of which will be provided by CPS and 2 of which will be provided by APL (it being understood that the 2 vessels to be provided by APL may be chartered by APL from CPS or one of its corporate affiliates). (ii) The string will call California, Mexico and the Far East. (iii) Slots and reefer plugs on vessels in the string will be allocated between CPS and APL roughly in proportion to the number of vessels that each provides. The Parties may exercise the authority granted by this Article 5 to discuss and agree, pursuant to Article 8, on changes to the foregoing, subject to the limitations set forth above concerning geographic scope and number and size of vessels.

(b) ~~The Parties may buy and sell slots as between themselves on such terms and conditions as they may agree from time to time.~~ Slots shall not be chartered to unaffiliated non-parties without the consent of the other Party. The Parties may also discuss and agree on the terms under which a Party shall be compensated for any expenses or damages incurred by it in reliance on the other Party's undertaking with respect to any such allocation, including, but not limited to, costs incurred by the damaged Party in connection with space sub-chartered in the Trade or any other U.S. or foreign-to-foreign trade and withdrawn by a third party supplier.

(c) Feeders. The Parties may discuss and agree upon 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.

(d) Equipment Interchange Services. The Parties may interchange empty containers, chassis, and related equipment to provide for the efficient use of such equipment on such terms as they may agree. The Parties may also jointly contract with or coordinate in contracting with stevedores, terminals, ports, and suppliers of equipment, land or services or may designate the other to provide such services on the designating Party's behalf.

(e) No Joint Service. The 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 in the Trade except as may be permitted under agreements to which the Parties may subscribe from time to time which agreement are filed with the FMC and effective pursuant to the Shipping Act of 1984. No joint marketing or sales activity in the Trade is to be conducted by the Parties.

(f) Intentionally Left Blank. ~~Pricing. The Parties shall discuss and may agree on a common position as to their conference/non-conference status in the Trade. The Parties may, on a voluntary basis and subject to the terms and conditions of any conference, rate, discussion or other agreement to which either may subscribe from time to time, discuss and agree upon any rates, rules, service items, or other terms and conditions of service contracts or tariffs maintained or contemplated~~

~~by either Party or by a conference in their behalf in their respective services offered in the Trade.~~

(g) Systems. The Parties may discuss and agree on terms and conditions of joint development, implementation, and interchange of documentation, data systems, information and data, other operating systems, and computerization and joint communication, including any joint negotiations, leasing or contracting relating thereto.

(h) 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, the terms and conditions for force majeure relief, insurance, liabilities, claims, indemnification, bill of lading provisions, consequences for delays, and treatment of hazardous and dangerous cargoes.