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HMM/HANJIN RECIPROCAL  
SPACE CHARTER AGREEMENT

FMC Agreement No.: 012080

A Space Charter Agreement

Not Previously Published

Expiration Date: None

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

1.1 The full name of this Agreement is the HMM/Hanjin Reciprocal Space Charter Agreement (hereinafter referred to as the “Agreement”).

**ARTICLE 2: PARTIES TO THE AGREEMENT**

The Parties to the Agreement are:

Hyundai Merchant Marine Co., Ltd. (“HMM”)  
66, Jeokseon-Dong, Jongno-Gu, Seoul 110-052, Korea

and

Hanjin Shipping Co., Ltd. (“Hanjin”)  
Hanjin Shipping Building, 25-11, Yoido-dong,  
Youngdeungpo-ku, Seoul, Korea

**ARTICLE 3: PURPOSE OF THE AGREEMENT**

The purpose of this Agreement is to authorize the Parties to charter space to each other on certain vessels they operate or on which they have space in the Trade (as hereinafter defined) and to authorize the Parties to enter into arrangements with respect to the chartering of such space.

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

The geographic scope of this Agreement is (1) the trade between ports in Singapore, India, Pakistan, Sri Lanka, Egypt, and the United Arab Emirates on the one hand, and ports on the United States East Coast, via the Suez Canal, on the other hand, and ports and points served via such ports, and (2) the trade between ports in China, Taiwan, and Korea on the one hand, and ports on the United States East Coast, via the Panama Canal, on the other hand, and ports and points served via such ports (collectively the “Trade”).

**ARTICLE 5: AGREEMENT AUTHORITY**

5.1

(a) HMM shall sell to Hanjin and Hanjin shall purchase from HMM slots for 150 TEUs on each weekly sailing of the vessel string operated in the Trade pursuant to FMC Agreement No. 011960 currently called the SZX. Hanjin shall sell to HMM and HMM shall purchase from Hanjin slots for 150 TEUs on each weekly sailing of the vessel string operated in the Trade pursuant to FMC Agreement No. 011794 currently called the AWN. Such slots shall be sold, purchased or exchanged on such terms and conditions as the Parties may from time to time agree. The provision of such slots is subject to such maximum weight limitation as the parties may from time to time agree. The Parties may agree on the charter by one Party to the other of additional slots for particular voyages on such terms and conditions as they may agree, subject to space availability and a Party's rights and obligations as a party to FMC Agreement No. 011960 or FMC Agreement No. 011794. The parties may change the total number of slots sold, purchased or exchanged without amending this Agreement; provided that the increase or decrease in the total number of slots may not exceed fifty percent of the slots authorized by the first two sentences of this Article 5.1(a).

(b) The initial port rotation for the SZX service shall be Singapore / Colombo / Port Said / New York / Charleston / Savannah / Norfolk / Port Said / Jebel Ali / Singapore. The initial port rotation for the AWN shall be Kaohsiung / Yantian / Shanghai / Busan / New York / Norfolk / Savannah / Kaohsiung. Subject to Articles 4 and 8.2, these port rotations and port coverages may be changed without amending this Agreement.

5.2 Subject to HMM's rights and obligations as a party to FMC Agreement No. 011960, and Hanjin's rights and obligations as a party to FMC Agreement No. 011794, the Parties may discuss matters relating to the sailing patterns, ports to be called, vessel characteristics, capacities, 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..

5.3 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.

5.4 The Parties shall be entitled to use their slot allocations in TEUs or weight (based on 9.5 tons per TEU), whichever is reached first, 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 by the parties. The Parties may also separately establish sub-allocations for reefer containers.

5.5 A Party shall not assign, charter, or sub-charter any slots that the other Party has provided to it under this Agreement, without the prior written consent of the other Party.

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

5.7 The Parties may discuss and agree on matters relating to port terminals in the Trade.

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

The Parties are authorized to make and implement agreements concerning all matters relating to the terms and conditions 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: the consideration for such slots, 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 herein. However, notwithstanding anything else in this Agreement: (1) Hanjin acknowledges that the HMM string referenced in Article 5.1 above is subject to FMC Agreement 011960. Nothing in this Agreement shall be read to derogate from HMM's rights and obligations under Agreement 011960, or to require that Hanjin consent to decisions made by the parties to Agreement 011960 under that agreement. (2) HMM acknowledges that the Hanjin string referenced in Article 5.1 above is subject to FMC Agreement 011794. Nothing in this Agreement shall be read to derogate from Hanjin's rights and obligations under Agreement 011794, or to require that HMM consent to decisions made by the parties to Agreement 011794 under that agreement.

7.2 Any modification or amendment of this agreement must be in writing and signed by the authorized representative of each Party, 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 as of the date it becomes effective under the U.S. Shipping Act of 1984, codified at 46 U.S.C. § 40101 et seq. The agreement shall remain in effect for at least one year. It may be terminated upon three-months' notice, which such notice may not be given until nine months after the effective date. If the Agreement has not been terminated after one year, then it shall continue indefinitely, unless any of the Parties serves a three-months' termination notice.

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

(a) A Party may terminate the Agreement upon 30-days written notice if the port rotation or port coverage of the service provided by the other Party, as set forth in Article 5.1(b), is changed in such a way that it has a material adverse effect on the commercial benefits reasonably expected to be gained by the terminating Party when it entered into this Agreement.

(b) 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.

(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, and 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 have the right to terminate the Agreement effective thirty (30) days from the date notice of termination is given.

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

Signature Page

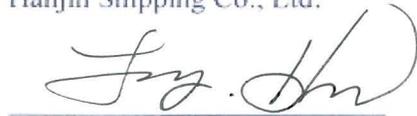
IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed  
by their authorized representatives as of this 7th day of September, 2009.

Hyundai Merchant Marine Co., Ltd.



Name: S. I. Yang  
Title: Vice President

Hanjin Shipping Co., Ltd.



Name: Y. K. Lee  
Title: Vice President

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