

15 May 2024

Dear Valued Customer

2024 CITRUS REEFER SEASON IN KWAZULU-NATAL, EASTERN CAPE AND WESTERN CAPE – PROACTIVE MEASURES TO ENHANCE CITRUS REEFER EXPORTS (FOR THE PERIOD 15 MAY 2024 TO 31 OCTOBER 2024)

Transnet Port Terminals (TPT) kindly request industry support relating to the KwaZulu-Natal, and Eastern Cape and Western Cape Citrus reefer season. In this regard TPT have always endeavoured to collaborate closely with our stakeholders in efforts to maximise and support reefer exports from South Africa. We have taken the learnings and feedback gained from previous 2023 reefer season in the Eastern Cape (EC) and KwaZulu-Natal (KZN) and the just completed 2023/24 deciduous/grape season in the Western Cape in applying similar principles with the aim of balancing maximum throughput of reefers whilst ensuring the terminals remain fluid and operationally efficient. TPT has engaged strategically with all shipping lines to ensure that routes to the major markets are well balanced across the terminals so as to ensure adequate connectivity to export markets for citrus producers. TPT has worked closely with the shipping lines to open up more strategic routes, from each SA port to key markets than in previous years. This will ultimately benefit the producers in South Africa in keeping them competitive on the global stage.

TPT has reviewed its approach in support of this strategy for the planning and handling of reefers across our terminals handling containers:

Forecasting

The success of the season will be conditional upon the combined provision of accurate forecasts by the exporters together with SAASOA. Therefore:

- Pro forma reefer demand forecasts (import, export, and transshipment) per line service will be required prior to the start of season and by latest 11 May 2024 for the period 15 May 2024 to 31 October 2024.
- Above forecast to be provided by 7-day operational week with specific classification of normal and cold treatment reefers.
- Provisional reefer demand forecast per vessel to be availed at least 72 hrs prior opening of reefer stack.

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TRANSNET HAS A 'ZERO GIFTS' POLICY. NO EMPLOYEE IS ALLOWED TO ACCEPT GIFTS, FAVOURS OR BENEFITS

- Final reefer demand forecast per vessel to be available no later than 24 hrs prior opening of firm reefer stack.
- TPT will work with all shipping lines to endeavour a maximum variance of no more than 10% on final demand figure for reefers per vessel.

Stack management, including planned late arrivals

- Eastern Cape Terminals encourages all customers to monitor the weather forecast and be mindful when sending reefers to the Terminal as it is a joint responsibility to ensure transporters are not unduly delayed at terminal gates due to uncontrollable weather delays. TPT also encourage customers to explore plug in facilities as an interim solution to avoid lengthy waiting times for trucks during windbound conditions.
- TPT encourages customers to evacuate import reefers immediately when they come off the vessel when terminal experiences high reefer stack occupancy.

The TPT late arrival of containers tariff, currently applied in terms of clause 3 of sections 1 and 2 of the TPT Tariff publication, will be updated as follows:

- TPT Terminal planning will determine the stack days for reefers. Reefer stacks will generally be set for a prescribed number of days (as per further explanation below).
- The stack need not run concurrently with the dry stack.
- Reefer stacks will be planned in alignment with vessel berthing to mitigate unnecessary dwell.

TPT will extend the reefer stack to:

<ul style="list-style-type: none"> ○ 4 days for all vessels calling at Durban Container Terminals, Pier 1 and Pier 2, Ngqura Container Terminal (NCT), Port Elizabeth Container Terminal (PECT) and Cape Town Container Terminal (CTCT); and
<ul style="list-style-type: none"> ○ 3 days for all vessels calling at Durban MPT and CT MPT

Note:

- the above days will be converted to hours if the terminal landside does not operate 24 hours a day
- To maximise reefer exports and manage reefer dwell, reefer stacks may run into vessel discharge period, particularly where discharge figure is in excess of 2 000 containers. Terminal Planning and shipping line to ensure the above does not in any way compromise load stowage planning and execution.

- The extended stack duration may not continue to later than 24hrs prior to vessel sailing. Where required in this case, the terminal will engage with the shipping line to reduce the reefer export stack duration accordingly.
- TPT will provide notice of firm stacks 24 hours prior to stack opening. This is to encourage quick uptake on reefer deliveries from day 1 of stack.
- TPT reserves the right to pause firm stacks in the event vessels are delayed along the coast en route to KZN and Eastern Cape terminals. This is to ensure reefer plug capacity is optimally managed and long dwells mitigated. TPT recommends shipping lines and their cargo interests make provision for plug in facilities within the supply chain as a buffer against lengthy weather delays.
- The terminal will align with the shipping line on the proposed opening and closing of the stacks prior to advertising these to transporters. Should a shipping line request a shorter stack period this will be at the shipping line's prerogative.
- It is the terminal prerogative for reopening of the stack at the request of the shipping line.
- Any early and late arrival applications (i.e. outside of the advertised stack periods listed in the table above) will still be considered by the terminals. These applications must still follow the protocols as per TPT's Standard Operating Procedures for Container Terminals (SOPCT) and standard terminal operating procedures, in order for the early and late arrivals to be accepted into the terminals.
 - The container must receive written approval to arrive early/late prior to arriving at the terminal, by applying using the electronic early/late arrival application forms.
 - All Early Arrivals and Late Arrivals applications outside of the advertised stack period (refer table above) will have the early/late arrival charge levied including all/any other associated costs.
 - For avoidance of doubt TPT operating systems do not permit a "direct to vessel" option. All units must be placed in the stack before they can be transferred to the vessel.
- The Line will be responsible for monitoring of Steri Protocol / COT Reefers from time of receipt within the terminals.
- Terminal delays, due to climatic or operational challenges will be communicated to all users. Accordingly, stacks will be extended, where possible.

Stack limitation and closure

The terminal reefer stacks will be deemed to have reached optimal operating capacity at 80% because as at that point, the terminal fluidity and efficiencies are compromised. This is to facilitate safe and efficient flow to and from the reefer stacks. The terminal planning will maintain strict oversight on reefer occupancy particularly when same encroaches towards

75%. Proactive engagements with customers and other key reefer stakeholders must transpire and be supported to prevent negative impact on reefer stack fluidity. This may include ceasing reefer intake from both land and waterside until such time the reefer occupancy recedes to the approved threshold of 70% or less (reefer stacks may or may not be extended depending on the potential terminal fluidity at that point).

- In instances where export reefers are stacked only to be subsequently amended to a later outbound carrier, the short shipment tariff will be raised on these containers. (For clarity the vessel operator will be billed for these short shipments). If the container operator does not have an open stack to which these containers can be amended to, then the terminal reserves the right to request these shortshipped containers to be evacuated from the terminal prior to vessel departure.
- Where a customer asserts bona fide re-direction on inspection by the Perishable Products Export Control Board (PPECB), PPECB approval must be provided for TPT to consider leniency for any short-shipment tariff being raised.
- Empty reefer equipment imports from the vessel must be cleared within 72 hours of container discharge. Lines are encouraged to make full use of weekday and weekend nightshift 24-hour gates for this purpose to accelerate the tempo of evacuation.
- There should be proactive monitoring of reefers on the vessel so that reefer failures are proactively addressed prior to vessel departure. For all reefers loaded onboard the vessel, (i.e. all reefers loaded on the vessel up to four hours prior to planned vessel departure), notice of any reefer failure must be communicated to terminal planning no later than 4 hours prior to planned vessel departure. In order to prevent delays to follow-on vessels, a vessel with a faulty reefer may not layby at the operating berth. Rather the vessel operator must send instructions at least 4 hours prior to planned vessel completion, on whether any faulty container must be left onboard or taken off. Should an incident occur, which risks delaying the vessel further, the terminal reserves the right to discharge the affected reefer unit. All costs will be for the account of the shipping line.

Berth management

- In instances where reefer occupancy is above 75%, TPT may exercise the option to advance any reefer caller on the berth plan to reduce reefer occupancy.

Stowage management

- Shipping lines handling 500 or more reefers (imports, exports, or transhipments) on a single vessel call must facilitate discharge/ back loading of reefers to ensure reefer stack occupancy is maintained within the target range highlighted under stack limitation section above.

- The first loading plan must be approved within 6 2hrs of vessel berthing.
- In instances where any reefer vessel is discharging less than 250 containers in total, first plan load approval must be given prior berthing.

Road management

- Reefers will be transacted as follows:
 - NCT container terminals will operate 24 hours a day from Monday to Friday. On weekend the time of operations will be 06h00-18h00 and night shift on request (this must be confirmed with the terminal by Friday 10h00).
 - The PECT is now fully operational in respect of the truck appointment system. The PECT will operate 24 hours from Monday to Friday and 06h-18h on weekends.
 - The Durban Point will operate on a 24-hour basis during the week and 24 hours a day on the weekend subject to the stack being open over that weekend.
 - At Pier 1 and Pier 2 will operate on a 24/7 basis. Pier 1 and Pier 2 are rolling out an optimised feature for reefer truck appointments that will improve accessibility of slots. Road shows are currently underway with relevant stakeholders to explain the design and benefits of this feature.

Rail Management

TPT encourages the supply chain to fully subscribe to the reefer rail capacity availed on long haul and short haul routes. This will assist to reduce road congestion especially during the super peak weeks of 25-35.

Import storage of reefers during the peak season in respective terminals

As a reminder of the notice given in the tariff increase letter and in the 1 April 2024 tariff book, TPT wishes to encourage maximum export throughput on the reefer plug points in the TPT terminals. Therefore, for the relevant peak reefer period, all reefer imports at both Container Terminals and Multi-Purpose Terminals handling reefer containers will be provided with the following free storage days:

Terminal free days per month	April 2023	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan 2024	Feb	Mar
CTCT	4	4	4	4	4	4	4	4 until 15/11 and beyond 2 days	2	2	2	2
CTMPT	3	3	3	3	3	3	3	3 until 15/11 and beyond 2 days	2	2	2	2
DCT P1 & P2:	3	2	2	2	2	2	2	3	3	3	3	3
NCT & PECT	4	2	2	2	2	2	2	4	4	4	4	4
ELMPT	3	2	2	2	2	2	2	3	3	3	3	3
DUR MPT	3	2	2	2	2	2	2	3	3	3	3	3

Please refer to clause 11.1.4, 11.1.5 of section 1 and clause 7.1.4 of section 2 for further details of the applicable charges.

Please note the above rules are subject to change to meet any situation which may arise requiring a review. The above rules and processes will be applicable for the peak reefer export period which is **15 May 2024 to 31 October 2024**.


TPT will convene and participate in bi-lateral and multi-lateral engagements respectively with key stakeholders in order to plan in a more transparent and pro-active manner. TPT together with industry stakeholders will convene a Citrus War Room that will provide pro-active planning, monitoring and control of the supply chain during the super peak weeks of 25-35. We further welcome all stakeholders to engage with TPT and the other Operating Divisions in order to find common solutions together.

The respective terminal reefer champions:

- DCT: Ndumiso Thabethe (Ndumiso/thabethe@transnet.net)
- Pier 1: Noah Murugan (Noah.Murugan@transnet.net)
- Durban Point MPT: Ashavin Naidoo (Ashavin.aidoo@transnet.net)
- NCT: Sean Benn (Sean.Benn@transnet.net)
- PECT: Julius Mtwazi (Julius.Mtwazi@transnet.net)
- CTCT: Ryan Woods (Ryan.woods@transnet.net)

We thank you in advance for your continued support and trust that these proactive measures will enhance the reefer export market efforts of all our customers and stakeholders.

Kind regards

A handwritten signature in black ink, appearing to be 'TK', written over a horizontal line.

Timothy Keit

Head: Business Development, TPT