

RECEIVED

Original Title Page

NOV 27 10 27 12

OFFICE OF THE SECRETARY  
FEDERAL MARITIME COMMISSION

APL/CMA CGM CENTRAL AMERICA/U.S. EAST COAST  
SLOT CHARTER AGREEMENT

FMC Agreement No. 012019 - 000

A Space Charter Agreement

Expiration Date: None



**TABLE OF CONTENTS**

	<u>Page</u>
ARTICLE 1: FULL NAME OF THE AGREEMENT .....	1
ARTICLE 2: PARTIES TO THE AGREEMENT .....	1
ARTICLE 3: PURPOSE OF THE AGREEMENT .....	1
ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT.....	1
ARTICLE 5: AGREEMENT AUTHORITY.....	1
ARTICLE 6: CHARTER PARTY TERMS .....	3
ARTICLE 7: ADMINISTRATION AND VOTING.....	4
ARTICLE 8: DURATION AND TERMINATION OF AGREEMENT.....	4
ARTICLE 9: CONFIDENTIALITY.....	6
ARTICLE 10: GOVERNING LAW AND ARBITRATION.....	6
ARTICLE 11: MEMBERSHIP.....	7
ARTICLE 12: SEVERABILITY .....	7
ARTICLE 13: MISCELLANEOUS .....	7

**ARTICLE 1: FULL NAME OF THE AGREEMENT**

1.1 The full name of this Agreement is the APL/CMA CGM Central America/U.S. East Coast Slot Charter Agreement (hereinafter referred to as the “CAX Agreement”).

**ARTICLE 2: PARTIES TO THE AGREEMENT**

The Parties to the Agreement are:

APL Co. Pte Ltd and American President Lines, Ltd. (acting as one party and referred to as “APL”)  
1111 Broadway  
Oakland, CA 94607

and

CMA CGM S.A. (“CMA CGM”)  
4, Quai d’Arenc  
13235 Marseille Cedex 02,  
France

**ARTICLE 3: PURPOSE OF THE AGREEMENT**

The purpose of this Agreement is to authorize APL to charter space to CMA CGM on certain vessels it operates in the Trade (as hereinafter defined) and to authorize the parties to enter into cooperative working arrangements with respect to the chartering of such space.

**ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT**

The geographic scope of this Agreement is the trade between Guatemala and Honduras and eventually, subject to filing with the FMC, if applicable, other Central American countries as may be suggested by APL at its own discretion, on the one hand, and ports on the East Coast of the United States, and ports and points served via such ports, on the other hand (the “Trade”).

**ARTICLE 5: AGREEMENT AUTHORITY**

5.1 Structural Slot Commitment

a) Phase 1:

As from the start of this Agreement and through February 28, 2008, CMA CGM shall purchase from APL 250 teus at 12 metric tons average per teu per weekly sailing SB and NB;

b) Phase 2:

Thereafter, CMA CGM shall purchase from APL 200 teus at 12 metric tons average per teu per weekly sailing SB and NB;

The volumes mentioned in sub clauses 5.1 a) and 5.1 b) above shall be referred to as the "Structural Slot Commitment".

The above Structural Slot Commitment are subject to such maximum weight limitation as the parties may agree from time to time on each weekly sailing of the vessel string operated by APL, on such terms and conditions (including slot charter hire) as the Parties may from time to time agree. The Parties may agree on the charter by APL to CMA CGM of additional slots for particular voyages on such terms and conditions as they may agree, subject to space availability.

(c) The Parties may discuss matters relating to the sailing patterns, ports to be called, vessel itineraries, schedules, the number, frequency, and character of sailings at ports, transit times, and all other matters related to the scheduling and coordination of vessels. The Parties may by mutual agreement establish criteria and conditions under which CMA CGM may reduce or terminate its obligation to purchase slots if APL changes the deployment of the vessel string in a way that has a significant adverse effect upon CMA CGM.

(d) The Parties may agree upon the chartering, hiring, establishment, use, scheduling and coordination of transshipment, barge and feeder services, whether inside or outside the Trade, in conjunction with linehaul vessel operations hereunder.

5.2 CMA CGM shall be entitled to use its slot allocations without any geographical restrictions regarding the origin or destination of the cargo, subject to such operational restrictions as the Parties may agree on from time to time. The Parties may agree on the treatment of full, empty, wayport/interport, or breakbulk cargo. No loss of space shall be attached to slot usage for high cube and 45-foot containers, each of which shall be counted as two (2) TEUs or as otherwise agreed in writing in the slot charter

agreement by the parties. The Parties may also separately establish sub-allocations for reefer containers.

5.3 (a) In case CMA CGM decides to enter into any other regular and/or permanent slot charter or exchange agreement (whether purchasing or selling), rationalization, or other cooperative container shipping arrangement with any other carrier in the Trade, CMA CGM will notify APL. However, no restrictions shall be placed on CMA CGM relating to either ad-hoc purchases required to cure service failures or to enter into such new cooperative agreements.

(b) CMA CGM shall not assign, charter, or sub-charter any slots that APL has chartered to it under this Agreement, without the prior written consent of APL. Notwithstanding the aforementioned, CMA CGM is authorized to subcharter slots on any U.S. leg to any of its fully owned subsidiaries that is an Ocean Common Carrier under the Shipping Act of 1984, codified at 46 U.S.C. § 40101 et seq., subject to effectiveness provisions of that Act. In addition, CMA CGM is also authorized to subcharter slots to any of its fully owned subsidiaries for any non U.S. leg. And in addition, during Phase 1 (from the commencement date through February 28, 2008), CMA CGM is authorized to subcharter slots within its Structural Slot Commitment to Maruba S.A., subject to compliance with the agreement filing and effectiveness provisions of the Shipping Act of 1984, codified at 46 U.S.C. § 40101 et seq., to the extent applicable. Except to the extent that the Parties agree otherwise in writing, CMA CGM shall remain responsible for all obligations and liabilities arising under this Agreement (and/or under any agreement between the Parties made pursuant to this Agreement) in respect to the slots subchartered pursuant to this subparagraph.

5.4 The Parties shall settle financial obligations to each other under this Agreement at such intervals as they may agree.

5.5 The Parties may discuss and agree on port terminal facilities, terminal services and stevedoring services in the Trade, and may agree on the use of one ocean terminal at each port of call where feasible and appropriate.

#### **ARTICLE 6: CHARTER PARTY TERMS**

6.1. The Parties are authorized to make and implement agreements concerning all matters relating to the terms and conditions of charter parties relating to activities undertaken pursuant to this agreement and the use of slots that are allocated or sold and the cargo carried therein, including, without limitation, terms and conditions concerning: procedures applicable to the above rights and responsibilities with respect to port

omissions, drydocking, and other matters affecting adherence to port schedules; rights and responsibilities concerning shut out containers; participation in voluntary government programs concerning security, safety or similar matters, such as the Customs-Trade Partnership against Terrorism; vessel operation and maintenance; declarations of cargo weight; cargo operations; responsibility for loss, damage and claims, including with respect to cargo and equipment; stowage planning; permissible and restricted cargo; special cargo; bills of lading; indemnity for cargo claims, containers, and other indemnities, including with respect to sub-chartering slots; treatment of hazardous cargoes; force majeure; owners and bareboat charterers; insurance; trading limits; salvage; general average; liens; war; stowaways; epidemics; government sequestration or requisition of all or portions of vessels, including pursuant to the U.S. Government's Voluntary Intermodal Sealift Agreement Program; Master's responsibility; super cargo; victualling; and certificates.

#### **ARTICLE 7: ADMINISTRATION AND VOTING**

7.1 All decisions under this Agreement shall be by unanimous agreement, except as the Parties may otherwise provide.

7.2 Any modification or amendment of this agreement must be in writing and signed by the authorized representative of all Parties, and is subject to applicable Federal Maritime Commission filing and effectiveness requirements.

7.3 The following persons are authorized to subscribe to and file this Agreement and any accompanying materials, as well as any subsequent modifications to this Agreement which may be adopted by the Parties:

- (a) Any authorized officer of each of the Parties; and
- (b) Legal counsel for any of the Parties.

7.4 The Parties may implement this Agreement by decisions made or actions taken at meetings or by telephone, fax, e-mail, or exchange of other writings.

#### **ARTICLE 8: DURATION AND TERMINATION OF AGREEMENT**

8.1 This Agreement shall be effective the date it becomes effective under the U.S. Shipping Act of 1984, codified at 46 U.S.C. § 40101 et seq. This Agreement shall continue for a minimum period of twelve months ("Initial Period") as from the date of

the APL Quito loading in Port Everglades, on or around November 29, 2007, with a minimum notice of termination from any Party of three months. Such notice of termination shall not be given prior to nine months after the commencement of the Agreement. Upon expiration of the Initial Period, this Agreement shall, unless any of the Parties serves a termination notice, continue indefinitely.

8.2 Notwithstanding the provisions in Article 8.1 above, this Agreement may be terminated pursuant to the following provisions:

(a) If at any time during the term of this Agreement there shall be a change in ownership of either of the Parties, and such change in ownership is likely materially to prejudice the cohesion or viability of this Agreement or the other Party's commercial interest, then the other Party may, within three (3) months of becoming aware of such change, give not less than three (3) months' notice in writing to the other Party of its intention to terminate this Agreement.

(b) For the avoidance of doubt, any delay or postponement of maximum 48 hours in the start of the service, as compared to the date in Article 8.1 above, will not give CMA CGM the right to suspend participation in the service or terminate the Agreement with immediate effect .

(c) If at any time during the term of this Agreement, either Party is dissolved or becomes insolvent or makes a general assignment arrangement or composition with or for the benefit of its creditors or has a winding-up order made against it or enters into liquidation whether voluntarily or compulsorily or seeks or becomes the subject of the appointment of an administrator, receiver, trustee, custodian, or other similar official for it or for all or substantially all of its assets or is affected by any event or similar act or which under the applicable laws of the jurisdiction where it is constituted has an analogous affect or takes any action in furtherance of any of the foregoing acts (other than for the purpose of a consolidation, reconstruction or amalgamation previously approved in writing by the other Party), and such event or occurrence is or may be materially detrimental to this Agreement or to payment of sums that may be owed, other than those that may be disputed in good faith, may not be paid in full or may be delayed in payment, then the other Party may give written notice terminating the Agreement with immediate effect. Such termination shall be without prejudice to any accrued obligations arising hereunder prior to the provision of such written termination notice.

8.3 In the case of a material breach by either Party of this Agreement, then that Party shall correct that breach within thirty (30) days from the date of written notice (specifying such breach or failure of performance) sent by the other Party. In the event that the breach is not resolved within 30 days thereafter, then the nonbreaching Party shall each have the right to terminate the Agreement with immediate effect.

8.4 Any termination hereunder shall be without prejudice to any Party's respective financial obligations to the other Party as of the date of termination, and a non-defaulting Party retains the right to bring a claim against the defaulting Party for any loss and/or damage caused or arising out of such default.

#### **ARTICLE 9: CONFIDENTIALITY**

Except as required by law, activities under this Agreement shall be regarded as confidential to the Parties and no Party acting for itself or on behalf of its employees, agents, and subcontractors shall divulge any information concerning the business and affairs of the other Party that it shall have obtained or received as a result of this Agreement or any discussions under it or leading to its formation. The obligations of this Article survive termination of this Agreement.

#### **ARTICLE 10: GOVERNING LAW AND ARBITRATION**

10.1 The interpretation, construction, and enforcement of this Agreement, and all rights and obligations between the Parties under this Agreement, shall be governed by the laws of England, provided, however, that nothing herein shall relieve the Parties from the applicable requirements of the U.S. Shipping Act of 1984, codified at 46 U.S.C. § 40101 et seq.

10.2 Any dispute or claim arising out of or in connection with this Agreement which cannot be resolved amicably shall be referred to arbitration in London (unless varied with the unanimous consent of the Parties involved) in accordance with the Arbitration Act of 1996 or any statutory modification or reenactment thereof. The arbitration shall be conducted in English in accordance with the LMAA (London Maritime Arbitrators Association) rules current at the time when the arbitration proceedings are commenced, and each arbitrator shall be a member of the LMAA.

10.3 Where the amount in dispute does not exceed US\$ 200,000, the arbitration will proceed on a documents and written submission basis only. However, oral evidence may be allowed in exceptional cases at the discretion of the arbitrator(s).

10.4 For all disputes or differences whatever the amount claimed, there shall be no discovery, but, if in the opinion of the arbitrator(s) either of the arbitrating Parties has failed to produce any relevant document(s), he may order the production of such document(s) and may indicate to the Party to whom the order is directed that if, without adequate explanation, he fails to produce the document(s) it will not favor that Party's case. The term "relevant document" includes all documents relevant to the dispute or difference, whether or not favorable to the Parties holding them. It includes witness statements, expert reports and the like on which the Party intends to rely, but does not include documents which are not legally disclosable.

**ARTICLE 11: 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 subject to compliance with Shipping Act requirements.

**ARTICLE 12: SEVERABILITY**

12.1 Should any term or provision of 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, legal and enforceable to the full extent permitted by law.

**ARTICLE 13: MISCELLANEOUS**

13.1 No Party shall be entitled to assign or transfer its rights or obligations under this Agreement, except with the other Party's prior written consent.

13.2 This Agreement is not intended to create, and shall not be construed as creating, a partnership or joint liability under the law of any jurisdiction. Nor shall any Party be considered an agent of any other Party unless expressly stated or constituted in writing.

13.3 To the extent possible, all agreements, decisions, understandings, procedures and other arrangements made pursuant to this Agreement shall be read in conjunction with and interpreted as consistent with this Agreement. In the event of any

APL/CMA CGM Central America/U.S. East Coast  
Slot Charter Agreement  
FMC Agreement No. 012019-000  
Original Page No. 8

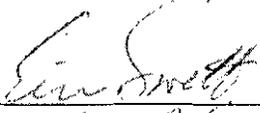
conflict or inconsistencies, the terms of this Agreement shall always prevail and be paramount.

[Signature Page Follows]

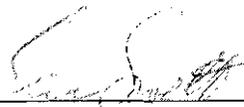
Signature Page

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed  
by their authorized representatives as of this 27 day of November, 2007.

APL Co. Pte. Ltd.

  
\_\_\_\_\_  
Name: *Eric R. Smith*  
Title: *Authorized Signatory*

American President Lines, Ltd.

  
\_\_\_\_\_  
Name: *Eric R. Smith*  
Title: *Assistant Secretary*

CMA CGM S.A.

\_\_\_\_\_  
Name:  
Title:

APL/CMA CGM Central America/U.S. East Coast  
Slot Charter Agreement  
FMC Agreement No. 012019-000

Signature Page

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed  
by their authorized representatives as of this \_\_\_ day of November, 2007.

APL Co. Pte. Ltd

\_\_\_\_\_  
Name:

Title:

American President Lines, Ltd.

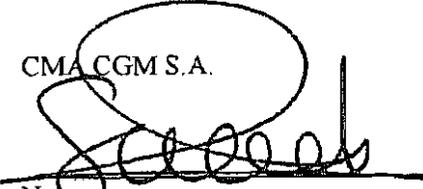
\_\_\_\_\_  
Name:

Title:

CMA CGM S.A.

\_\_\_\_\_  
Name:

Title:

  
Rodolphe Saadeh