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New World Alliance / Maersk Line Slot Exchange Agreement

FMC Agreement No. 011722-002

2d Edition

Expiration Date: See Article 9

Original Effective Date: October 9, 2000

EFFECTIVE
MAR - 2 2006
UNDER THE
SHIPPING ACT
OF 1984
Federal Maritime Commission

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ARTICLE 1. NAME OF AGREEMENT

This Agreement shall be known as the "New World Alliance/Maersk ~~Sealand~~ Line Slot Exchange Agreement" (hereinafter the "Agreement").

ARTICLE 2. PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to permit the Parties hereto to obtain optimum efficiency of fleet operations and to maximize space utilization with regard to the trade covered herein so as to offer, efficient, competitive services to the shipping public.

ARTICLE 3. PARTIES

The Parties hereto are:

(1) A.P. Moller-Maersk A/S trading under the name of Maersk ~~Sealand~~ Line ("MSL")

and

(2) The members of the New World Alliance (hereinafter collectively referred to as "TNWA")

-- APL Co. Pte. Ltd. and American President Lines, Ltd. (hereinafter collectively referred to as "APL")

-- Mitsui O.S. K. Lines, Ltd. ("MOL")

-- Hyundai Merchant Marine Co. Ltd. ("HMM")

(1) hereafter referred to as either a "Party") or a ("Line").

(2) hereafter referred to collectively as a ("Party") and the members thereof referred to individually as a "(Line").

ARTICLE 4. GEOGRAPHIC SCOPE

The geographic scope of this Agreement shall extend to and from ports on the East Coast 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 Northern Europe (including without limitation ports in Germany, the United Kingdom, Belgium, the Netherlands and France), and inland and coastal points in Europe served via such ports, on the other hand (hereinafter the "Trade").

ARTICLE 5. AGREEMENT AUTHORITY

A. The Parties may discuss and agree upon the terms and conditions for exchanging, selling and/or allocating space to each other on the vessels subject to this Agreement.

B. The Parties may discuss and agree upon the deployment and utilization of vessels in the Trade up to a maximum of 35 vessels having an average capacity of up to approximately 4,500 TEUS per vessel, including, without limitation, the addition, withdrawal and substitution of vessels, sailing schedules, service frequency, ports to be served, port rotations, type and size of vessels to be utilized, feeder arrangements, including the sale or exchange of feeder slots between them, the addition or withdrawal of capacity from the Trade, and the terms and conditions of any such addition or withdrawal.

C. Without limiting the authority granted in this Article 5, the parties agree that:

1. Initially, the following strings shall be subject to this Agreement: (i) TNWA's string of up to 12 vessels to and from ports on the East Coast of the United States and ports in Northern Europe, with an average capacity per sailing in each direction of approximately 3,000 TEUS, and (ii) MSL's strings will be comprised of up to 5 vessels for one string (the East Coast and Gulf Coast/Europe service) and up to 12 vessels for the other string (East Coast/Europe service) MSL's strings shall operate to and from ports on the East Coast and/or the Gulf Coast of the United States on the one hand and ports in Northern Europe on the other hand, with average capacities per sailing in each direction of approximately 3,700 TEUs fi5r,one string and 3,200 TEUs for the other.

2. Initially, the basic slot allocations on the three strings mentioned in tile preceding subparagraph wilt be approximately 70 percent for MSL and approximately 30 percent for the members of TNWA, on an annualized, average and aggregate basis These basic allocations may be adjusted within a range of 20% higher or lower for any Party from time to time as the Parties may agree.

D. The Parties may discuss and agree upon the use of terminal facilities, including with respect to whether to jointly or individually negotiate and enter into leases, subleases or assignments of such facilities, contracting for stevedoring services, terminal and other related ocean and shoreside services and supplies with each other or, as agreed, individually or jointly with third parties in the United States or Northern Europe.

Nothing contained herein, however, shall authorize the parties jointly to operate a marine terminal in the United States.

E. The Parties may discuss and agree upon documentation, data systems and computerization and joint communication including any joint negotiations, leasing or contracting related thereto.

F. The Parties may discuss and agree upon administrative matters and related issues, including, but not limited to, operation procedures, bills of lading, terminal operations, stowage planning, schedule adjustments, recordkeeping, responsibility of a Party and/or Line for loss or damage, change in ownership or insolvency of any Line, change in membership of the Parties, the interchange of information and data and the respective rights, liabilities and indemnities of each Party and/or Line arising under this Agreement, including matters such as failure to perform, insurance, indemnification, consequences for delays, port omission, port substitution, force majeure relief and treatment of hazardous and dangerous cargoes.

G. The Parties may discuss and agree upon the terms and conditions by which the Parties or Lines, directly or indirectly, interchange, lease, sublease, return, and may otherwise cooperate among or between themselves in connection with containers, chassis and other equipment used in the service.

H. The Parties may exercise the authority granted by this Article 5 to discuss and agree on changes to be made from time to time in any of the matters

identified in Article 5.A through 5.G above, except for the maximum number and average capacity of vessels specified in Article 5.B.

I. The Parties may discuss and agree on whether to enter into agreements jointly with third-parties, and/or whether to sell either jointly or separately any available surplus space on the vessels operated under the terms of this Agreement to ocean common carriers not signatories to this Agreement and to share or allocate any revenues received therefrom, on such terms, rates and conditions as the Parties may from time to time agree. Any agreement entered into pursuant to this subparagraph with ocean common carriers not signatories to this Agreement shall be filed with the Federal Maritime Commission in accordance with the requirements of the U S Shipping Act of 1984, as amended.

J. Each Line shall retain its own separate identity and shall have separate sales, pricing and marketing functions. Each Line will issue its own bills of lading, handle its own claims and shall be fully responsible for the expenses, husbandry and operation of its owned or chartered vessel(s) operated in the Trade, including drydocking, special survey and future capital improvements. Additionally, each Line shall be fully responsible for any and all terminal costs attributable to cargo moved on its own bill of lading.

K. The Parties are authorized to make and enter into implementing and interstitial arrangements, writings, oral and written communications,

understandings, procedures and documents within the scope of the authorities set forth in this Agreement in order to carry out the authorities and purpose hereof.

L. This Agreement shall not require a common position on conference membership. Any of the Parties or Lines are free to operate inside or outside conferences in the Trade covered in Article 4.

M. Pursuant to 46 C F R 535.407, any further non-exempt agreement between the Parties cannot take effect unless filed and effective under the Shipping Act of 1984, as amended, except to the extent that such agreement concerns routine operational or administrative matters.

N. Only MSL and APL shall be entitled to use space on U.S.-flag vessels for the carriage of cargo reserved to U.S -flag vessels pursuant to the cargo preference laws of the United States (including, but not limited to, Public Resolution No. 17, sections 901(b) and 901b of the Merchant Marine Act, 1936, as amended, and the Military Cargo Preference Act of 1904).

O. No Party or Line shall assign, space charter, or sub-space charter any slots it has obtained from another Party or Line under this Agreement to any third-parties in the Trade that are not subject to this Agreement, without obtaining prior written consent from the other Party or Line.

P. A Party or Line that is subject to this Agreement is authorized to charter the space on its own container vessels to third-parties on an ad-hoc basis

provided that such space first has been offered to the other Party or Line(s) subject to this Agreement within no fewer than 5 calendar days' notice and with not less than 24 hours for acceptance. The Parties agree that the Party or Line subchartering space to third parties will prohibit the third parties from rechartering or otherwise allowing another party to use that space Each Party or Line selling space to those third parties shall sell that space at a rate no less than the effective rate for space, as agreed upon by the Parties, which rate may change from time to time.

Q. Except as the Parties may otherwise agree, no Party shall enter into any other regular and/or permanent space or slot charter agreement (whether purchasing or selling), rationalization, or other cooperative container shipping arrangement with any other vessel operator in the Trade without obtaining prior consent from the other Party; provided, however, that no restrictions shall be placed on the Party related to ad hoc purchases to cure service failures.

R. No Party shall seek to build up new services, strings and/or feeder services which are alternative to, or in competition with, the services provided pursuant to Article 5 within the Trade described in Article 4 above, without seeking the approval of the other Party Such approval shall not unreasonably be withheld.

ARTICLE 6. ADMINISTRATION AND DELEGATION OF AUTHORITY

A. This Agreement shall be administered and implemented by such meetings, decisions, memoranda, and communications among the Parties or Lines, or any of them, as are necessary to enable them to effectuate the purposes of this Agreement.

B. The following individuals shall have the authority to file this Agreement and any modification to this Agreement with the Federal Maritime Commission, as well as the authority to delegate the same:

1. Any authorized officer of each of the Parties or Lines; and

2. Legal counsel for each of the Parties or Lines.

ARTICLE 7. MEMBERSHIP

Membership in this Agreement is limited to the Parties hereto, except that additional parties may be admitted by unanimous consent of the Parties and by amendment of the Agreement pursuant to the Shipping Act of 1984, as amended.

ARTICLE 8. VOTING

Any decisions or amendment to this Agreement shall be by unanimous agreement of both Parties and shall, to the extent required, be subject to the filing procedures of the U.S. Shipping Act of 1984, as amended.

ARTICLE 9. DURATION AND TERMINATION

9.1. The effective date of this Agreement shall be the later of: (i) the date this Agreement becomes effective under the Shipping Act of 1984 and the date that any other governmental approvals as may be required have been obtained, or (ii) on October 15, 2000, or (iii) the date the New World Alliance Facilitation Agreement becomes effective under the Shipping Act of 1984. Under no circumstances shall the effective date of this Agreement be earlier than the effective date under the Shipping Act of 1984, as amended. Operations under this Agreement shall commence on a date on or subsequent to the effective date of the Agreement, as agreed by the Parties, and shall continue for a minimum period of 30 months ("Initial Period") with a minimum notice of termination from either Party of 6 months. Such notice of termination shall not be given prior to 24 months after the commencement of operations pursuant to this Article, Upon expiration of the Initial Period, this Agreement shall continue in effect unless or until the Agreement is terminated upon not less than 6 months' prior written notice.

Notwithstanding the foregoing, the Parties may agree on provisions allowing earlier termination in the event of a change in ownership of a Party or Line, the dissolution, bankruptcy or insolvency of a Party or Line, or a similar occurrence.

9 2. In the event of default and notwithstanding any termination made in accordance with this Article 9, the non-defaulting Party or Line(s), as applicable,

9.3. The Parties or Lines, as applicable, will promptly notify the Federal Maritime Commission as well as any other relevant governmental authorities of any termination of, or withdrawal from, this Agreement.

9.4. Any termination or withdrawal hereunder shall be without prejudice to the Lines' respective financial obligations to one another as of the date of termination or withdrawal.

ARTICLE 10. FORCE MAJEURE

10.1 No Party or Line, as the case may be, shall be deemed responsible with respect to its failure to perform any term or condition of this Agreement if such failure is due to an event beyond its reasonable control, such as, but not limited to' war declared or undeclared, hostilities, war-like or belligerent acts or operations; piracy; riots; civil commotion or other disturbances; acts of God; blockade of port or place or interdict or prohibition of or restriction on commerce or trading; governmental action including but not limited to quarantine sanitary or other similar regulations or restrictions; strikes, lockouts or other labor troubles whether partial or general and whether or not involving employees of any Party or Line; shortage, absence or obstacles of labor or facilities for loading, discharge, delivery or other handling of the goods; epidemics of disease; unforeseeable breakdown or latent defect in the vessel's hull, equipment or machinery; shallow water, ice, landslide or other obstacles in navigation or haulage, any act of barratry; and unusual severe weather which can cause operational hindrance.

10.2 Any Party or Line claiming an event beyond its reasonable control shall exercise reasonable endeavors to remedy the consequences of such event Upon the termination of such event causing a Party's or Line's failure to perform its obligations under this Agreement, such Party or Line, as the case may be, shall as soon as possible resume its performance of its obligations according to the terms and conditions of this Agreement.

ARTICLE 11. INSURANCE

For the duration of this Agreement, all Lines undertake to have valid hull and machinery, war risk, as requested, and P&I Insurance for all conventional P&I risks with a club being a member of the Group of International P&I clubs. In the event the terms and conditions or the cover in general are materially amended, the respective club shall notify the other Lines hereto without delay.

ARTICLE 12. NOTICES

Any correspondence or notices hereunder shall be made by courier service or registered mail, or in the event expeditious notice is required - by fax or e-mail, confirmed by courier or registered mail, to the following addresses'

MSL	APL
A.P. Moller 50 Esplanaden 1098 Copenhagen K Denmark Attn: Line Department Fax' +45 33 63 47 84	American President Lines Co. Pte Ltd 456 Alexandra Road #06-00 NOL Building Singapore Attn Line Operations Fax. +65 371 6410

HMM

Hyundai Merchant Marine Co., Ltd.
66, Chokson-Dong, Jongro-Ku
Seoul
South Korea
Attn: Liner Project Team
Fax: +82-2-732-8482

MOL

Mitsui O.S.K. Lines, Ltd.
Shosen Mitsui Building
1-1Toranomon 2-Chome
Minato-ku
Tokyo - 105-91
Japan
Attn: Liner Division
Fax: ±81-3-3587-7796

ARTICLE 13. GOVERNING LAW AND ARBITRATION

This Agreement and each Line's Bill of Lading shall be governed by and construed exclusively in accordance with the laws of the United States. All disputes in connection with this Agreement, which cannot be resolved amicably, shall be resolved by arbitration in New York, except as otherwise agreed. This, however, provided that nothing herein shall relieve the Parties or the Lines, as the case may be, of obligations to comply with the U.S. Shipping Act of 1984, as amended.

ARTICLE 14. AMENDMENT

Any modification or amendment of this Agreement must be in writing and signed by all Lines.

ARTICLE 15. NO AGENCY OR PARTNERSHIP

Nothing in this Agreement shall give rise to, nor shall either Party or any Line or group of Lines be construed as constituting, a partnership for any

purpose or extent. Nor shall either Party or Line or group of Lines be considered an agent of any other Party or Line or group of Lines unless expressly stated or constituted as such by the terms of this Agreement.

ARTICLE 16. ASSIGNMENT

No Party or Line shall be entitled to assign or transfer its rights or obligations under this Agreement, unless with the other Party's and Lines' prior consent

ARTICLE 17. SEVERABILITY

Should any term or provision in this Agreement be held invalid, illegal or unenforceable, the remainder of this Agreement, and the application of such term or provision to persons or circumstances other than those as to which it is invalid, illegal or unenforceable, shall not be affected thereby; and each term or provision of this Agreement shall be valid and enforceable to the full extent permitted by law.

ARTICLE 18. LANGUAGE

This Agreement and all notices, communications or other writings made in connection herewith, shall be in the English language. No Party shall have any obligation to translate such matters into any other language and the wording and meaning of any such matters in the English language shall govern and control.