



Willemstad/Curacao - Monday, December 5th, 2019

Dear valued customers,

The well-known IMO2020 initiative to reduce marine pollution is fast approaching. This IMO directive ensures the shipping industry complies with the IMO and UN Sustainable Development Goals. **The cost of compliance with the new regulation will be significant, and thus the cost of shipping will increase.** Seacatline will apply an Environmental Surcharge Fee (ESF) across its trades and services, effective January 2nd 2020.

This surcharge will ensure IMO compliant 0.5% VLSFO (Very Low Sulphur Fuel Oil) are used to transport your seaborne perishable and dry cargo as of January 1st, 2020, subscribing to the IMO 2020 Directive. The ESF will cover the price differential between the High Sulphur Fuel Oil and the standardized 0,5% compliant Very Low Sulphur Fuel Oil. The ESF will be determined on a quarterly basis. The ESF tariffs will only be reviewed in case of significant fuel price fluctuations (more than 50 U\$/mt).

The HSFO reference price has been set at U\$ 333/mt, based on Panama prices, as the Seacat service bunkers exclusively in Cristobal (Panama).

For each U\$ 10/mt price differential between VLSFO (Panama price) and HSFO (Panama price), the surcharge is U\$ 0,0555/cubic meter.

The VLSFO price to be used for the period January 1st 2020 and March 31st 2020 has been set at U\$ 604,30/mt, based on the mean VLSFO Panama prices up to November 30th 2019.

Consequently the ESF for the period January 1st 2020-March 31st 2020 will be  $(U\$ 604,30 - U\$ 333,00) / 10 \times U\$ 0,0555/\text{cubic meter} = U\$ 1,50/\text{cubic meter}$

The ESF will be applied as per below:

-northbound trade: JE20001NB

-southbound trade: JE19024SB

We thank you for shipping with Seacatline, and for supporting global sustainability initiatives.

Best regards  
Seacatline n.v.