

## IMO 2020 Implementation : Low Sulphur Go Green Recovery (LGGR) For October 2020

Dear Valued Customer,

The International Maritime Organisation (IMO) will implement a new sulphur cap for marine fuel oil starting 1<sup>st</sup> January 2020, to reduce Sulphur Oxides (SOx) emissions from the current limit of 3.5% to 0.5% from ships.

With the intention of using a more friendly and cleaner fuel to benefit both the environment and overall human health, RCL will start switching over to the new 0.5% fuel to be fully compliant with **IMO's ruling from 1<sup>st</sup> January 2020**.

With this, RCL will implement a "Low Sulphur Go Green Recovery (LGGR)" to cover this incremental cost of using a more expensive but cleaner fuel for complaince. We hope that customers can also understand that we all need to do our part of the environment and our health as well as the future of our children and the planet that they shall inherit.

## In summary:

b.

- a. Name of Surcharge : Low Sulphur Go Green Recovery (LGGR)
  - Application : All corridors based on average of preceding 3 months LSFO price. The next review will be October 2020.
- c. Effective LGGR quantum for October 2020 tariff highlighted in yellow.

|                     |        | LSFO Price |               |               |               |               |               |               |               |  |  |  |  |
|---------------------|--------|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--|--|--|--|
|                     | Jul'20 | )          |               |               |               |               |               |               |               |  |  |  |  |
| Trade               | Bound  | <400       | 400.1-<br>450 | 450.1-<br>500 | 500.1-<br>550 | 550.1-<br>600 | 600.1-<br>650 | 650.1-<br>700 | 700.1-<br>750 |  |  |  |  |
| Intra - Asia        | Zone A | 21         | 29            | 37            | 45            | 53            | 61            | 69            | 77            |  |  |  |  |
| illura - Asia       | Zone B | 35         | 50            | 65            | 80            | 95            | 110           | 125           | 140           |  |  |  |  |
| Asia - India Sub    | WB     | 70         | 103           | 135           | 168           | 200           | 233           | 265           | 298           |  |  |  |  |
| Continent           | EB     | 38         | 54            | 70            | 86            | 103           | 119           | 135           | 151           |  |  |  |  |
| Asia - Middle East  | WB     | 75         | 110           | 145           | 180           | 215           | 250           | 285           | 320           |  |  |  |  |
| ASTA - WILUUTE EAST | EB     | 40         | 58            | 75            | 93            | 110           | 128           | 145           | 163           |  |  |  |  |

d. For Intra-Asia, RCL will apply the pricing structure based on below matrix :

| <400  | JPN | KOR | N.PRC | C.PRC | S.PRC | HKG | TWN | PH | HPH | HCM | CAM | TH | SIN | MY | ID | MM | ISC | ME |
|-------|-----|-----|-------|-------|-------|-----|-----|----|-----|-----|-----|----|-----|----|----|----|-----|----|
| JPN   |     | 21  | 21    | 21    | 21    | 21  | 21  | 35 | 35  | 35  | 35  | 35 | 35  | 35 | 35 | 35 | 70  | 75 |
| KOR   | 21  |     | 21    | 21    | 21    | 21  | 25  | 35 | 35  | 35  | 35  | 35 | 35  | 35 | 35 | 35 | 70  | 75 |
| N.PRC | 21  | 21  |       |       |       | 25  |     | 35 | 35  | 35  | 35  | 35 | 35  | 35 | 35 | 35 | 70  | 75 |
| C.PRC | 21  | 21  |       |       |       | 25  |     | 21 | 35  | 35  | 35  | 35 | 35  | 35 | 35 | 35 | 70  | 75 |
| S.PRC | 21  | 21  |       |       |       |     |     | 21 | 21  | 21  | 21  | 35 | 35  | 35 | 35 | 35 | 70  | 75 |
| HKG   | 21  | 21  | 25    | 25    |       |     |     | 21 | 21  | 21  | 21  | 35 | 35  | 35 | 35 | 35 | 70  | 75 |
| TWN   | 21  | 21  |       |       |       | 25  |     | 21 | 21  | 21  | 21  | 35 | 35  | 35 | 35 | 35 | 70  | 75 |
| PH    | 35  | 35  | 35    | 21    | 21    | 21  | 21  |    | 21  | 21  | 35  | 35 | 21  | 35 | 35 | 35 | 70  | 75 |
| НРН   | 35  | 35  | 35    | 35    | 21    | 21  | 21  | 21 |     |     | 21  | 21 | 21  | 35 | 35 | 35 | 70  | 75 |
| нсм   | 35  | 35  | 35    | 35    | 21    | 21  | 21  | 21 |     |     | 21  | 21 | 21  | 21 | 21 | 35 | 70  | 75 |
| CAM   | 35  | 35  | 35    | 35    | 21    | 21  | 21  | 35 | 21  | 21  |     | 21 | 21  | 21 | 21 | 35 | 70  | 75 |
| тн    | 35  | 35  | 35    | 35    | 35    | 35  | 35  | 35 | 21  | 21  | 21  |    | 21  | 21 | 21 | 35 | 70  | 75 |
| SIN   | 35  | 35  | 35    | 35    | 35    | 35  | 35  | 21 | 21  | 21  | 21  | 21 |     | 21 | 21 | 21 | 70  | 75 |
| MY    | 35  | 35  | 35    | 35    | 35    | 35  | 35  | 35 | 35  | 21  | 21  | 21 | 21  |    | 21 | 21 | 70  | 75 |
| ID    | 35  | 35  | 35    | 35    | 35    | 35  | 35  | 35 | 35  | 21  | 21  | 21 | 21  | 21 |    | 21 | 70  | 75 |
| MM    | 35  | 35  | 35    | 35    | 35    | 35  | 35  | 35 | 35  | 35  | 35  | 35 | 21  | 21 | 21 |    | 70  | 75 |
| ISC   | 38  | 38  | 38    | 38    | 38    | 38  | 38  | 38 | 38  | 38  | 38  | 38 | 38  | 38 | 38 | 38 |     | 75 |
| ME    | 40  | 40  | 40    | 40    | 40    | 40  | 40  | 40 | 40  | 40  | 40  | 40 | 40  | 40 | 40 | 40 | 40  |    |

Remarks

N.PRC include Dalian, Tianjin, Qingdao

C.PRC include Shanghai, Ningbo, Fujian, Xiamen, & hinterland cargo tranship via them

S.PRC include all Ports in Guangdong province, Guangxi Province, Hainan and all other ports tranship via them

We thank you for your kind understanding and seek your support of our above efforts to promote a better world. Please feel free to contact us should you have any questions and we will be glad to assist.

Best regards.