APL/HLUSA SPACE CHARTER AND COOPERATIVE WORKING AGREEMENT

A Space Charter and Cooperative Working Agreement

FMC AGREEMENT NO. 201308

EXPIRATION DATE: NONE

This Agreement has not been published previously.
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ARTICLE 1 – NAME OF AGREEMENT

The full name of this agreement is the APL/HLUSA Space Charter and Cooperative Working Agreement (the “Agreement”).

ARTICLE 2 – PURPOSE OF AGREEMENT

The purpose of this Agreement is to authorize the Parties to charter space on the vessels operated by one another in the Trade and to engage in a limited range of cooperative activities in connection with the sale and purchase of such space.

ARTICLE 3 – PARTIES TO AGREEMENT

The parties to this Agreement are:

1. American President Lines, LLC (“APL”)
   1667 K Street NW, Suite 400
   Washington, DC 20006

2. Hapag-Lloyd USA, LLC (“HLUSA”)
   399 Hoos Lane
   Piscataway, NJ 08854

APL and HLUSA are sometimes referred to individually as “Party” and jointly as the “Parties.”

ARTICLE 4 – GEOGRAPHIC SCOPE

The geographic scope of the Agreement is the trade, direct or via transshipment service, to/from ports on the Atlantic and Gulf Coasts of the United States and inland and coastal points served via such ports on the one hand, to/from ports in Germany, Latvia, Italy, Belgium, and/or Estonia, and inland and coastal points served via all such ports on the other hand (the “Trade”). It is understood and agreed that cargo transported hereunder may originate at or be destined to locations outside the Trade.
ARTICLE 5 – AGREEMENT AUTHORITY

5.1 Sale of Space. (a) The Parties are authorized to discuss and agree upon the charter of space to each other on an ad hoc or "as needed/as-available" basis for the carriage of cargoes on vessels in the Trade. The Parties may consult and agree on the terms and conditions of and relating to such sale, including without limitation terms and conditions relating to the charter hire or compensation to be paid for such space. Initially, the Parties anticipate that the primary use of this Agreement will be the sale of space to APL by HLUSA in the Trade from the U.S. to European and Baltic ports.

(b) The Parties may use space purchased under this Agreement regardless of the origin or destination of the cargo, including transshipment cargo to or from an origin or destination which is within or outside the scope of this Agreement, whether under a through bill of lading or otherwise.

5.2 Miscellaneous. The Parties are authorized to exchange information on any matter within the scope of this Agreement and 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 procedures for allocating space, forecasting, terminal operations, loading/discharge of cargo, schedule adjustments, performance procedures and penalties, weight restrictions, stowage planning, recordkeeping, responsibility for loss or damage, insurances, liabilities, claims, indemnifications, consequences for delays, force majeure, documentation and bills of lading, general average and salvage, and treatment of hazardous and dangerous cargoes.
5.3 Further Agreements. The Parties are authorized to enter into agreements concerning routine operational or administrative matters to implement the foregoing, as may be necessary or convenient from time to time. Pursuant to 46 C.F.R. §535.408, any further agreement which does not concern routine operational or administrative matters, or which is not exempt from filing, cannot go into effect unless filed and effective under the Shipping Act of 1984.

5.4 Partnership. Notwithstanding any provision in this Agreement to the contrary, the rights and obligations under this Agreement are personal to the Parties and nothing herein shall constitute a partnership, association, or joint venture. 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.

5.5 With respect to any U.S.-flag, government-impelled cargo, and/or for any commodities or goods tendered for carriage that are reserved by law to be transported on vessels documented under the laws of the United States, this Agreement authorizes the Parties to charter or purchase space for carriage on U.S.-documented vessels only, unless otherwise authorized under applicable U.S. law.

ARTICLE 6 – ADMINISTRATION AND DELEGATION OF AUTHORITY

6.1 This Agreement shall be administered and implemented by meetings, decisions, memoranda and communications between the Parties to enable them to effectuate the purpose of this Agreement.
6.2 The following individuals shall each have the authority to execute and file this Agreement and modifications to this Agreement with the Federal Maritime Commission, as well as authority to delegate same:

a) Any officer of each Party to the Agreement; and

b) Legal counsel for each Party to the Agreement.

ARTICLE 7 – MEMBERSHIP AND WITHDRAWAL

7.1 Membership is limited to the Parties hereto, except that additional carriers offering regular service in the Trade may be admitted by unanimous agreement of the Parties and by amendment of the Agreement pursuant to the Shipping Act of 1984.

7.2 Either Party may resign from this Agreement at any time for any reason by giving not less than forty-five (45) days’ prior written notice to the other Party. In the event that either Party withdraws from this Agreement, it shall remain liable to the other for all liabilities accrued during the term of the Agreement.

ARTICLE 8 – VOTING

All decisions under this Agreement, including any amendment hereto, shall be by unanimous agreement of the Parties. Each Party has a single vote with respect to all matters under this Agreement.

ARTICLE 9 – DURATION

9.1 The effective date of this Agreement shall be the date it becomes effective under the Shipping Act of 1984, as amended. The Agreement shall remain in effect indefinitely thereafter unless one Party resigns or it is terminated by mutual agreement of the Parties.
9.2 The Federal Maritime Commission shall be promptly notified in writing of any termination of this Agreement.

9.3 This Agreement may be terminated at any time, and with immediate effect, in the event a Party breaches its obligations under Article 15, “Compliance with Laws.”

ARTICLE 10 – NON-ASSIGNMENT

The rights and obligations of each Party under the Agreement shall not be assignable except to subsidiaries, parent companies, or fellow subsidiaries or with the prior agreement of the other Party. This Agreement shall be binding on the successors and permitted assigns of the parties hereto. This Agreement shall not be construed so as to confer any right or benefit upon any other person other than the parties hereto.

ARTICLE 11 – ARBITRATION

11.1 Except as otherwise provided herein, any dispute or claim arising out of or in connection with this Agreement which is not amicably settled by the Parties shall be settled by arbitration. Arbitration shall be held in New York, NY under the rules of the Society of Maritime Arbitration, Inc. then in effect (“Society Rules”) by three (3) arbitrators who shall have no financial or personal interest whatsoever in or with any Party and shall not have acquired a detailed prior knowledge of the matter in dispute. Upon agreement among the Parties, arbitration may be held in any other place and/or before a single arbitrator mutually agreed upon by the Parties.
11.2 Any Party may call for such arbitration by service upon the other of a written notice specifying a brief description of the disputes, the monetary amount involved, if any, the differences which such Party desires to put to arbitration, and the remedy sought. Within fifteen (15) days after service of such notice, each Party shall appoint an arbitrator and the two arbitrators so chosen shall appoint a third arbitrator (or the Parties may, within that timeframe, agree on a single arbitrator). In the event either Party fails to appoint an arbitrator within the time provided, or if the two Party-appointed arbitrators are unable to agree upon the third arbitrator, either Party may request the President of the Society of Maritime Arbitrators, Inc. to appoint such arbitrator. The arbitration shall thereafter be conducted under the Society Rules except as expressly provided herein.

11.3 For any disputes involving one hundred thousand United Stated Dollars (US$100,000) or less, excluding interest, costs of arbitration and legal fees and expense, the dispute is to be governed by the “Shortened Arbitration Procedure” unless a Party objects, in which case the Parties shall arbitrate on documents only, as contemplated under section 27 of Society Rules.

11.4 The panel's decision, including written findings of fact and conclusions, shall be rendered within the period provided in the Society Rules. Judgment may be entered on an award of the arbitrators and shall be enforceable in a court of competent jurisdiction. The arbitrators may allocate the costs of arbitration, along with reasonable attorney fees, to one or more participating parties in a manner consistent with the award or decision. The arbitrator may not award exemplary or punitive damages and may not order specific performance.
11.5 A copy of the decision shall be served by the arbitrators on the Parties. Notwithstanding Article 11.1 above, the Parties expressly agree that any award resulting from such arbitration shall be withheld from publication by the Society of Maritime Arbitrators, Inc. and/or its correspondents.

11.6 Any dispute relating to loss or damage to cargo or container carried under either Party's bill of lading shall be referred to the law and jurisdiction mentioned in the bill of lading of that Party.

**ARTICLE 12 – APPLICABLE LAW AND SEVERABILITY**

12.1 The interpretation, construction, and enforcement of this Agreement shall be governed by (i) the law of the State of New York without references to the laws respecting conflicts of laws, and (ii) to the extent applicable, the laws of the United States. Nothing in this Agreement shall relieve the Parties from the applicable requirements of the U.S. Shipping Act of 1984, as amended.

12.2 Notwithstanding the foregoing, if any term or provision to this Agreement shall be held to be illegal or unenforceable, in whole or in part, under any applicable enactment or rule or law, such term or provision or part shall to that extent be deemed not to form part of this Agreement but the enforceability of the remainder of this Agreement shall not be affected.

**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. This Agreement may be executed and delivered by exchange of email copies showing the signatures of each Party, and the original signatures need not be affixed to the same copy.
ARTICLE 14: 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.

ARTICLE 15: COMPLIANCE WITH LAWS

The Parties agree to comply with all applicable laws, rules, directives and/or orders issued by any authorities having jurisdiction over this Agreement and the services operated hereunder. The Parties warrant that they are not identified on the U.S. Treasury Department’s list of specifically designated nationals and blocked persons (“SDN List”) and that the goods and/or containers transported on a vessel owned and/or operated by any Party on the SDN List.
SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be authorized by their duly authorized representatives as of this 28 day of May, 2019.

HAPAG-LLOYD USA, LLC

Name: JARED T. HENRY
Title: VICE-PRESIDENT

AMERICAN PRESIDENT LINES, LLC

Name: 
Title: 
SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have caused this Agreement to be authorized by their duly authorized representatives as of this 20th day of May, 2019.

HAPAG-LLOYD USA, LLC

Name: _______________________________________________________
Title: _______________________________________________________

AMERICAN PRESIDENT LINES, LLC

Name: _______________________________________________________
Title: _______________________________________________________