

2 October 2020

CUSTOMER NOTICE – Trucking Companies

NEW CONTAINER CHARGES FROM 1 JANUARY 2021

Over the past five years LPC has continued to invest in infrastructure and assets at the Port, which has allowed us to increase capacity, improve resilience and support the region’s economic growth.

Using a combination of insurance money and debt, LPC has delivered nearly \$650 million of infrastructure investment. A significant proportion of this investment is within the Container business, including:

- A new 230 metre container berth built to the highest global earthquake design standards.
- 16 hectares of new reclaimed land, giving us the capacity to handle the continued growth in Canterbury’s export and import market.
- Four new reefer towers, with the world’s most advanced reefer monitoring system, providing real time data.
- A new Rail Siding, doubling our terminal rail capacity.
- Capacity enhancements and a rail upgrade at LPC CityDepot
- New Tug *Piaka*, supporting the larger vessels that now call at Lyttelton
- A continued investment in our straddle carrier fleet.
- Two new ship to shore cranes

We’ve also future-proofed the logistics network and ensured Canterbury can cater for the forecasted growth and the continued trend to larger container vessels, by:

- A deepened and widened shipping channel, which will allow our customers to continue to connect directly with a comprehensive range of international and domestic shipping services.
- At MidlandPort we are focusing on optimising the supply chain by aggregating more cargo off port and more efficiently using our on-port facilities.

Our focus is around building a sustainable and resilient Port that can partner with you to meet your future requirements – to do this we need to make an adequate return on our investments.

By creating separated, targeted charges for Shipping Lines, Road and Rail, we are ensuring that the customer that benefits from each service or piece of infrastructure is the one being charged for it. We will therefore be increasing the current Road R&D Levy (or VBS booking charge as it is often referred to), from 1 January 2021.

The charges are as follows:

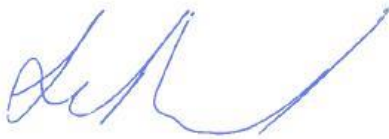
Ancillary Charge	Charge	Description
Road R&D Levy	\$12.50 per Container	Charged per container to Trucking Companies for all Road R&D movements via VBS (replaces the existing \$5.50 charge). Applies to LCT, ECY and City Depot.

We appreciate that any price increase is difficult, but these charges will allow us to continue to invest and improve our service offering. With an increase of this nature we felt it was important to provide you with as much notice as possible but please be advised over the coming weeks we will work with you to obtain your feedback as to how we are best to structure these charges in relation to the cancellation or modification of your VBS booking and we will publish the exact structure prior to 1 December 2020.

A general notification to all Customers (Importers and Exporters) will be sent on Monday 5 October 2020, advising them of these charges.

If you have any further questions, please do not hesitate to contact me.

Kind regards,

A handwritten signature in blue ink, appearing to read 'S. Munt', with a long horizontal stroke extending to the right.

Simon Munt
GM Container Operations