



20 January 2021

Dear Customer,

Welcome to 2021. I trust you all managed to get some relaxation time in with family and friends during the Christmas and New Year holiday period to refresh yourselves after a very busy and very challenging 2020.

As you will recall from previous Newsletters, there are some key things that were taking place in the early part of 2021 that I would like to remind you of in order to ensure that things run smoothly.

The first is that as from the 1st of January 2021, Lyttelton Port Company started charging KiwiRail its new Rail R&D Levy with the consequential requirement that we have to recover this from all relevant customers.

This levy is charged on a per container basis and is applied to every container that is moving either into or out of certain LPC sidings. These include the LPC Terminal itself and their City Depot container facility. More detail on this can be found in a prior Newsletter dated 30 November 2020.

Those of you moving containers which are affected by this new levy, should have started to see the Rail R&D Levy surcharge being applied to your KiwiRail transport invoices. We would hope that you have ensured that all relevant staff and any associated internal invoice approval processes have been duly updated so we can ensure there are no issues when invoice payment is required.

The other major change you need to be aware of is with regard to the new Vehicle Booking System we are introducing at our Southdown container transfer facility in Auckland. We have sent our several Newsletters advising of its introduction, so I'm sure you will be ready for it.

I won't repeat all of the detail that relates to the VBS in this Newsletter, but I would ask that you all refer to previous Newsletters and particularly the one dated 19 November and that you also ensure that all relevant staff who will be involved with using the VBS understand what is required, ensure they can use the system (training can be provided if required), they understand the associated fee structures that will apply and that you are in all ways ready and compliant.

It is absolutely vital that every transport operator wanting to access Southdown has both a valid and current Containerchain account and a Carrier Access Agreement in place prior to VBS go-live. This is very simple to do and we've outlined in previous Newsletters how to do this. A review yesterday showed that we have 84 transport operators already signed up, which is great.

A failure to have a Containerchain account or a Carrier Access Agreement in place before go-live, will result in that transport operator not being able to make VBS bookings and not being able to gain access into Southdown. There will be no exceptions to this rule.

I would therefore urge you to check that any transport operators you may currently use, or those who you may use at some stage, have been made aware of these new requirements, as we are very keen to ensure that there are no issues post go-live.

AS I advised above, it would pay to review our Newsletter dated 19 November as this contained a lot of additional detail as to what is required and how to do it, as well as some Q&A which we think would be useful background reading.

One big change is that we will be deferring go-live by one week, such that the VBS will now not be operational until Monday the 8th of February. Previously we advised a go-live date on Monday the 1st of February.

We decided to delay go-live by one week simply to ensure we not only had a little more time to undertake additional integration testing if it should prove necessary, but to also ensure that any training requirements would not be impacted by the New Year holiday period.

The VBS Booking Fee charge will obviously now also apply as from Monday the 8th of February. We will still maintain a soft-start regards the application of the other related Fees, as these will still not apply until the 1st of April 2021, as previously advised.

If you have any queries, 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



Alan Piper

Executive General Manager - Sales and Commercial