



CAPABILITY STATEMENT

NORTHERN STEVEDORING SERVICES



GLADSTONE | MACKAY | TOWNSVILLE | CAIRNS | WEIPA

www.northernstevedoring.com.au



INTRODUCTION FROM THE GENERAL MANAGER

For over 45 years Northern Stevedoring Services (NSS) has worked in partnership with shippers, ports, agencies, producers, authorities and clients to move cargo and help grow regional Queensland. We have a long and proud history, which is reflected in our employees' commitment and our long term business relationships.

Critical factors such as quality, service, timing, fostering relationships, long-term sustainability and specialist advice are important deliverables for NSS. It is through these that NSS has developed partnerships for the prosperity of our clients and the community. Recognising a client's business needs, risks, market conditions and the business drivers themselves, allows NSS to formulate a targeted solution which differentiates our service from our competitors.

We're real, we're local, we're committed to the region. Please feel welcome in partnering with Northern Stevedoring Services, I look forward to meeting you.

DAVID KING, GENERAL MANAGER

NSS CAPABILITIES AND STAFF

EXECUTIVE SUMMARY

Northern Stevedoring Services Pty Ltd (NSS) aims to deliver to its customer's superior service delivery, lower risk and value for money.

NSS provides a level of service delivery which ensures quick vessel turnaround times, surety and consistency of service, and continual improvement. It does this by the quality of its assets and its people. NSS has, and continues to invest in the assets required to ensure our customers receive superior service.

NSS employs regional Queensland's largest pool of skilled port services personnel. Our depth of resources enables NSS to always respond to the needs of our clients, including concurrent vessel activity in multiple ports using multiple gangs per vessel:

- We have teams of personnel based in Townsville, Mackay, Gladstone and Cairns. This means we do not have to rely upon mobilising labour from alternate ports to service NSS customer vessels.
- We seek to employ the best people in our industry; and
- NSS invests considerable time and money in the training and development of our people to ensure they have the skills our clients need.

Flexibility and Reliability

- Our aim is to always deliver 'hassle free' service to our customers, including developing innovative solutions to issues.
- NSS has a proven track record in meeting the emergent requirements of our customers.

Experience

- NSS are experts in handling of project cargo, containers and breakbulk including refined copper and zinc, steel and timber with over 40 years experience in regional Queensland.

Lowest Risk

NSS works in partnership with its customers to manage and mitigate risk. Utilising NSS expertise and assets represents a lower risk to its customers in the following areas.

Health and Safety

- NSS have a well established framework of safe operating

procedures including for the handling of containers and other break bulk products.

- NSS is safety assured and has AS4801 certification.
- NSS maintains all its equipment in-house to ensure regular and appropriate maintenance is undertaken.

Environmental Risk

- NSS operates and maintains two AQIS cleaning bays in Townsville, one in Cairns and one in Gladstone to clean all containers and equipment.
- NSS has over 40 years experience operating in the vicinity of the Great Barrier Reef without incident.

Operating Risk

The NSS solution reduces its customers exposure to possible operating risks in the following key areas:

- Superior berthing options in Townsville will minimise the risk of vessel demurrage. NSS has access to all common user Berths (4, 8, 9 and 10) along with exclusive access to Berth 3.
- NSS holds all required operating equipment 'in-house' and is not reliant on alternate arrangements.
- NSS leases and owns a range of shore cranes which provide superior productivity.
- NSS has a permanent presence in all ports with on ground management and stevedoring staff to provide superior service and support.

Commercial Risk

- NSS is owned by two substantial and reputable entities in Glencore-Xstrata and Qube.
- NSS holds all required operating licenses and insurances.

Value for Money

NSS does not compete on rates. We seek to deliver industry best practice to our clients, drawn from our expertise in container/breakbulk handling operations.

Our services deliver value for money by:

- Reducing exposure to vessel demurrage by providing superior berthing options in Townsville.
- Executing productive discharge and loading operations to minimise the time in port vessels through use of NSS mobile harbour and shore cranes in Townsville and Gladstone.
- Providing an integrated service inclusive of stevedoring, terminal handling and depot services (container repairs etc).



WHO IS NSS?

Location

NSS is regional Queensland's leading provider of stevedoring and port logistics services, having delivered over 40 years of continuous operations. NSS is the only stevedoring operator to have an extensive footprint throughout regional Queensland, with established operations in the following locations:

- Townsville
- Mackay
- Gladstone and Port Alma
- Cairns and Weipa

Services

Since our inception in 1971 we have developed specialist expertise in the stevedoring of the following products:

- Containers
- Refined metals, including lead, copper and zinc
- Break bulk (timber, steel)
- Project cargo
- Bulk products (ore, concentrates, fertiliser, other)
- Motor vehicles
- Livestock
- Additional services – mooring and gangways

Through its 100% owned subsidiary, NSS Port Logistics, NSS also provides fully integrated logistics solutions including:

- Transport
- Bulk storage
- Warehousing
- Container packing/unpacking
- Bagging
- Container and break bulk storage
- Container repairs and inspections
- Quarantine wash facilities

Relationships

Over the past 40 years NSS has established a number of long-term customers including Glencore-Xstrata (40 years), Incitec Pivot (18 years), Sun Metals Corporation (14 years), Swire Shipping (10 years), Impact Fertiliser (8 years), Mariana Express Lines (7 years).

Experts in Container and Breakbulk Handling

Stevedoring of containers and breakbulk cargo is the core business for NSS. We handle over 80,000 containers per annum for clients such as

Swire Shipping, Mariana, Q Coast, Sun Metals, Queensland Nickel and Glencore.

NSS also handles over 500,000 tonnes of refined copper, zinc and lead for Sun Metals and Glencore. However our expertise also extends to the stevedoring of steel (coil, bar, mesh), timber, boats, machinery and project cargo.

“NSS PROVIDES A LEVEL OF SERVICE DELIVERY WHICH ENSURES QUICK VESSEL TURNAROUND TIMES, SURETY AND CONSISTENCY OF SERVICE, AND CONTINUAL IMPROVEMENT.”

NSS SHAREHOLDERS

NSS is a privately owned entity, jointly owned (50:50) by Glencore Xstrata and Qube. Our shareholders provide NSS with expertise in the resource sector and in logistics respectively, coupled with a depth of resources and capacity to invest in strategic assets.

Glencore

Glencore is one of the world's largest diversified mining groups and is listed on the London, South Africa and Swiss Stock Exchanges, with its headquarters in Zug, Switzerland.

Qube

Qube operates across Australia as a multifaceted logistics business specialising in port and specialist bulk logistics services. Qube is Australia's largest general stevedore with operations in 28 ports nationally, employing 1,800 employees offering mine to vessel to logistics solutions.

PROJECTS

NSS has a proven track record of providing stevedoring and logistics services to some of Australia's major companies and prides itself on being able to provide professional, value driven services for all cargo types. The following are two examples of the services provided.

Bechtel - BMA Hay Point Expansion

BHP Mitsubishi Alliance (BMA) is undertaking an expansion to the existing infrastructure at its Hay Point Terminal, located 40 kms south of Mackay and BMA has engaged Bechtel Corporation to manage the logistics of the project.

The Hay Point Expansion Project involves the construction of a new third berth which will increase the Hay Point Coal Terminal's capacity from 44 million tonnes per annum to approximately 55 million tonnes per annum. Existing trestle conveyors and surge bins will be replaced, overland conveyors will be constructed to transfer coal from the stockpile to the jetty and a shiploader will be constructed on the new berth.

The project estimates approximately 390,000 freight tonnes of cargo to be transported to the jobsite and other delivery destinations. The majority of overseas cargo coming into the ports of Brisbane, Mackay and Gladstone with domestic cargo having collection points Australia wide.

NSS was required to provide a range of services including:

- Vessel discharge
- Transport of cargo from vessel to laydown
- Unloading, laydown area management and loadout
- Loading to barge

NSS discharged over 150,000 cubic meters of cargo at both Gladstone, Townsville and Mackay over a 18 month period. The cargo included:

- Over 500 piles up to 46m in length
- Preassembled deck sections over 130 tonnes in weight and 23m square
- Headstocks, open and enclosed galleries and towers

The stevedoring was performed 7 days a week, 24 hours a day. NSS purchased a new 150 tonne Liebherr LHM550 mobile harbour crane to be located in Gladstone to support this operation, reducing the need for third party crawler cranes to be mobilised. This not only improved the flexibility of the operation but also reduced costs.

Once discharged NSS then moved the project cargo from the vessel to either an NSS or Bechtel storage facility nearby. NSS then unloaded the

cargo and placed it in the laydown area. NSS provided all the necessary cranes, forklifts, multi-axle equipment, stands and personnel to receive and load out the cargo. This included 250 tonne and 300 tonne crawler cranes and self-propelled modular transporters capable of handling items in excess of 130 tonnes.

Sun Metals Corporation – Refined Zinc Logistics

Sun Metals Corporation (SMC) is the operator of the Sun Metals Zinc Refinery located 15kms south of the Port of Townsville. SMC is the Australian subsidiary of Korea Zinc Company Limited (the world's third largest producer of refined zinc, producing 10 per cent of the world's metal from plants in Korea, the US and Australia). The SMC Zinc Refinery, consumes over 470,000 tonnes of zinc concentrate per annum, 270,000 of this is imported from Alaska and South America with the balance sourced domestically. The refinery produces 250,000 tonnes of zinc metal per annum which takes the form of slab ingot and strip jumbo.

Prior to 2010, SMC operated with a fragmented supply chain instead of utilising a fully-integrated service provider. The impact of this model of using multiple logistics operators was higher cost for each stage of the export supply chain and mounting logistical challenges and delays while coordinating multiple service operations.

SMC decided to tender out its transport, logistics and stevedoring requirements with a view to reducing costs and improving efficiencies. NSS's service offering consisted of providing SMC with a one-stop shop, an integrated service which would encompass all logistical services from the refinery production line to the vessel. NSS's proposal would reduce the number of companies involved in this operation from three to one and provide significant savings from day one.

Today, NSS stevedores annually for export over 250,000 tonnes of refined zinc along with an additional 200,000 tonnes of bulk zinc ferrite. Since the initial services were awarded to NSS, the range of services undertaken has expanded to include the management and load out of the refined zinc at SMC's refinery and the transport and loading of bulk zinc ferrite.

NSS Services include:

- Refinery operations, including the management of warehousing and zinc loading.
- Transport of refined zinc metal from refinery to berth.
- Packing zinc in containers.
- Stevedoring both containerised and break bulk zinc metal.
- Securing break bulk zinc in vessel.
- Discharge of imported zinc concentrate.
- Onsite management, transport and stevedoring of containerised bulk zinc ferrite for export.
- Bulk storage and stevedoring of zinc ferrite using half-height containers.

BULK MATERIALS HANDLING

Bulk Shed – NSS owns and operates a state of the art, 8,500m square bulk shed which is capable of handling multiple products at the same time with a capacity to store up to 100,000 tonnes of bulk product. The shed is negative pressured, has truck washing at all exits and rain water runoff capture and treatment.

Bulk materials:

- Nickel and Iron Ore
- Minerals and Concentrates
- Fertiliser
- Logs



ROTABOX

NSS was the first stevedore in regional Queensland to adopt the new lightweight container rotating technology. The Rotabox provides NSS with the capability of providing a fully integrated "Pit to Port" logistics solution. NSS currently handles annually over 600,000 tonnes of copper concentrate, zinc ferrite and iron ore using this system.

The benefits of the Rotabox include:

- Eliminates re-handling of material as the product can move from mine to vessel in sealed containers.
- Achieves the highest environmental standards by eliminating fugitive dust during vessel loading.
- Reduces product loss throughout the supply chain.
- Lower capital investment and reduced operating costs as no wharf shiploader cleanup costs.
- Flexibility with berth choices by eliminating fixed port infrastructure requirements and the need for shore-based shiploaders, cranes and bulk storage sheds.
- Reduced demurrage risk as vessels can work at more berths and are not reliant on designated shiploader availability.

The 'Rotabox' technology allows for increased productivity in excess of 300 tonnes per hour, per hook (i.e. if cargo is divided across two hatches the vessel will load at >600 tph). Unique lidded container bins, which are internally coated to ensure fast-tip and no hang ups, have been specially designed and developed to complement the 'Rotabox' system and carry up to 31 tonnes of product. This ground-breaking lidded container bin design minimises product loss, enabling the efficient, safe, long distance transport of bulk cargo, while protecting the product from environmental exposure until vessel discharge.

The 'Rotabox' is ideally suited for loading bulk product into geared vessels, combining the use of purpose built half height containers which ensure optimum material flow and the innovative container rotating frame, for use with ship's cranes. It is the ultimate, environmentally safe, efficient alternative to shiploaders, particularly for eco-sensitive cargos such as copper and lead concentrates. Most importantly, it is a viable option for miners without access to shiploader belt time, to get product exported.

TRANSPORT AND LOGISTICS

TRANSPORT

NSS also runs its own fleet of truck and trailer combinations in support of its stevedoring customers. The NSS fleet includes B-Double, A-Double and Type 2 road train combinations. NSS also has close working relationships with a number of local subcontractors which are utilised for specialised transport such as heavy haulage, low loaders and bulk trailers. All NSS truck and trailer sets comply with Queensland transport regulations and all drivers are appropriately licenced, trained and experienced to ensure efficient and safe handling of customer cargo.



“ NSS UNDERSTANDS AND RECOGNISES THE IMPORTANCE OF PLANNING AND RATIONALISING ALL ASPECTS OF THE IMPORT AND EXPORT SUPPLY CHAIN PROCESS.”



ROTABOX

CONTAINER SERVICES

NSS inspects, maintains and repairs containers on behalf of our liner trade customers. Container inspections are undertaken by IICL accredited staff and repairs undertaken by qualified, skilled boiler makers.

NSS also cleans and inspects food transportation containers to ensure they retain the requirements for carrying quality consumer goods.

Container Depot - NSS also operates (via its NSS Port Logistics subsidiary) another 5.5 hectare depot within the Port of Townsville precinct. The depot also contains a 4,000m square shed for storage of weather sensitive cargos and includes underbond storage. The depot is a licenced QAP1.1 facility and has an AQIS approved washbay. A complete container repair facility is also located at this depot and is staffed with IICL accredited inspectors and repairers.

LOCATIONS AND INFRASTRUCTURE

NSS has an unmatched depth of resources in North Queensland that are ideally suited to meeting our customers requirements. NSS customers will enjoy the following benefits from engaging NSS as their port services provider:

- Access to NSS' shore cranes in Townsville and Gladstone;
- AQIS wash bays in Townsville, Cairns and Gladstone; and
- An extensive fleet of specialist mobile equipment across all ports.

NSS has access to all common user berths in the Ports of Mackay, Gladstone and Cairns and is the only stevedore in Australia to hold strategic landholdings and equipment in each of these locations to support our operations. The advantage of having this flexibility was evident in the recent Hay Point Expansion project where berthing and laydown congestion in Gladstone meant project vessels were redirected to Mackay and Townsville at short notice. As NSS has equipment and staff permanently located at these ports, this change in plans was easily accommodated.

TOWNSVILLE

Container Terminal, Townsville

NSS operates the only container terminal in Townsville. The terminal covers an area of over 3 hectares and backs onto Berth 3. This provides NSS customers with superior short-term storage options and ability to pre-receive cargo over an extended period. An AQIS approved washbay and certified inspection stands are also located at this terminal ensuring prompt handling of all imported containers including those from Giant African Snail countries.

The terminal also has capacity to service up to 96 reefers at a time. The container terminal is open 7 days a week, 24 hours a day for receipt from the vessel. Opening times for pre-receipt and delivery of cargo are 7am – 4pm Monday to Friday. Weekends and out of hours service is

available on request. All cargo movements are recorded in a NSS custom built container/cargo tracking system which currently sends a daily EDI message to the customer that automatically updates their system with gate in/out movements and stock on hand. The depot is monitored by security cameras and is fully fenced to ensure cargo security.

Container Depot, Townsville

NSS also operates (via its NSS Port Logistics subsidiary) another 8.5 hectare depot within the Port of Townsville precinct. Part of this area is used for container, breakbulk and bulk storage. The depot also contains a 4,000m square shed for storage of weather sensitive cargos and includes underbond storage. The depot is a licenced QAP1.1 facility and has an AQIS approved washbay. A complete container repair facility is also located at this depot and is staffed with IICL accredited inspectors and repairers. The depot operating hours are 7am – 4pm Monday to Friday with weekends and out of hours service available on request. All cargo movements are recorded in a NSS custom built container/cargo tracking system which currently sends a daily EDI message to the customer that automatically updates their system with gate in/out movements and stock on hand. The depot is monitored by security cameras and is fully fenced to ensure cargo security.

NSS's most recent investment, the 8,500m square bulk shed, is capable of handling multiple products at the same time with a capacity to store up to 100,000 tonnes of bulk product.

The shed is negative pressured, has two truck wash facilities and rain water runoff capture and treatment.

Shore and Mobile Harbour Cranes, Townsville

NSS's leases a 55 tonne capacity gantry crane in Townsville which works exclusively on Berth 3. To further enhance our service capacity NSS recently invested in a new mobile harbour crane to also work on Berth 3. This new Liebherr LHM420 mobile harbor crane has a 124 tonne lifting capacity and when fitted with a telescoping Bromma spreader will be able to twin lift both full and empty containers thereby providing a significant increase in productivity in the port. Both the gantry and mobile cranes are complemented by a variety of lifting gear including bromma spreaders, remote grabs and lifting beams. NSS also has a range of specialised equipment specifically designed for the handling of refined zinc and lead.



GLADSTONE

NSS Depot, Gladstone

NSS operates a 3 hectare depot at the Port of Gladstone. This depot backs onto Auckland Point 4 berth, thereby providing NSS customers with superior short and long term storage options and the ability to pre-receive cargo over an extended period. An AQIS approved washbay and certified inspection stands are also located at this depot ensuring prompt and efficient handling of containers. This depot also has 1,000m square of undercover storage.

The depot operating hours are 7am – 4pm Monday to Friday with weekends and out of hours service available on request. All cargo movements are recorded in a NSS custom built container/cargo tracking system which currently sends a daily EDI message to the customer that automatically updates their system with gate in/out movements and stock on hand. The depot is monitored by security cameras and is fully fenced to ensure cargo security.

“ NSS IS PROUD OF ITS COMMITMENT TO REGIONAL QUEENSLAND AND ITS INVESTMENT IN STATE OF THE ART FACILITIES. ”

Mobile Harbour Crane, Gladstone

NSS's Gladstone based mobile harbour crane works on Auckland Point 4 berth. The Liebherr LHM550 has a 150 tonne lifting capacity and when fitted with telescoping Bromma spreader can twin lift both full and empty containers providing superior productivity.

CAIRNS

NSS Depot, Cairns

NSS operates from a 2,000m square depot at the Port of Cairns. This depot is located in the port precinct and houses NSS offices, AQIS washbay and storage area. The area is secure and monitored.

MACKAY

NSS Depot, Mackay

NSS operates a 2,000m square depot at the Port of Mackay. This depot is located in the port precinct and houses NSS offices, equipment workshop and storage area. NSS has access to significant hardstand laydown areas and in 2015/16 financial year will be investing in an AQIS approved washbay for the port.

ADDITIONAL VALUE

Mooring Services

NSS provides mooring and gangways services in Townsville and Gladstone. NSS runs its own fleet of work boats in both ports to undertake line services, crew runs and store deliveries. NSS also owns a number of gangways in Townsville which it installs and removes for vessels as requested.

Equipment Maintenance

All NSS equipment is maintained in-house by our own qualified fitters and diesel mechanics. NSS utilises MEX software to plan and manage its maintenance to ensure its equipment is maintained at regular service intervals and also to ensure the prompt undertaking of all repairs.

NSS' Mobile Equipment

NSS has an extensive fleet of mobile equipment to support its operations across the state. This fleet includes small and large forklifts with capacity from 3 tonne to 40 tonne, 45 tonne reachstackers, wheel loaders, excavators, skidsteers, mobile loading hoppers, grabs and many more.



SAFETY AND ENVIRONMENT

NSS is committed to ensuring the safety of all employees, visitors and contractors. This commitment is delivered through a systematic and structured approach to the management of all aspects of safety performance.

Stevedoring and port services are inherently high risk business operations and therefore it is essential that NSS has a mature and well developed safety system. At the core of our values are our people. We believe that everyone is entitled to return home from work injury free, every day and have company policies and procedures to cover all main aspects.

NSS' Health, Safety and Environment System

Features of our HSE system are:

- NSS safety program is managed by NSS Business Support Manager. On the ground support is provided by Safety Advisors attached to each of the Business Units including Stevedoring, Logistics and Maintenance.
- NSS utilises Qudos Quality, OHS and Environment software to record, allocate responsibility and track safety incidences to ensure all incidents are investigated and appropriate actions implemented to minimise risk of further occurrences.
- NSS Safety Management system is well developed and externally certified (AS/NZ 4801 and ISO 18001).
- All new employees are required to undertake an NSS specific induction which covers risks such as manual handling, working at heights, fatigue, traffic management, drugs and alcohol. In addition, every employee must undertake and successfully complete job specific training packages which cover all tasks including high risk activity such as forklift and crane operations.
- Our system includes - monthly safety meetings, safety based observations and safety briefings, tool box talks prior to commencing daily operations and the development and update of work method statements.

- As part of our certification against AS 4801 and 18001 a management review is undertaken annually to review performance and objectives for the next 12 months.
- In addition NSS Management as part of its weekly management meeting reviews the previous week's safety performance in all ports. Senior management is also actively involved with the NSS Safety Committee.

The basic principles of our system have been based on the specific requirements of a range of national and international Standards including the following:

- AS/NZS 4801: Occupational Health and Safety Management Systems
- AS/NZS 4360 Risk Management
- AS/NZS ISO 14001 Environmental Management Systems
- Marine Orders
- Codes of Practice

Environment Management System

NSS undertakes work in all its Ports under strict control from a number of agencies including the Queensland Department of Environment Protection and Heritage Management and relevant Port Corporations. NSS holds an ERA50 approval for bulk cargo operations in Townsville, Mackay, Gladstone and Cairns.

Quality Management System

NSS is a quality assured company having received ISO9001 certification in 2013. As part of this process NSS undertakes a continuous review of its procedures and processes.

Documents are controlled within its Qudos Quality, OHS and Environment software system.

Insurances

NSS maintains the following insurances:

- \$50M Public Liability
- \$8M Industrial Special Risk insurance
- \$32.5M Motor vehicle third party property damage and full comprehensive coverage.