APL/MAERSK LINE SLOT CHARTER AGREEMENT

FMC AGREEMENT NO. 012471

A Cooperative Working Agreement

Expiration Date: None
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ARTICLE 1: FULL NAME OF THE AGREEMENT

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

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement is to authorize APL to charter space to Maersk Line 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. APL Co. Pte Ltd.
   9 North Buona Vista Drive
   #14-01
   The Metropolis Tower 1
   Singapore 138588

   and

   American President Lines, Ltd.
   16220 N. Scottsdale Rd.
   Scottsdale, AZ 85254-1781
   U.S.A.
   (operating together as a single entity (together, "APL"))

2. Maersk Line A/S ("Maersk Line")
   50, Esplanaden
   DK-1098, Copenhagen K.
   Denmark
ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of the Agreement shall extend to the trade between the U.S. Atlantic Coast (Eastport, Maine to Key West, FL) and ports in Sri Lanka, Singapore, Malaysia, and Indonesia. All of the foregoing is hereinafter referred to as the “Trade.”

ARTICLE 5: AGREEMENT AUTHORITY

5.1 Chartering of Space. APL shall sell to Maersk Line, and Maersk Line shall purchase from APL, space for 400 TEUs (or a maximum of 4,200 mtons) on each weekly sailing of APL’s PE1 service in the Trade. Said space shall include 35 reefer plugs. It is understood and agreed that in Sri Lanka, Maersk Line will only load and not discharge cargo. It is further understood and agreed that in Singapore, Malaysia, and Indonesia, Maersk Line will only discharge and not load cargo.

5.2 Ad Hoc Chartering of Space. In addition to the space provided under Articles 5.1 hereof, APL may sell additional slots to Maersk Line on the PE1 service, subject to space availability.

5.3 Terms of Sale. The sale of slots pursuant to the authority of Articles 5.1 and 5.2 shall be on such terms and conditions as the Parties may agree from time to time.

5.4 Sub-Chartering. Maersk Line shall not sub-charter slots made available to it hereunder to any third parties without first offering such slots to APL or obtaining the prior written consent of APL, which consent may be withheld at the sole discretion of such other Party. If Maersk Line sub-charters slots, it shall remain responsible to APL for such slots.
5.5 **Port Omissions due to force majeure.** In the event APL clearly demonstrates that the need to omit a port or ports to restore the schedule has been caused by a force majeure event occurring within the scope of this Agreement, then APL retains the right to discharge and load cargo at the nearest port of convenience (which, to the extent reasonably possible, shall be a scheduled port within the scope of its service covered by this Agreement) with transshipment, storage and pre- and on-carriage costs ("Recovery Costs") for Maersk Line cargo to be for the account of Maersk Line. In such cases, APL shall undertake to ensure proper and immediate notice and provide consultation as to efforts to minimize related costs.

Further, APL shall not be responsible to Maersk Line for Recovery Costs in the following circumstances:

(a) Berth congestion at the omitted port was anticipated to incur a delay of 48 hours or more;

(b) Closure of the port or incapacity to operate the vessel in the port due to bad weather or strikes of any terminal service providers or unavailability of terminal equipment anticipated to incur a delay of 48 hours or more;

(c) Any lawful deviation such as saving or attempting to save life or property or force majeure; or

(d) Bad weather at sea with winds of Beaufort 6 and above for more than twenty four hours in any one leg, which can cause operational hindrance, provided that intended route for sea passage could not avoid such conditions and that APL
can supply supporting evidence such as, but not limited to, the vessel log book and weather routing data.

This Article 5.5 shall be restricted to port omissions only; other damages including loss of or damage to cargo are outside the scope of this Article. If the need to omit a port within the scope of this Agreement has been caused by a delay encountered outside the scope of this Agreement and except where port omissions are excused in this Agreement, it is the responsibility of APL to arrange, at its expense, for the pre or on carriage (including by own vessels) and transshipment of Maersk Line's cargo and containers destined to or to be exported from the omitted port(s) of the rotation and the transshipment port. Additionally, in any such case, APL shall be liable to compensate Maersk Line (either in cash or in slots) for its unused allocation (import/export to/from such port) on the average performance of Maersk Line over the last three liftings to/from the omitted port. APL shall have no other or further responsibility to compensate Maersk Line whatsoever. The compensation shall be by space on subsequent sailings or payment at the slot release price, or a combination of both, by agreement.

5.6 Addition/Omission of Ports. Ad-hoc addition of port(s) of call may be implemented, at the discretion of APL, if such call(s) does not affect the schedule integrity, the weekly frequency and the normal transit time. In such a case, APL will be responsible for the additional costs and will have exclusive rights of discharge/load at the additional port(s) of call. Maersk Line may be invited to load/discharge at the additional port(s) of call after having accepted to share the additional costs of call including but not limited to port costs, fuel, and deviation costs in proportion to its share of containers loaded/discharged/restowed in that port. In case APL has
exclusive rights of discharge/load at the additional port(s) of call, and the schedule integrity is affected, the costs incurred to recover schedule integrity will not be imposed on Maersk Line.

The Parties shall discuss and agree in advance on the omission of ports in the event of public holidays that impact the schedule including, but not limited to, Christmas and New Year. Maersk Line shall not be entitled to a reduction in its roundtrip allocation as a result of such planned omission(s); provided, however, that APL shall accommodate requests from Maersk Line to transfer, at no additional cost, part of Maersk Line’s allocation to adjacent sailings in order to mitigate the effects of cancellations. In the event such a request cannot be accommodated, Maersk Line’s allocation shall be reduced proportionally. Should a sailing be cancelled for lack of sufficient volume outside of a holiday period, APL shall provide Maersk Line with reasonable advance notice of same. Compensation for cancelled sailings shall be additional slots on adjacent sailings, a refund at an agreed slot charter hire, or a combination thereof.

5.7 **Compliance with Laws.** The Parties agree to comply, and to not cause the other Party to fail to comply, with all applicable laws, rules, regulations, directives and orders issued by any authorities having lawful jurisdiction over either of the Parties in relation to their respective performance of this Agreement and the services operated hereunder. The Parties warrant that they, their affiliates, subsidiaries and/or agents providing services under this Agreement and the shippers, consignees, and others named on bills of lading are not identified, not owned 50 percent or more by one or more persons or entities identified on the U.S. Treasury Department’s list.
of specially designated nationals and blocked persons ("SDN List") or, to the extent it could prohibit either Party from performing under this Agreement, on the OFAC Consolidated Sanctions List. The Parties further agree that goods and/or containers transported hereunder will not be transported on a vessel owned and/or operated by any party on the SDN List, including Islamic Republic of Iran Shipping Line (IRISL) and HDS Lines, as well as on any vessel identified on said List or owned and/or operated by HDS Lines.

The Parties may agree upon such additional terms as they believe prudent and necessary to assure their respective legal compliance with applicable laws and regulations, including but not limited to lawful trade sanctions regimes.

5.8 Terminals. The Parties shall negotiate separately with terminal operators for their individual terminal contracts, but are authorized to discuss and agree on their respective responsibility for charges incurred with respect to certain common terminal-related charges and costs, such as shifting and lashing of containers.

5.9 Miscellaneous. 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; indemnifications; force majeure; salvage; general average; documentation and bills of lading; and the treatment of hazardous and dangerous cargoes.
5.10 Further Agreements. The Parties may discuss, agree upon, and implement any further agreement contemplated herein, subject to compliance with the filing and effectiveness requirements of the U.S. Shipping Act, 46 U.S.C. 40101, et. seq. ("Shipping Act"), and implementing regulations of the FMC.

5.11 Implementation. 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. In the event of a conflict in terms between this Agreement and any implementing agreement between the Parties, this Agreement shall govern.

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 of 24 months and indefinitely thereafter, with a minimum notice of termination from either Party of 6 months. Such notice of termination shall not be given prior to eighteen (18) months after the effective date. Thereafter, the Agreement will be automatically renewed for additional one (1) year terms unless termination by either Party according to provisions under clause 8.

8.2 Notwithstanding Article 8.1 above, Maersk Line may terminate this Agreement on net less than three (3) months' advance written notice, such notice of termination not to be given prior to nine (9) months after the effective date of this Agreement.

8.3 Notwithstanding Articles 8.1 and 8.2 above, the Parties recognize that APL's PE1 Service is operated pursuant to the Ocean Alliance Agreement, FMC No. 012426. In the event that the PE1 service is withdrawn or terminated without a comparable replacement service as the result of a decision made within the Ocean Alliance, APL may terminate this Agreement by giving three months' written notice to Maersk, or if the termination date is less than three months after the Ocean Alliance decision, by giving such notice promptly after the Ocean Alliance makes its decision.

8.4 Notwithstanding Articles 8.1 and 8.2 above, this Agreement may be terminated pursuant to the following provisions:

(a) Upon 30 days written notice by Maersk Line if the port rotation or port coverage of the service provided by APL is changed in such a way that it has a material adverse effect on the commercial benefits reasonably expected to be gained by Maersk Line 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 a Party, and such change is likely to materially prejudice the cohesion or viability of the Agreement or the other Party's commercial interest, then
the other Party may, within 3 months of becoming aware of such change, give not less than three months notice in writing terminating 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 an 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 purposes 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 this 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.

8.5 In the case of a material breach by either Party, then that Party shall correct such breach within 30 days from the date of written notice of such breach sent by the other Party. In the event that the breach is not resolved within 30 days thereafter, then the non-breaching Party shall have the right to terminate the Agreement effective 30 days from the date notice of termination is given.

8.6 Any termination hereunder shall be without prejudice to any Party’s financial obligations to the other as of the date of termination, and a 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.

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: GOVERNING LAW AND ARBITRATION

10.1 The interpretation, construction and enforcement of this Agreement, and all rights and obligations between the Parties hereunder, shall be governed by the laws of the United States including, but not limited to, the U.S. Shipping Act of 1984, as amended. The laws of the State of New York (excluding conflict of laws rules) shall apply to the extent the laws of the United States are silent on a subject.

10.2 Unless otherwise agreed by the Parties in a particular instance, any dispute or claim arising out of or in connection with this Agreement which cannot be resolved amicably shall be referred to arbitration in New York, NY. The arbitration shall be conducted in English in accordance with the Society of Maritime Arbitrators rules current at the time when the arbitration proceedings are commenced, except as modified herein, and each arbitrator shall be a member of the Society of Maritime Arbitrators. Where the amount in dispute does not exceed U.S.$200,000, the arbitration will proceed on documents and written submissions basis only; provided, however, that oral evidence may be allowed in exceptional cases at the discretion of the arbitrators.

ARTICLE 11: SEPARATE IDENTITY/NO AGENCY OR PARTNERSHIP

Nothing in this Agreement shall give rise to or be construed as constituting a partnership for any purpose or extent. Unless otherwise agreed, for purposes of this Agreement and any matters or things done or not done under or in connection herewith, neither Party shall be deemed the agent of the other.
ARTICLE 12: NOTICES

Any correspondence or notices hereunder shall be made by courier service or registered mail or, in the event expeditious notice is required, by email followed by courier or registered mail, to the following:

Maersk Line:
50 Esplanaden
1263 Copenhagen K
Denmark
Attn: Anders Boenaes
E-mail: Anders.Boenaes@maersk.com

APL:
APL Co. Pte Ltd
9 North Buona Vista Drive
#14-01 The Metropolis Tower 1
Singapore 138588
Attn: Alliance Management
E-mail: alphonsus_b_c_sng@apl.com

CC:

APL Limited
Legal Department
16220 N. Scottsdale Rd
Scottsdale, AZ 85253
Attn: General Counsel
E-mail: Eric_Swett@apl.com

ARTICLE 13: SEVERABILITY

Should any term or provision of this Agreement be held invalid, illegal or unenforceable, the remainder of the Agreement, and the application of such term or provisions 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.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the 18th day of February, 2017.

Maersk Line A/S
Name: [Signature]
Title: VP TRADES

Maersk Line A/S
Name: [Signature]
Title: VP TRADES

APL Co Pte Ltd.
Name: [Signature]
Title: 

American President Lines, Ltd.
Name: [Signature]
Title: 

FMC Agreement No.: 012471 Effective Date: Saturday, April 22, 2017
Downloaded from WWW.FMC.GOV on Saturday, July 16, 2022
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives as of the 20 day of February, 2017.

Maersk Line A/S
Name: Eric R Swett
Title: Authorized Signatory

American President Lines, Ltd.
Name: Eric R Swett
Title: VP, General Counsel & Secretary