

13 March 2020

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1. Update from Gary Knight: Covid -19 Update

Good Morning Clients

Understandably there is a fair amount of anxiety today following the recent developments on Covid-19 and the restrictions being put in place. We will do all we can to keep you updated with regard to supply chain impacts and whatever contingency plans that can be put in place relative to your cargo. Please read these updates as we send them and please feel free to contact us if there is any question or concern. Please be assured our team is working at full strength and we are being as proactive as possible in all areas to ensure minimizing negative impact. In summary the latest update as follows:

- (1) PORTS: Ports are all working as normal relative to cargo movement as per our earlier newsflash. For anyone that missed it please see again attached the notification sent out by Transnet this morning clarifying that the closure referenced to in the President's speech relates to Passenger ships and crew changes only. At this point freight is not affected.
- (2) AIRFREIGHT: Air Travel restrictions will undoubtedly have a significant impact on airfreight cargo options and costs but at this point we cannot be definitive nor provide effective contingency plans. We can however assure you that we are working constantly on this as the impact unfolds. To date no airlines have formally published their reaction in terms of flight schedules and we can confirm we have contacted all the major airlines servicing South Africa in an effort to identify which routes and services may be effected and where we need to plan alternative services to those currently used. As we receive information during the course of the day, we will advise further and provide you our best possible advice and solution. At a very high level we anticipate that some international flights will be cancelled and therefore space restrictions for cargo increased. Along with this we anticipate freighter services to perhaps experience backlogged and obviously in such conditions pricing increases.
- (3) Trucking safety : We are engaging with all our truckers to ensure that their staff are following rigid health protocols so as to minimize any negative impact when undertaking deliveries on behalf of SCT.
- (4) European Logistics: Again as we reported on Friday the situation is very volatile although freight movements both sea and air are still largely taking place as planned. We again reiterate the need for SCT and our partners to be as proactive as possible and from your side the more advanced information you can pass through to us the better.
- (5) Chinese logistics : we are virtually back to normal as far as sea freight operations are concerned, although we are still experiencing some delays in local Chinese landside logistics movements. However, airfreight movement remains problematic with limited space and

exceptionally volatile freight rates – validity beyond the next flight on freight rates is almost impossible to secure.

- (6) Documentation movement: Whilst we are seeing some postal systems shutting down, there has been to date no negative impact on courier movements.
- (7) Your own delivery restrictions: please ensure that you advise SCT of any changes or restrictions in your processes that could affect documentation distribution, communication or cargo loading and delivery. We will endeavor to assist and provide solutions wherever possible but obviously need to keep our records updated. Any restrictions are to be sent to Christy Jennings on christy.jennings@sctsolutions.co.za .
- (8) SCT service calls : in light of travel restrictions and the request to restrict both movement and social contact, we will obviously be reducing our customer service visits for the next month. We will endeavor to replace these with constant written and telephonic communication, but we ask that you contact us immediately should you have any concerns that would normally be raised in such meetings. Whilst we can never replace the value of one on one interaction, the safety of you and your team is essential and we seek your understanding in this regard.

We trust this update deals with any concerns you may have but please feel free to contact us. Again, please be assured we are running at full strength and here to support and partner you through these trying times.

Kind regards

GARY KNIGHT

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We thank you for your continued support and partnership

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