MAERSK LINE/HLAG SLOT CHARTER AGREEMENT

FMC AGREEMENT NO. 011928-001
(2nd Edition)

A Cooperative Working Agreement

Expiration Date: None

FMC Agreement No.: 011928-002 Effective Date: Friday, May 18, 2007
Downloaded from www.fmc.gov on Saturday, July 16, 2022
Maersk Line/HLAG Slot Charter Agreement
FMC Agreement No. 011928-001
(2nd Edition)
Original Page No. 1

TABLE OF CONTENTS

ARTICLE 1: FULL NAME OF THE AGREEMENT 1
ARTICLE 2: PURPOSE OF THE AGREEMENT 1
ARTICLE 3: PARTIES TO THE AGREEMENT 1
ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT 2
ARTICLE 5: AGREEMENT AUTHORITY 2
ARTICLE 6: AGREEMENT OFFICIALS AND DELEGATIONS OF AUTHORITY 5
ARTICLE 7: VOTING 5
ARTICLE 8: DURATION AND TERMINATION OF AGREEMENT 5
ARTICLE 9: NON-ASSIGNMENT 7
ARTICLE 10: FORCE MAJEURE 7
ARTICLE 11: INSURANCE 8
ARTICLE 12: APPLICABLE LAW AND ARBITRATION 8
ARTICLE 13: COUNTERPARTS 10
ARTICLE 14: SEPARATE IDENTITY/NO AGENCY OR PARTNERSHIP 10
ARTICLE 15: NOTICES 10
ARTICLE 16: LANGUAGE 10
ARTICLE 17: SEVERABILITY 11
ARTICLE 18: WAIVER 11
ARTICLE 19: AMENDMENT 11
SIGNATURE PAGE
ARTICLE 1: FULL NAME OF THE AGREEMENT

The full name of this Agreement is the Maersk Line/HLAG Slot Charter Agreement ("Agreement").

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to authorize Maersk Line to charter space to HLAG in the Trade (as hereinafter defined) and to authorize the parties to enter into cooperative working arrangements in connection therewith.

ARTICLE 3: PARTIES TO THE AGREEMENT

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

1. A.P. Møller-Maersk A/S trading under the name of Maersk Line ("Maersk Line")
   50, Esplanaden
   DK-1098, Copenhagen K.
   Denmark

2. Hapag-Lloyd AG ("HLAG")
   Ballindamm 25
   20095 Hamburg, Germany
ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of the Agreement shall extend to the trade between the ports on the U.S. Atlantic Coast which may be served by Maersk Line from time to time on the one hand, and ports in Australia, New Zealand, and Panama, on the other hand. All of the foregoing is hereinafter referred to as the “Trade.”

ARTICLE 5: AGREEMENT AUTHORITY

5.1 Maersk Line shall guarantee the availability of and provide to HLAG, and HLAG shall purchase from Maersk Line, slots for 340 TEUs per round voyage of Maersk Line’s service in the Trade. Maersk Line may sell HLAG slots in excess of the foregoing allocation on an ad hoc basis on terms to be agreed by the parties. HLAG may not slot charter or sub-charter slots made available to it under this Agreement to any third party without the prior consent of Maersk Line.

5.2 The parties are authorized to discuss and agree on the terms and conditions relating to the sale of slots hereunder, including slot hire, the number of reefer plugs to be provided, the maximum weight restrictions (if any) applicable to the slot allocation, the permitted ratio (if any) of particular equipment sizes, and the compensation to be paid for such slots.

5.3 Maersk Line and the vessels it provides shall comply with the requirements of the ISM Code. As vessel provider, Maersk Line shall be responsible for all operational aspects of the vessels. Maersk Line shall have the option to introduce changes to the vessel schedule, and shall communicate ad hoc or

EFFECTIVE
MAY 18 2007
permanent changes in the vessel schedule to HLAG at least 30 days in advance. In
the event Maersk Line clearly demonstrates that factors beyond its control have made
it necessary to omit a port or ports in order to restore the schedule, it may load and
discharge cargo at the nearest port of convenience with transshipment, storage and
other costs to be for the account of the party that issued the bill of lading for such
cargo. Maersk Line shall undertake to ensure proper and immediate notice and
provide consultation as to efforts to minimize related costs.

5.4 The parties are authorized to discuss and agree on the joint and/or
individual negotiation of appropriate contracts with terminal operators and stevedores,
and to reach agreement on other issues relating to the loading and/or discharge of
cargo, such as overtime and stand-by time.

5.5 HLAG shall comply with all laws, regulations, requirements, directions or
notices of customs, port and other authorities, and shall bear, pay and indemnify
Maersk Line against all duties, taxes, fines, imposts, expenses, liabilities, damage,
delay or losses (including, without prejudice to the generality of the foregoing, freight
for any additional carriage undertaken) incurred, suffered or related to any illegal,
incorrect, untimely or insufficient declaration, marking, numbering or addressing of
HLAG cargo or containers that are subject to this Agreement. Further, HLAG shall
immediately communicate to Maersk Line hold orders received from US Customs in
respect to particular bills of lading or containers. HLAG shall co-operate fully with
Maersk Line in complying with hold orders, providing necessary information to Maersk
Line and U.S. Customs, and otherwise assuring prompt and full compliance with
related instructions received from U.S.
Customs. These obligations shall apply strictly and without regard to whether HLAG acted or failed to act intentionally, negligently or otherwise.

5.6 The parties shall both be signatory to the Agreement to Voluntarily Participate in Customs-Trade Partnership Against Terrorism ("C-TPAT Agreement") and agree to develop and implement a verifiable, documented program to enhance security procedures throughout their respective portions of the supply chain process, as described in the C-TPAT Agreement.

5.7 The parties are authorized to 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; stowage planning; record-keeping; responsibility for loss or damage; insurance; the handling and resolution of claims and other liabilities; indemnification; documentation and bills of lading; and the treatment of hazardous and dangerous cargoes.

5.8 Pursuant to 46 C.F.R. § 535.408(b), any further agreement contemplated herein cannot go into 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.

5.9 The parties shall collectively implement this Agreement by meetings, writings, or other communications between them and make such other arrangements as may be necessary or appropriate to effectuate the purposes and provisions of this Agreement.
ARTICLE 6: AGREEMENT OFFICIALS AND DELEGATIONS OF AUTHORITY

The following are authorized to subscribe to and file this Agreement and any accompanying materials and any subsequent modifications to this Agreement with the Federal Maritime Commission:

(i) Any authorized officer of either party; and
(ii) Legal counsel for either party.

ARTICLE 7: VOTING

Except as otherwise provided herein, all actions taken pursuant to this Agreement shall be by mutual agreement of the parties.

ARTICLE 8: DURATION AND TERMINATION OF AGREEMENT

8.1 This Agreement shall become effective on the date it is effective under the U.S. Shipping Act of 1984, as amended, or such later date as may be agreed by the parties in writing. It shall continue for a minimum period of 24 months with a minimum notice of termination from either party of 6 months. Such notice of termination shall not be given prior to 18 months after the commencement of the Agreement.

8.2 Notwithstanding 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 a party, and the other party is of the opinion, arrived at in good faith, that such change in control is likely to materially prejudice the cohesion or viability of the Agreement, then the other party...
may, within 12 months of becoming aware of such change, give not less than three months notice in writing terminating this Agreement. A company reorganization within the TVI group shall not constitute a change in ownership for purposes of this Article 8.2(a).

(b) If, at any time during the term of this Agreement either party (the "Affected Party"):

i) is dissolved;

ii) becomes insolvent or fails to pay its debts as they become due;

iii) make a general assignment, arrangement or composition with, or for the benefit of its creditors;

iv) has a winding-up order made against it or enters into liquidation whether voluntarily or compulsorily;

v) 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;

and the other party is of the opinion that:

i) such event or occurrence is or may be materially detrimental to the service under this Agreement; or

ii) sums that may be owed (other than those that would be considered disputed in good faith) may not be paid or have not been paid in full or that their payment may be delayed;

then the other party may give notice to the Affected Party terminating with immediate effect or suspending for such period as the other party in its sole discretion deems appropriate, this Agreement or any part thereof.

8.3 Furthermore, should HLAG repeatedly fail to comply with the requirements described in Article 5.5 of this Agreement, or should HLAG not comply with the requirements under the C-TPAT as described in Article 5.6 of this Agreement, Maersk Line can terminate this Agreement with immediate effect.

8.4 Notwithstanding any termination in accordance with Article 8.2 or 8.3 above, the non-defaulting party retains its right to claim against the defaulting party for any loss and/or damage caused or arising out of such termination.

8.5 Notwithstanding the above, and only applying within the initial 24 month
period of this Agreement, Maersk Line may terminate this Agreement with 3 months notice at any time after a minimum period of 6 months duration has elapsed from the point at which the Agreement came into effect, and only in the case that Maersk Line decides to cease operation of the service. HLAG may terminate the Agreement on the notice provided in this Article 8.5 in the event it leaves the Trade.

**ARTICLE 9: NON-ASSIGNMENT**

Neither party shall assign all or any part of its rights, or delegate all or any part of its obligations, under this Agreement to any other person or entity without the prior written consent of the other party.

**ARTICLE 10: FORCE MAJEURE**

10.1 Neither Maersk Line nor HLAG shall be deemed responsible with respect to its failure to perform any term or condition of the Agreement if such failure, wholly or partly, is due to an event of Force Majeure, such as, but not limited to: war (declared or undeclared); terrorism; hostilities; warlike or belligerent acts or operations; piracy; riots; civil commotion or other disturbances; participation in the U.S. Department of Defense Emergency Preparedness Program or other U.S. military national security agreements; acts of God; blockade of port or place or interdiction 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; 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 unusually severe weather which in fact cause operational hindrance.

10.2 Any party claiming an event of Force Majeure shall exercise reasonable endeavors to remedy the consequences of such event. Upon the 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. Any claim of Force Majeure needs to be documented in writing by the Party claiming same.

10.3 In the event this Agreement is wholly suspended for a period exceeding three calendar months or partially suspended for a period exceeding six calendar months due to Force Majeure then, notwithstanding anything in Article 8 hereof to the contrary, this Agreement may be terminated forthwith by either Party.

**ARTICLE 11: INSURANCE**

For the duration of this Agreement, each party shall undertake to have valid P&I Insurance for all conventional P&I Risks with a club being a member of the International Group of P&I Clubs. In the event the terms and conditions or the cover in general are materially amended, the affected party shall notify the other party without delay.

**ARTICLE 12: APPLICABLE LAW AND ARBITRATION**

12.1 Subject to Article 12.2 below, this Agreement is to be governed by and construed in accordance with the law of New South Wales; provided, however, that
nothing herein shall relieve the parties of their obligations under the U.S. Shipping Act of 1984, as amended.
12.2 The parties may agree in accordance with Section 10.06(1) of the Trade Practices Act 1974 and with the written consent of the Minister administering that Act that a particular question or class of questions arising under this Agreement is to be governed by some other law.

12.3 Subject to Article 12.4 below, any dispute or difference arising under or in connection with this Agreement is to be submitted, in the first instance, for conciliation under the UNCITRAL Conciliation Rules with a sole conciliator to be agreed by the parties. The appointing and administering body shall be the Australian Commercial Disputes Centre. Subject to Article 12.4 below, any dispute or difference which cannot be resolved under this Article 12.3 shall be, and is hereby submitted to arbitration by a sole arbitrator in accordance with and subject to the UNCITRAL Arbitration Rules. The arbitrator's decision on the dispute or difference shall be final and is not subject to appeal. The language of the conciliation or arbitration shall be English and the place of conciliation or arbitration shall be Sydney in the State of New South Wales.

12.4 Article 12.3 does not apply:

(a) if the parties to the dispute or difference agree in writing that it is to be resolved by some other means, and

(b) where the agreed means involve arbitration or other proceedings outside Australia, if the said Minister also agrees in writing.

12.5 This Article 12 excludes any rights of appeal that a party would otherwise have under Part V of the Commercial Arbitration Act 1984 (NSW) to the full extent permitted by that Act.
ARTICLE 13: COUNTERPARTS

This Agreement and any future amendment hereto may be executed in counterparts. Each such counterpart shall be deemed an original, and all together shall constitute one and the same agreement.

ARTICLE 14: SEPARATE IDENTITY/NO AGENCY OR PARTNERSHIP

Each party shall retain its separate identity and shall have separate sales, pricing and, to the extent applicable, separate marketing function. Each party shall issue its own Bills of Lading. This Agreement does not create and shall not be interpreted as creating any partnership, joint venture or agency relationship between the parties, or any joint liability under the law of any jurisdiction.

ARTICLE 15: NOTICES

All notices required to be given in writing, unless otherwise specifically agreed, shall be sent by registered mail or courier service to the addresses listed in Article 3.

ARTICLE 16: LANGUAGE

This Agreement and all notices, communications or other writings made in connection therewith shall be in the English language. Neither 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.
ARTICLE 17: SEVERABILITY

If any provision of this Agreement, as presently stated or later amended is held to be invalid, illegal or unenforceable in any jurisdiction in which this Agreement is operational then this Agreement shall be invalid only to the extent of such invalidity, illegality or unenforceability and no further. All remaining provisions hereof shall remain binding and enforceable.

ARTICLE 18: WAIVER

No delay or failure on the part of any party hereto in exercising any right, power or privilege under this Agreement, or under any other documents furnished in connection with or pursuant to this Agreement shall impair any such right, power or privilege or be construed as a waiver of any default or acquiescence therein. No single or partial exercise of any such right, power or privilege shall preclude the further exercise of such right, power or privilege, or the exercise of any other right, power or privilege. No waiver shall be valid against either party hereto unless made in writing and signed by the party against whom enforcement of such waiver is sought and then only to the extent expressly specified therein.

ARTICLE 19: AMENDMENT

Any modification or amendment of this Agreement must be in writing and signed by both parties and may not be implemented until filed with the FMC and effective under the Shipping Act of 1984, as amended.
SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have agreed this 29th day of March, 2007, to amend this Agreement as per the attached page and to file same with the U.S. Federal Maritime Commission.

A.P. Møller-Maersk A/S
Name: PETER FREDERIKSEN
Title: SR. V.P.

A.P. Møller-Maersk A/S
Name: LEON HUISMAN
Title: VP.
IN WITNESS WHEREOF, the parties have agreed this day of March, 2007, to amend this Agreement as per the attached page and to file same with the U.S. Federal Maritime Commission.

A.P. Møller-Maersk A/S
Name: Claus Petersen
Title: 

Hapag-Lloyd AG
Name: Claus Petersen
Title: 

FMC Agreement No.: 011928-002 Effective Date: Friday, May 18, 2007
Downloaded from WWW.FMC.GOV on Saturday, July 16, 2022