ACL/H-L RECIPROCAL SPACE
CHARTER AND SAILING AGREEMENT

FMC Agreement No. 213-010955

Space Charter and Sailing Agreement

EFFECTIVE
SEP 16 1991
Federal Maritime Commission
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Article</th>
<th>Provision</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Recitals</td>
<td>2</td>
</tr>
<tr>
<td>1</td>
<td>Name</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Purpose</td>
<td>3</td>
</tr>
<tr>
<td>3</td>
<td>Parties</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Geographic Scope</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Agreement Authority</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Officials of Agreement and Delegation of Authority</td>
<td>8</td>
</tr>
<tr>
<td>7</td>
<td>Membership, Withdrawal, Readmission and Expulsion</td>
<td>8</td>
</tr>
<tr>
<td>8</td>
<td>Voting</td>
<td>9</td>
</tr>
<tr>
<td>9</td>
<td>Duration and Cancellation</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>Notices</td>
<td>10</td>
</tr>
<tr>
<td>11</td>
<td>Applicable Law</td>
<td>11</td>
</tr>
<tr>
<td>12</td>
<td>Arbitration</td>
<td>11</td>
</tr>
<tr>
<td>13</td>
<td>Language</td>
<td>13</td>
</tr>
<tr>
<td>14</td>
<td>Severability</td>
<td>14</td>
</tr>
<tr>
<td>15</td>
<td>Effective Date</td>
<td>14</td>
</tr>
</tbody>
</table>

FMC Agreement No.: 010955-006 Effective Date: Friday, December 13, 1996
Downloaded from WWW.FMC.GOV on Thursday, September 8, 2022
ACL/H-L RECIPROCAL SPACE CHARTER
AND SAILING AGREEMENT
FMC Agreement No. 213-010955-006
Third Revised Page No. 2

ACL/H-L RECIPROCAL SPACE CHARTER
AND SAILING AGREEMENT

THIS AGREEMENT, made and entered into this 4th day of
June, 1986 by and among Atlantic Container Line, A.B. ("ACL"),
and Hapag-Lloyd Container Linie GmbH ("H-L") and amended as of
this 12th day of December, 1996, to reflect Hapag-Lloyd Container
Linie GmbH as the party succeeding Hapag-Lloyd AG.

WITNESSETH:

WHEREAS ACL operates as an ocean common carrier in the
Trade (as defined in Article 4);
WHEREAS H-L operates as an ocean common carrier throughout the Trade;

WHEREAS cooperation between the Parties will enable them to achieve the goals specified in Article 2.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein, the Parties agree as follows:

Article 1: Name

The full name of this Agreement is the "ACL/H-L Reciprocal Space Charter and Sailing Agreement."

Article 2: Purpose

The Purpose of this Agreement is to permit the Parties to achieve efficiencies and economics in their services as provided in the trade covered by the Agreement.

Article 3: Parties

The Parties to this Agreement are:

1. Atlantic Container Line, AB

50 Cragwood Road
South Plainfield, NJ 07080
Article 4: Geographic Scope

This Agreement applies to ocean carrier services (whether direct or by transshipment, and irrespective of the origin or destination of the cargo) between a) ports on the Atlantic and Gulf Coasts of the United States, the Atlantic coast of Canada, and the Canadian side of the St. Lawrence River, on the one hand, and ports in Europe excluding the Mediterranean, on the other hand; b) Ports on the Atlantic and Gulf coasts of the United States, on the one hand, and ports on the Atlantic coast of Canada, the Canadian side of the St. Lawrence River, and the East coast of Mexico, on the other hand; c) and European ports referred to above. All of the foregoing is referred to herein as the "Trade."
Article 5: Agreement Authority

5.1 Space and Vessels

(a) The Parties may charter or otherwise make space and slots available to and from each other on their respective vessels in the Trade on such terms as they may from time to time agree.

(b) The Parties may agree on their respective services including the number, size and types of vessels operated by each Party in the Trade. The Parties may also agree on the number of sailings, schedules, ports called and frequency of port calls for their vessels in the Trade. The Parties may charter vessels to and from each other, or from other persons for use in the Trade on such terms as they may from time to time agree.

(c) The maximum number of vessels to be employed by the Parties at any one time under this Agreement without further amendment is 23 vessels, each vessel being up to 55,000 deadweight tons.
5.2 Equipment

The Parties may discuss and agree on standards for, and may interchange, purchase, lease, sublease, or otherwise cooperate in connection with, containers, chassis and other equipment as between themselves, or to, from or with others, on such terms as they may from time to time agree.

5.3 Facilities, Services and Supplies

The Parties may discuss and agree on the use of any terminal facilities, including their own; may jointly negotiate and enter into leases, subleases or assignments of such facilities; and may contract for stevedoring, terminal and other related services or supplies with each other or jointly with third parties.

5.4 Conferences, Competition

(a) The Parties may discuss and agree on their respective memberships in any conference or rate agreement in the Trade, provided that each Party shall retain the unilateral right to join or withdraw from any such conference or rate agreement in accordance with the terms of such agreement.

(b) Except as mutually agreed by the Parties, no Party, or any subsidiary, affiliate or shareholder of any...
Party, may directly or indirectly engage or participate in the carriage of containers in any Transatlantic service in the Trade that is not subject to this Agreement.

5.5 Administration

(a) The Parties may establish a staff or entity to perform administrative and operational functions (including, but not limited to, scheduling, allocating space, forecasting, terminal operations and stowage planning) relating to the implementation of the authority under this Agreement, and may agree on the sharing of administrative and operational expenses incurred in the implementation of the authority under this Agreement.

(b) The Parties may implement this Agreement by meetings, writings and other communications between them, and may act through a Steering Committee, or the staff referred to in Article 5.5(a), or make other arrangements as may be necessary or appropriate to effectuate the purposes and provisions of this Agreement.

(c) The Parties, in implementing the Agreement, may agree on their respective rights, liabilities, and
indemnities arising under this Agreement, including matters such as failure to perform, force majeure, and insurance.

5.6 **Discussion and Agreement on Tariff-Rates**

In addition to the authority provided elsewhere in this Agreement, the Parties may also discuss and agree on tariff rates (uniform or differential, and whether or not exempt from filing), rules (including, without limitation, terms of credit, brokerage and forwarder compensation), as well as any conditions of service required by the Shipping Act to be filed in their separate tariffs, whenever either of the Parties is not a member of a conference in the Trade, or whenever a conference serving the Trade of which both Parties are members has declared such rate, rule or condition of service to be open (or does not exercise jurisdiction thereof). The Parties are not authorized by this sub-article to publish a common tariff or tariffs, and have no obligation to adhere, other than voluntarily, to any agreement reached pursuant to the authority in this sub-article.
Article 6: Officials of Agreement and Delegation of Authority

Any of the following executive officials of the Parties shall have the authority to execute and file, or to delegate the authority to execute and file, modifications to this Agreement:

For ACL -- Olaf K. Rakkenes, Chief Executive Officer
For H-L -- Uwe Lindemann, Managing Director, North American Services.

Article 7: Membership, Withdrawal, Readmission and Expulsion

7.1 Notwithstanding anything to the contrary in Article 9 hereof, if at any time during the term of this Agreement there shall be a change in the ownership or control of either of the Parties, and the other Party or its successor is of the opinion that such change is likely to prejudice materially the cohesion of the Joint Service, then either such Party or its successor may, within twelve (12) months of becoming aware of such change, give not less than one (1) month's notice in writing to the other Party terminating the Agreement.

EFFECTIVE
DEC 13 1996
Federal Maritime Commission
7.2 Either Party may withdraw from this Agreement by providing the other Party with six (6) months' written notice of said withdrawal.

7.3 In the event of cancellation of termination of the Agreement, the Parties shall remain liable to one another in respect of all liabilities and obligations incurred prior to the cancellation of all contracts outstanding at the date of cancellation or termination of the Agreement.

Article 8: Voting

Decisions under this Agreement shall be by mutual agreement of the Parties.

Article 9: Duration and Cancellation

This Agreement shall continue until terminated by mutual consent of the Parties, or until one of the Parties resigns pursuant to Article 7 hereof.
Article 10: Notices

All notices required to be given hereunder shall be given in writing addressed to the respective Parties as follows:

Atlantic Container Line, A.B.
50 Cragwood Road
South Plainfield, NJ 07080
Attention: Olav K. Rakkenes

Hapag-Lloyd Container Linie GmbH
P.O.B. 102626
Ballindamm 25
2000 Hamburg 1
Germany
Attention: Uwe Lindemann
Article 11:  Applicable Law

The interpretation, construction and enforcement of this Agreement shall be governed by the laws of England, provided however, that nothing herein shall relieve the Parties of compliance with the Shipping Act of 1984.

Article 12:  Arbitration

12.1 Any controversy or claim relating to this Agreement shall be referred to arbitration under the International Arbitration Rules of the London Court of International Arbitration ("LCIA"), provided that not less than sixty (60) days' notice of intention to refer the matter to arbitration, specifying the nature of the controversy or claim, shall have been delivered in writing to the other Party.

12.2 The arbitration shall be before a panel of three arbitrators unless the Parties agree that the arbitration shall be before a single arbitrator.

12.3 In such an arbitration, each Party shall appoint one arbitrator
and the third arbitrator shall be appointed by the two arbitrators appointed by the Parties. If either Party fails to appoint an arbitrator within thirty (30) days after the request for arbitration, such arbitrator shall be selected and appointed by the LCIA. If the arbitrators nominated by the Parties fail to appoint the third arbitrator within thirty (30) days after their appointment, such third arbitrator shall be selected and appointed by the LCIA.
12.4 If the arbitration is to be before a single arbitrator, the arbitrator shall be jointly appointed by the Parties. If such arbitrator shall not have been appointed within thirty (30) days after the request for arbitration, the arbitrator shall be selected and appointed by the LCIA.

12.5 The Parties agree to exclude any right of application or appeal to any courts in connection with any question of law arising in the course of such arbitration or with respect to any award made therein.

Article 13: Language

This Agreement and any and all notices, communications or other writing made in connection with this Agreement, shall be written in the English language. Neither of the Parties shall be obligated to translate such matter into any other language, and the wording and the meaning of any such matters in the English language shall govern and control.
Article 14: 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 15: Effective Date

This Agreement shall take effect on the date it becomes effective pursuant to Section 6 of the Shipping Act of 1984.
ACL/H-L RECIPROCAL SPACE CHARTER
AND SAILING AGREEMENT
FMC Agreement No. 213-010955-006

Signature Page

IN WITNESS WHEREOF the parties to Agreement No. 213-010955 hereby agree this 13th day of December, 1996, to amend the Agreement as per the attached Third Revised Page No. 2, Second Revised Page No. 4, First Revised Page No. 8a, and Third Revised Page No. 10, and to file same with the Federal Maritime Commission.

Jeffrey F. Lawrence
Delegated the Authority To Execute This Amendment Pursuant to Article 6 of the Agreement