

UPDATE – US EAST AND GULF COAST PORT STRIKE DISRUPTION

MSC CUSTOMER ADVISORY

Geneva, Switzerland, 08 January 2025

Dear Customer.

As you may be aware, the ongoing negotiations between the International Longshoremen's Association (ILA) and the United States Maritime Alliance, Ltd. (USMX) may not be resolved before the current contract between the ILA and USMX expires on January 15th at midnight and then may result in port strikes. To keep the public and stakeholders informed about the latest developments, USMX continues to provide regular updates on its website: USMX-ILA Negotiations Updates | USMX.

In the event of port strikes, MSC is ready to assist customers in exploring options to keep their supply chains moving smoothly through alternative routes, transport modes, or distribution schedules. To help you plan, please contact your local MSC representative.

MSC provides the following operational guidance regarding its temporary policies for U.S. cargo bookings, as well as its policies for demurrage, detention, and per diem charges for all cargo bookings <u>on or after January 16th</u>, to or from any U.S. East and Gulf Coast ports.

1.1 FOR NORTH AMERICA EXPORT CARGO VIA US EAST AND GULF COAST

CARGO BOOKING POLICY

If the port strike occurs, all U.S. East Coast and Gulf Coast export bookings for voyage on or after January 15th will be impacted. Booking adjustments including rolls to other vessels or cancellations may be needed.

New Export Bookings through US East and Gulf Coast ports:

- MSC will continue to accept bookings for Dry cargo based on vessel availability.
- MSC reserve the right to not accept new refrigerated bookings via these ports where there is a risk to the refrigeration services due to the port strike for vessels departing on or after January 16th, 2025.

DEMURRAGE, DETENTION, AND PER DIEM POLICY

MSC urges customers to move equipment before January 16th, with many terminals likely offering extended gate hours. Please check the terminal websites for updates.

Demurrage and Detention (port storage and container use inside the terminal):

 MSC will follow terminal policy and only pass through at cost any Demurrage charges imposed by terminals during the strike.

• MSC will stop the clock on Detention Charges during the strike and once the strike has ended will resume billing following its tariffs.

Per diem (container use beyond free time outside the terminal):

 MSC will stop the clock on Per Diem Charges during the strike and once the strike has ended will resume billing following its tariffs.

MSC will refuse any liability arising from the strike and the impossibility to access the terminal.

RAIL RAMPS & IPI CARGO POLICY

MSC will align its policy to that of the rail ramp operators. If, the rail ramp operators cease to accept containers at origin ramps for US East and Gulf Coast bound ports, MSC will do the same.

1.2 FOR NORTH AMERICA IMPORT CARGOS VIA US EAST AND GULF COAST

MSC has implemented the following temporary policy for import cargo via U.S. East and Gulf Coast ports.

CARGO BOOKING POLICY

If the port strike occurs, all U.S. East Coast and Gulf Coast imports bookings for voyage on or after January 16th will be similarly impacted. Booking adjustments including rolls to other vessels or cancellations may be needed.

New Import Bookings through US East and Gulf Coast ports:

- MSC will continue to accept bookings for Dry cargo based on vessel availability.
- MSC reserve the right to not accept new refrigerated bookings via these ports where there is a risk to the refrigeration services due to the port strike.
- MSC will refuse any liability arising from the strike due to reefer containers left uncollected at terminals.

DEMURRAGE, DETENTION AND PER DIEM POLICY

MSC urges customers to pick up their import cargo before January 16th, with many terminals offering extended gate hours. Check the terminal websites for updates.

Demurrage and Detention (port storage and container use inside the terminal):

- MSC will follow terminal policy and only pass through at cost any Demurrage charges imposed by terminals during the strike.
- MSC will stop the clock on Detention Charges during the strike and once the strike has ended will resume billing following its tariffs.

Per diem (container use beyond free time outside the terminal):

- MSC will stop the clock on Per Diem Charges during the strike. Once the strike has ended, MSC will resume billing following its tariffs.
- MSC will refuse any liability arising from the strike and the impossibility to return empty containers to the marine terminal.

1.3 RESERVATION TO INVOKE CLAUSE 19 of MSC's BILL OF LADING AND SEA WAYBILL

Due to the anticipated impacts of an impending strike, MSC reserves its right to invoke Clause 19 of its Bill of Lading and its Sea Waybill ("Matters Adversely Affecting Carrier's Performance"), including but not limited to MSC's rights to use alternative routes, suspend the carriage of Goods, and abandon the carriage of the Goods, as further set out in the Bill of Lading and Sea Waybill, and to charge such additional Freight and costs as MSC may determine pursuant to Clause 19.2.

Should you have any questions, please <u>contact your local MSC representative</u>.

MSC Mediterranean Shipping Company