

1 July 2024

Customer Update

Road R&D Levy update 1 October 2024

LPC is proud to have delivered nearly \$900 million in infrastructure investments across the port and, more recently, \$85 million in investment in Eastern Development. This includes:

- Major infrastructure upgrades, including over five hectares of new pavement, four new reefer towers, and four new straddle carriers, enhancing capacity and efficiency.
- \$20 million Mechanical Maintenance Workshop, new R&D truck lanes, and ongoing internal road infrastructure improvements at Lyttelton Container Terminal.
- Enhancements at CityDepot with a \$4 million upgrade, including a one-way truck flow system, a new container survey area, additional concrete pads, a dedicated truck service area, and electrical power upgrades.

Many of these infrastructure enhancements directly benefit road transport. LPC is focused on receiving a fair return on our services and infrastructure and will increase the R&D Levy effective 1 October 2024.

The new charging structure is as follows:

Ancillary Charge	Charge	Description
Road R&D Levy	\$50.00 per container	Charged per container to Trucking Companies for all Road R&D movements via VBS. Applies to Lyttelton Container Terminal, CityDepot and MidlandPort (empties)
Late Arrival Charge	\$30.00	Charged per booking when the truck arrives within half an hour after the booked time zone
Listing Charge	\$20.00	Charged for any booking that is listed at any time

After receiving feedback from the industry, we understand that many still refer to the R&D Levy as a VBS fee. In October 2020, LPC announced the transition from a VBS fee to an R&D Levy, which includes charges for both the VBS system usage and the physical activity of loading/unloading road transport. We acknowledge that a detailed breakdown of these costs was not included in our initial 2020 communication. We are including that information in this notice to provide a clearer understanding of the cost structure.

Cost Breakdown	Portion of the R&D Levy Charge	Description
VBS Usage Charge	\$10.00	This portion of the charge covers the cost of using the VBS system, including the LPC administration involved.
All Other R&D Costs	\$40.00	This portion of the charge includes all other costs involved with R&D for road transport across our sites, including, but not limited to: <ul style="list-style-type: none"> • Labour, fuel, and maintenance costs of straddle carrier equipment. • Safety and compliance costs related to loading and unloading of trucks. • Maintenance and repair of road infrastructure • Security and monitoring systems for R&D areas • Insurances

We appreciate that any price increase is difficult, but these charges will allow us to continue to invest and improve our service offering. Should you have any questions regarding this change, please reach out to your usual LPC contact.

Kind regards

Simon Munt

Chief Customer and Supply Chain Officer