28 April 2020
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and

Mr Justin Chadwick
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Dear Peter and Justin,

2020 REEFER SEASON IN KWAZULU-NATAL AND THE EASTERN CAPE – PROACTIVE MEASURES TO ENHANCE REEFER EXPORTS

Transnet Port Terminals (TPT) has, in the past, collaborated closely with our stakeholders to maximise reefer exports from South Africa. We also note that with the effect of COVID-19, operations and supply chains will be impacted this year. We therefore need to work together to ensure that we are able to maximise our exports for much needed economic stimulation within South Africa.

We have noted the requests and comments from our stakeholders in further improving the supply chain and therefore have changed our approach for the 2020 reefer season accordingly to facilitate a more efficient approach towards the planning and handling of reefers:

Forecasting

The success of the season will be conditional upon the provision of accurate forecasts by the CGA and SAASOA. Therefore:

➢ Pro forma reefer demand forecast (import, export, and transhipment) per line service will be availed prior to the start of season by latest 30 April 2020 for the period 1 May 2020 to 31 October 2020.

- 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 72hrs prior opening of reefer stack.
- Final reefer demand forecast per vessel to be availed no later than 24hrs prior opening of firm reefer stack.
- A maximum variance of 20% on final demand figure per vessel will be allowed during running reefer stacks. Further deviation above the 20% is subject to the discretion of the terminal planning and dependent on the potential impact to the reefer stack.

Stack management, including planned late arrivals

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 nominal 3 day period. The stack need not run concurrently with the dry stack.
- Reefer stacks will be planned in alignment with vessel berthing to mitigate unnecessary dwell.

Planned Early and Late Arrivals:
- On application and approval, all full, steri-protocol / COT reefers may be delivered 24hrs prior the nominal 3 day period commencing (i.e. early arrivals) and up to a maximum of 48hrs after the nominal 3 day period concludes (i.e. late arrivals). However, the extended period may not be later than 24hrs prior to vessel sailing.
- Formal early and late arrival applications must be processed respectively by the shipping line and vessel operator.
- To emphasize: All prior arrangements and approvals must still be complied with as per TPT's Standard Operating Procedures for Container Terminals (SOPCT) and Standard Terminal Operating procedures, in order for late arrivals to be accepted into the terminals. The container must receive approval to arrive late prior to arriving at the terminal.
- Where applications are requested for late arrivals, the shipping line must confirm in writing there will be no impact on stowage planning and vessel operations.
- Late arrival applications should ideally have container numbers. Where container numbers are not yet know at the point of Late arrival application the booking reference number must be used. The booking number must be updated as soon as the container number is known but atleast prior to container arriving at the terminal.
- Late arrival volumes may not exceed 20% of firm reefer forecast number provided by the shipping line.
- Early Arrivals of full, steri-protocol / COT reefer containers will be allowed into stack up to 24 hours prior to stacks opening, if capacity allows, without Early Arrival fees. Plug in surcharge fees will be applicable as per clause 2.7 of section 1 and 2 of the TPT Tariff Publication.

- The Line will be responsible for monitoring of Steri Protocol / COT Reefers arriving early into the stack.
- Late Arrival charges will be exempted on condition that the applications for late arrival are submitted at least 12 hours prior to the reefer stack closing.
- All requests sent 12 hours after the reefer stack closure may be accepted (subject to the above conditions) but will have the late arrival charge levied.

Please note that all above early and late arrival exemptions will apply to all export normal full, steri-protocol / COT reefer containers shipped between **1 May 2020 and 30 September 2020** only.

Cold treatment reefers

- Cold treatment reefers will be stacked separately from normal reefers. To facilitate same, shipping line or their representatives will be required to define cold treatment designation when processing the pre-advise on Navis.
- Flexibility will be applied for steri-protocol /COT reefers, subject to capacity availability, and containers must be stowed on deck.
- It is also the responsibility of the shipping line to ensure that all COT protocols have been reached prior to arrival at the terminal as TPT will not be responsible for containers which have not reached the required COT protocol at the time of loading.

Stack limitation and closure

A maximum stack occupancy rate of 85% must be maintained during the peak reefer season. This is to facilitate safe and efficient flow to and from the reefer stacks. Terminal planning must maintain strict oversight on reefer occupancy particularly when same encroaches towards 85%. Pro active engagements with customers and other key reefer stakeholders must be initiated and maintained 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 75% or less.

- In instances where export reefers are stacked only be to subsequently amended to later outbound carrier, the shortshipment tariff will be raised on these containers. Where customer asserts bona fide re-direction, proof of PPECB approval must be provided to obviate deliberate shortshipment tariff being raised.
- Empty reefer equipment imports from the vessel must be cleared within 72hrs of discharge completion. Full use must be made of weekday and weekend nightshift to accelerate tempo of evacuation.
- Import reefer customers are reminded of the communication sent by TPT on 14 January 2020 that all reefer imports at Durban Container Terminals will be provided with two (2) days of free storage, thereafter storage charges will be applied.

Berth management

➢ In instances where reefer occupancy is above 85%, TPT may exercise the option to advance the reefer caller on the berth plan to reduce reefer occupancy.
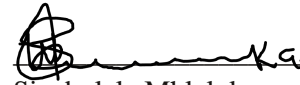
Stowage management

➢ Shipping lines handling 500 or more reefers (imports, exports, or transhipments) on a single vessel call must facilitate discharge/ backloading 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 hrs of (the later of)
  o nominal 3 day reefer stack closing; and
  o vessel berthing
➢ Close co-ordination with shipping line stowage co-ordinator to ensure late arrivals are timeously planned and approved on the 2nd and final load plan. Late arrivals must be planned for on deck stowage and not in any way detract from balanced crane work load.
➢ In instances where reefer vessel is discharging less than 50 containers, first plan load approval must be given prior berthing.

Road management

➢ Reefers will be transacted on 24/7 basis at all terminals except for the Port Elizabeth Container Terminal (PECT) which will operate until 06h to 22h each weekday and on request over the weekend.
➢ Truck bookings are mandatory for all FCL reefer drop offs and collections in DCT Pier 1 and Pier 2.
➢ Trucks dropping off or picking up FCL reefers will not be staged. They will enjoy free flow access from pre-gate to ITZ or relevant gate phases depending on container terminal being visited.
➢ Reefer trucks will only be permitted a single transaction for either dropping off or collecting a FCL reefer. Trucks may not drop off FCL reefer and collect FCL GP container or vice versa in a single visit. An exception to this will be:
  o where a truck will be permitted to process a dual transaction provided a FCL reefer is being dropped off and picked up in a single visit, and
  o A truck may drop off a FCL reefer and collect an empty reefer.
➢ Where container terminals become windbound and principle equipment cannot be deployed, rubber tyre gantry terminals will deploy reach stackers to offload and turnaround reefer trucks. At the point of windbound being declared, terminal will advise industry of available capacity for processing trucks with reach stacker. Post windbound, housekeeping must be effected within 8 hours to ensure reefers are stacked in designated reservations so as not to impair efficiencies on subsequent vessel operations.

In light of the COVID-19 pandemic the above rules are subject to change as required. Please communicate this updated notice with your Shipping Line members and other affected stakeholders. We thank you in advance for your continued support.

Kind regards

29-04-20

Siyabulela Mhlaluka

General Manager: Sales & New Business Development