We will ensure you are provided with the new site plan ahead of go-live so you can ensure all drivers are aware of the changes. We will also be providing all drivers with a similar handout as they arrive at Southdown ahead of time as well.

For clarity, trucks servicing container volumes consigned either to or from the Metroport and Metrobox operations, will remain unchanged and will continue entering and leaving the site as they do today.

However, with the separation of the KiwiRail freight volumes, we do expect that some throughput improvement will occur by default, which is a positive outcome as well.

If you have any queries with any of the above, please do get in touch with your Key Account Executive, or contact our Customer Service Centre on (0800) 351-351 and they will be happy to help you.

Kind regards

A handwritten signature in blue ink, appearing to read 'A Piper'.

Alan Piper
Executive General Manager - Sales and Commercial