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AGREEMENT NAME: APL/HLAG SPACE CHARTER AND SAILING AGREEMENT

FMC NUMBER: 232-011648-011 (5th Edition)

CLASSIFICATION: Space Charter and Sailing Agreement

ORIGINAL EFFECTIVE DATE: February 5, 1999

EXPIRATION DATE: None

Restatement of Agreement

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ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this Agreement is the APL/HLAG SPACE CHARTER AND SAILING AGREEMENT (the "Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to permit each of the parties to achieve efficiencies and economies in their respective services offered in the trades covered by the Agreement through their joint cooperation and coordination of their vessels and related services in the Trade.

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to the Agreement (hereinafter "Party" or "Parties") are:

1. a) AMERICAN PRESIDENT LINES, LTD.
1111 Broadway
Oakland, California 94607

b) APL CO. PTE LTD.
456 Alexandra Road, #06-00 NOL Building
Singapore 119962, Republic of Singapore

(hereinafter, both of said entities are referred to as "APL")

2. HAPAG-LLOYD AG ("HLAG")
Ballindam 25
20095 Hamburg, Germany

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

This Agreement covers the trade between ports on the Atlantic Coast of Florida and the Gulf Coast of the United States and inland and coastal points in the United States served via such ports, on the one hand, and ports in Mexico, Brazil, Argentina, Uruguay, Paraguay, Venezuela, and Trinidad and Tobago, and inland and coastal points in the aforementioned countries served via such ports, on the other hand.

All of the foregoing is hereinafter referred to as the "Trade."

ARTICLE 5: OVERVIEW OF AGREEMENT AUTHORITY

5.1 Vessels. HLAG will provide APL information regarding the number and type of vessels to be employed (including the allocation of the cost of positioning, repositioning, phasing-in and/or phasing-out vessels), sailing schedules, ports to be served, port rotations and transit times in the Trade for purposes of establishing, operating and coordinating integrated vessel services in the Trade. More specifically, but without limiting the authority granted herein, the Parties hereby agree as follows:

HLAG shall provide vessel space to APL on vessels operated pursuant to FMC Agreement No. 203-011539. The Parties are authorized to consult and agree on retonnaging and other changes in this service.

5.2 Space Chartering. The Parties are authorized to charter vessels to/from one another and to charter space to/from one another on one another's vessels, or from a Party's space allocation on a non-Party's vessels, in the Trade in such amounts and upon such terms and conditions as they may from time to time agree. More specifically, but without limiting the authority granted herein, the Parties hereby agree as follows:

HLAG is authorized to charter space for between 50 and 100 TEUs to APL on each sailing in the Trade. Initially, APL shall receive from HLAG space for 80 TEUs on each southbound sailing and space for 80 TEUs on each northbound sailing on such terms and conditions as they may agree from time to time.

5.3 Sub-chartering. APL may not sub-charter to a third-party carrier any or all of the space chartered to it hereunder without previous consent from HLAG.

5.4 Feeders. The Parties are authorized discuss, agree upon and coordinate any and all aspects of feeder operations in connection with and ancillary to their services in the Trade, including, without limitation, the deployment and utilization of feeder vessels, feeder vessel sailing schedules, service frequency, ports to be serviced, port rotation, the number, type and capacity of feeder vessels, the terms and conditions under which the Parties shall share the capacity of feeder vessels, and the terms and conditions of addition or withdrawal of feeder vessel capacity.

5.5 Terminals and Stevedores. The Parties are authorized to cooperate with each other with respect to the use of common terminals, stevedores, port facilities, and equipment in order to achieve the best conditions at each port at which they call under this Agreement. HLAG will notify APL of any change in terminals or stevedores. The Parties are authorized to jointly negotiate, contract with or coordinate with one another in contracting with stevedores, terminals, ports, and suppliers of equipment, land or shoreside services. The Parties also are authorized to discuss and agree on the sharing of common costs relating to such services, including overtime, equipment hire, detention and common shiftings. Nothing herein shall authorize the Parties to jointly operate a marine terminal in the United States.

5.6 No Joint Service. The space chartering contemplated hereby and the cooperative use of equipment, terminals, stevedores, ports, and suppliers to the extent provided hereunder do not create a joint service or permit the Parties to pool cargo or revenue except as may be permitted under other agreements to which the Parties may subscribe from time to time, which agreements are filed with the FMC and effective pursuant to the Shipping Act of 1984, as amended. Each Party shall utilize and maintain its own marketing and sales organizations and shall issue its own bills of lading for cargo moving on vessels subject to this Agreement.

5.7 Administrative Matters. The Parties may also discuss and agree upon such general administrative matters and other terms and conditions concerning the implementation of this Agreement as may be necessary or convenient from time to time, including, but not limited to, performance procedures and penalties, procedures for allocating space, forecasting, terminal operations, stowage planning, schedule adjustments, record-keeping, responsibility for loss or damage of cargo and equipment, insurance, liabilities, claims, indemnification, consequences for delays, and treatment of hazardous and dangerous cargoes.

5.8 Expenses. Any Party providing a vessel under this Agreement shall be solely responsible for the operation of that vessel and shall be responsible for all operating costs for the vessels it provides. Any other expenses relating to this Agreement will be shared by the Parties as they may from time to time agree.

5.9 Force Majeure. No Party shall be liable to any other Party with respect to its failure to perform any term or condition of this Agreement if such failure, wholly or partly, is due to an event of Force Majeure, such as, but not limited to, war (whether declared or not), civil commotion, invasion, rebellion, sabotage, hostilities, strikes, labor disputes or restrictions, other work stoppages, governmental (national, state, prefectural, municipal or other),

regulations or controls taken or issued in sovereign capacity, or act of God. Any Party claiming Force Majeure to excuse its performance hereunder shall exercise all reasonable endeavors to eliminate the disruption and mitigate the consequences of such event. Upon termination of such Force Majeure event causing a Party's failure to perform its obligations under this Agreement, such Party shall as soon as possible resume its performance of its obligations according to the terms and conditions of this Agreement. Notwithstanding the foregoing, if a Party is prevented from receiving vessel space or necessary shoreside or vessel services hereunder by a Force Majeure event, that Party may contract for substitute services and/or space with any person.

5.10 Future Agreement. The Parties are authorized to discuss and agree upon their respective memberships in conferences and other rate or discussion agreements; provided, however, that nothing herein shall obligate any Party to become or remain a member of any other agreement.

5.11 Further Agreements. Pursuant to 46 C.F.R. 535.408(b), any further non-exempt agreement between the Parties in the Trade cannot take effect unless filed and effective under the Shipping Act of 1984, as amended, except to the extent that such agreement relates to matters within the scope of the aforementioned regulation.

ARTICLE 6: ADMINISTRATION AND DELEGATION OF AUTHORITY

The following are authorized to execute this Agreement and any accompanying materials and any subsequent modifications to this Agreement on behalf of a Party:

(i) Any authorized officer or agent of each of the Parties; and

(ii) Legal counsel for each of the Parties.

Legal counsel for any Party is authorized to file the foregoing documents with the United States Federal Maritime Commission.

ARTICLE 7: MEMBERSHIP, READMISSION AND WITHDRAWAL

7.1 Membership is limited to the Parties hereto except that additional carriers may be admitted or readmitted by amendment of the Agreement pursuant to the Shipping Act of 1984, as amended.

7.2 Withdrawal

(a) Any Party may withdraw from this Agreement by providing at least 90 days' written notice to the other Parties. Such notice shall be tolled for a 30-day consultation period if such consultation is demanded by any Party within 30 days of the date such notice is given.

(b) If any government or agency thereof imposes upon a Party any restriction, fails to grant or withdraws any required approval, which restriction, or the absence of which approval, would have a material adverse effect upon any Party, then any such adversely affected Party may withdraw from the

Agreement as of the date past which such material adverse effect shall commence.

(c) Any Party may withdraw from the Agreement at any time immediately by serving written notice thereof on the other Parties if another Party files, or has filed against it, proceedings under bankruptcy, insolvency or other similar laws.

(d) Any Party may withdraw from the Agreement upon the occurrence of an event of Force Majeure, upon terms and conditions from time to time agreed upon by the Parties.

(e) If FMC Agreement No. 203-011539 is terminated, the Parties hereto shall consult in good faith to continue this Agreement. If the Parties are unable to reach agreement with respect to the continuation of this Agreement, any Party may upon 90 days' written notice to the other Parties withdraw from participation in this Agreement.

(f) If any Party shall breach its obligations under this Agreement and such breach shall have a material adverse effect on another Party, and the Parties each acting in good faith shall fail to resolve their dispute or there shall have been no correction of such breach within 90 days after written notice by the affected Party to the breaching Party, the affected Party may withdraw from this Agreement by written notice to the other Parties which notice shall become effective on the later of the end of such 90-day period or 10 days after the date of such notice.

(g) The Federal Maritime Commission shall be promptly notified in writing of any such withdrawal from this Agreement.

ARTICLE 8: DURATION AND TERMINATION

8.1 Effective Date and Term. This Agreement shall take effect as of the date that it becomes effective pursuant to the Shipping Act of 1984, and shall continue indefinitely.

8.2 Early Termination. Notwithstanding Article 8.1, the Parties may, by unanimous agreement, terminate this Agreement at any time.

ARTICLE 9: ARBITRATION

9.1 Except as otherwise provided herein, any dispute or claim arising hereunder, which is not amicably settled by the Parties, shall be settled by arbitration. Arbitration shall be held in New York, New York, under the rules then in effect of the Society of Maritime Arbitration, Inc. (the "Society's Rules") by an arbitrator familiar with ocean container shipping who shall have no financial or personal interest whatsoever in or with any Party and shall not have acquired a detailed prior knowledge of the matter in dispute. Upon unanimous agreement among the Parties involved in the dispute, arbitration may be held in any other place.

9.2 Any Party hereto may call for such arbitration by service upon the others of a written notice specifying a brief description of the disputes or

differences which such Party desires to put to arbitration, the monetary amount involved and any other remedy sought. Within fifteen (15) days after service of such notice, the Parties in dispute shall jointly agree upon an arbitrator of the aforesaid qualifications, failing which within five days thereafter, any Party may request the President of the Society of Maritime Arbitrators, Inc. to appoint an arbitrator. The arbitration shall thereafter be conducted under the Society's Rules except as expressly provided herein.

9.3 Notwithstanding Articles 9.1 and 9.2 hereof, any Party may request a court of competent jurisdiction to grant provisional injunctive or other relief to such Party solely for the purpose of maintaining the status quo until an arbitrator can render an award on the matter in question and such award can be confirmed by a court having jurisdiction thereof.

9.4 For any disputes involving $100,000 or less, excluding interest, costs of arbitration and legal fees and expense, the Parties shall arbitrate on documents only.

9.5 The arbitrator's decision, including his written findings of fact and conclusions, shall be rendered within the period provided in the Society's Rules. Judgment may be entered on an award of the arbitrator and shall be enforceable in a court of competent jurisdiction. The arbitrator may allocate

the costs of arbitration to one or more participating Parties in a manner consistent with the award or decision. The arbitrator may not award exemplary or punitive damages and may not order specific performance.

9.6 The arbitrator shall serve a copy of the decision on all of the Parties.

ARTICLE 10: APPLICABLE LAW AND SEVERABILITY

10.1 The interpretation, construction and enforcement of this Agreement shall be governed by (i) the laws of the State of New York without reference to the laws respecting conflicts of laws, and (ii) to the extent applicable, the laws of the United States.

10.2 Notwithstanding the foregoing, if any term or provision of this Agreement shall be held to be illegal or unenforceable, in whole or in part, such term or provision shall to that extent be deemed not to form part of this Agreement but the enforceability of the remainder of this Agreement shall not be affected.