Original Title Page

CMA CGM/COSCO SHIPPING SLOT EXCHANGE AGREEMENT

CHINA - U.S. WEST COAST

FMC Agreement No. _____

Expiration Date: In accordance with Article 7 hereof

012473

FMC Agreement No.: 012473 Effective Date: Friday, March 10, 2017
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WHEREAS: CMA CGM (defined below) operates under FMC No. 012426 a general container service known as the "PRX" service;

WHEREAS: COSCO SHIPPING (defined below) jointly operates with "PIL", and "WHL" under FMC No. 012460 a general container service known as the "SEA" service; and

WHEREAS: Each Party wishes to utilize part of the other Party's carrying capacity in order to carry their cargoes in containers.

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

1. Parties

The Parties to this Agreement are:

CMA CGM S.A. ("CMA CGM")
4, Quai d'Arenc
13235 Marseille Cedex 02, France

and

COSCO Shipping Lines Co. Ltd. ("COSCO SHIPPING")
378, Da Ming Road (East)
Shanghai, The People's Republic of China

2. Definitions

"Agreement"	means this Agreement, to be known as the CMA CGM/ COSCO SHIPPING Slot Exchange Agreement.
"Party"	means either CMA CGM or COSCO SHIPPING.
"Container(s)"	means any ISO standard container(s) with a maximum height of 9'6" including any reefer and/or other special containers, provided they meet ISO standards.
"Vessel(s)"	means a purpose built containership maintained in service by CMA CGM or by COSCO SHIPPING.

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"Slot"	means the space occupied by one 20' x 8' x 8'6" ISO container for the predetermined maximum average gross weight.
"The Loading Party"	means the Party on whose vessels (owned and/or operated) the containers are loaded. On SEA service, Parties agree that COSCO SHIPPING is considered to be the Loading Party towards CMA CGM of all vessels employed in the service, as COSCO SHIPPING jointly operates this service with PIL and WHL under FMC No. 012460. On PRX service, Parties agree that CMA CGM is considered to be the Loading Party towards COSCO SHIPPING of all vessels employed in the service.
"The Shipping Party"	means the Party who is shipping containers on the other Party's vessels. On PRX service, Parties agree that COSCO SHIPPING is deemed to be the Shipping Party. On SEA service, Parties agree that CMA CGM is deemed to be the Shipping Party.
"String" or "Strings"	means the CMA CGM and COSCO SHIPPING strings described in Article 8 hereto.

3. Undertaking and Purpose

Subject to the terms and conditions hereinafter set forth, CMA CGM and COSCO SHIPPING undertake to allow each other to charter Slots on a used or unused and roundtrip basis on their Vessels in the geographic scope defined in Article 4 hereof for the carriage of Containers and on the terms hereinafter further defined. This Agreement shall further serve to authorize the Parties to enter into further agreements as provided under Article 16 herein.

Each Party undertakes to meet its commitment and pay any and all amounts as hereunder described.

4. Scope of the Agreement

This Agreement covers the trade between the ports in The People's Republic of China (including Hong Kong) and the West Coast of the United States of America. There shall be no geographic restrictions on the origin or destination of cargo carried on vessels employed in the

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services established pursuant to this Agreement. In other words, such cargo may originate from or be destined for ports or points outside the geographic scope of this Agreement, and the inclusion of any such non-U.S. trades in this Agreement shall not bring such non-U.S. trades under the jurisdiction of the U.S. Federal Maritime Commission or entitle the Parties hereto to immunity from the U.S. antitrust laws with respect to such non-U.S. trades.

5. Containers and Cargo

The Shipping Party will be allowed to ship only dry-cargo Containers, reefers and empty Containers meeting the definition mentioned in Article 2 hereof. Loaded Containers shall be in a seaworthy condition, containing lawful merchandise of any kind, including IMO cargo, properly packed and secured. Containers not meeting the above criteria may be refused for carriage.

The Parties are authorized to discuss and agree on rules relating to the acceptance of dangerous, breakbulk and out-of-gauge cargoes.

6. Schedules

Parties are entitled to modify the structure of their service, however, should a Party modify structurally its own service and the other Party be of the opinion that such modification is or may be materially detrimental to its own performance on the service, the Parties shall review the terms of this Agreement. If the Parties cannot in good faith agree upon terms, the other Party may terminate the Agreement upon 60 days' written notice.

7. Duration and Termination

This Agreement shall be valid as from the Commencement until any Party serves three (3) months prior written notice to terminate this Agreement. The first notice may not be served within the first nine (9) months as from the Commencement Date, during which time any form of written withdrawal shall be deemed as a breach of this Agreement, unless issued with the written consent of the other Party.

The "Commencement Date" shall mean the later of (i) the earliest starting dates between the first eastbound voyage from Chinese ports of each service (as defined in Article 8) occurring in on or about April 1, 2017, (ii) the date the Agreement has been filed with the FMC and has become effective in accordance with the Shipping Act of 1984, as amended, or (iii) such other date as the Parties may agree for commencement of the services covered hereunder, but not prior to the effectiveness of the Agreement under the Shipping Act.

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Notwithstanding the aforementioned, the Agreement may not terminate, unless otherwise agreed, prior to termination of the current roundtrip voyages on each service (Eastbound and Westbound voyages, which means all vessels having returned to China and all cargo and containers discharged up to the last port in China) having already started at the date of effect of such notice of termination.

At the end of the cooperation, each Party shall have provided the same number of slots to the other Party they received on the other Party service. Should an imbalance of slots be identified, at the end of the Agreement, Parties shall agree on compensation.

Notwithstanding the above, this Agreement can be terminated by written notice as follows:
a) at any time in case of breach of fundamental terms of this Agreement, which terms may be agreed upon in writing from time to time by the Parties; and
b) at any time upon mutual agreement of the Parties.
c) at any time, effective the date of service termination, in the event PRX and/or SEA services is/are terminated and the Loading Party shall advise the Shipping Party in case of the termination of said service as soon as known.

8. Slot Exchange

CMA CGM shall provide to COSCO SHIPPING from its PRX allocation 600 TEUs at 10 gwt average or 6,000 tons, 50 45'HC units and 38 reefer plugs per round-trip weekly sailing on a used or not used basis.

and in exchange,

COSCO SHIPPING shall provide to CMA CGM from its SEA allocation 600 TEUs at 10 gwt average or 6,000 tons, 50 45'HC units and 38 reefer plugs per round-trip weekly sailing on a used or not used basis.

Upon mutual written agreement, the Parties may change the above slot allocation as they may deem necessary or desirable from time to time, without further amendment of this Agreement or any filing with the FMC.

The PRX service shall consist of a round trip voyage, calling on a fixed day and weekly basis in such ports within the trade. Initially, the port rotation shall be:

Fuqing – Nansha – Hong Kong – Yantian – Xiamen – Long Beach – Oakland – Fuqing

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The SEA service shall consist of a round trip voyage, calling on a fixed day and weekly basis in such ports within the trade. Initially, the port rotation shall be:

Xiamen – Nansha – Hong Kong – Yantian – Long Beach – Xiamen

Any change of the foregoing rotations within the Trade shall not require further amendment of this Agreement or any filing with the FMC. The Parties are authorized to discuss and agree on the ports to be called, port rotation, and scheduling of the services to be provided hereunder; provided, that the Loading Party will make the final decision with respect thereto. Additional ports of call may be added on an *ad hoc* basis at the discretion of the Loading Party, if such port call does not affect the time for loading and discharge in regular ports, schedule integrity, service frequency and normal transit time.

The Parties are authorized to discuss and agree on the HC factor penalization and allocation of 40'HC and 45'HC units to be applicable on each service.

The Parties are authorized to sell/purchase/exchange space from their respective allocations to/from one another on such terms as they may agree from time to time. The Parties are further authorized to purchase slots from each other in addition to those set forth in the above allocation from time to time, on such terms as the Parties may agree and subject to space availability.

The Parties are further authorized to discuss and agree on their respective rights, fair and reasonable allocation of liabilities among the Parties, apportionment of damages, satisfaction of claims, procurement of insurance and claims thereunder, and indemnities for activities under this Agreement, including but not limited to matters pertaining to cargo loss or damage; damage or loss to containers or other equipment; schedule or delivery delays; loss of or damage to a vessel; accidents; hazardous, breakbulk, or oversized cargoes; loss or damage caused by cargo; damage to persons or property; failure to perform; force majeure; general average; and any liability to third parties.

9. Slot Costs

The Parties are authorized to discuss and agree upon the amounts they shall charge each other for the carriage of laden and empty Containers hereunder, and may adjust said amounts as they may agree from time to time. The Parties are further authorized to discuss and agree upon the terms of payment for the vessel space provided in accordance with this Agreement.

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The Parties are authorized to discuss and agree on the operational and financial terms to be applicable on each service such as reefer surcharge, excess slot count, schedule recovery measures and similar matters.

10. Terminals

Subject to the Parties' underlying respective agreements with other Partners, 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 but not limited to overtime, stand-by time and common costs sharing.

11. Applicable Law and Arbitration

(a) This Agreement, and any matter or dispute arising out of this Agreement, shall be governed and construed in accordance with the laws of England except that nothing shall relieve the Parties of their obligation to comply with the US Shipping Act of 1984, as amended.

(b) Any dispute or difference arising out of or in connection with this Agreement which cannot be resolved amicably shall be referred to the exclusive jurisdiction of the High Court of Justice in London. However any dispute relating to loss or damage to cargo or container carried under either Party's B/L shall be referred to the law and jurisdiction mentioned in the B/L of this Party.

(c) Either Party may at any time call for mediation of a dispute under the auspices of the LMAA (London Maritime Arbitration Association). Unless agreed, such mediation shall not otherwise interfere with or affect anything else including the time bars and Court procedure. If a Party calls for mediation and such is refused, the Party calling for mediation shall be entitled to bring that refusal to the attention of the Court.

(d) The Parties shall keep confidential all awards made, together with all materials in the proceedings created for the purpose of the mediation, and all other documents produced by another Party in the proceedings not otherwise in the public domain – save and to the extent that disclosure may be required of a Party by legal duty, to protect or pursue a legal right or to enforce or challenge an award in bona fide legal proceedings before a court or other competent judicial authority.

12. Third Parties

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Except as otherwise provided herein, each Party shall not be entitled to sublet slots on the other Party's service under this Agreement to any third parties ocean common carriers without prior written consent from the Loading Party. Parties agree that CMA CGM and COSCO SHIPPING are entitled to sub-charter space respectively on the SEA service and on the PRX service to their fully owned affiliates and subsidiaries that are vessel-operating common carriers for purposes of the Shipping Act. Parties agree that COSCO SHIPPING is entitled to sub-charter space to PIL and WHL on the PRX service.

Any affiliate or subsidiary or third party of a Party receiving space hereunder may not sub-charter that space to any other third-party ocean common carrier without the prior written consent of the other Party. Any Party sub-chartering slots shall remain fully responsible and liable to the other Party for the due performance and fulfillment of this Agreement by persons to whom slots are sub-chartered.

13. Notices

(a) All legal process, notices or other formal communications required by or in connection with this Agreement shall be in writing and sent by internationally-recognized overnight courier or email, and addressed to the other Party at its official company address as follows:

To CMA CGM:

CMA CGM S.A.
4, Quai d'Arenc
13235 Marseille Cedex 02
France
Attn: Mr. Olivier Nivoix
E-Mail: ho.onivoix@cma-cgm.com

To COSCO SHIPPING:

COSCO Shipping Lines Co. Ltd
378, Da Ming Road (East)
Shanghai, The People's Republic of China
Attn: Mr. Jeffrey Ge
E-Mail: gehy1@COSCO SHIPPING.com

(b) Any such notices, legal processes or other formal communications shall be deemed to have reached the person when they have been posted or dispatched.

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14. Non-Assignment

No Party may assign its rights, including its rights to utilize the Container Slots, or delegate its duties under this Agreement to any other person or entity without the prior written consent of the other Party. Notwithstanding the above, each of the Parties may on written notice to the other Party assign its rights or delegate its duties under this Agreement to a fully-owned affiliate or subsidiary; provided that in the event of such an assignment, the assigning Party shall remain responsible for the due and punctual performance of this Agreement by such an affiliate or subsidiary.

15. Amendment and Embodiment

This Agreement may not be amended, modified or rescinded except in writing and duly signed by authorized signatories of the Parties, and any amendment, addendum or appendix so signed shall constitute a part of this Agreement at such time as it has been filed with the FMC and has become effective under the Shipping Act of 1984, as amended.

16. Further Agreements

The Parties are authorized to enter into further agreements with respect to routine operational, technical and administrative matters to the extent necessary or desirable to implement the general provisions contained in this Agreement (including, but not limited to, that set forth in Article 8 and 9 hereof) without further amendment to this Agreement. Any further agreement contemplated by this Agreement, except to the extent such further agreement relates to routine operational, technical and administrative matters, shall be filed with the FMC and become effective under the Shipping Act of 1984 prior to being implemented.

17. Compliance with laws

The Parties shall at all times be compliant with mandatory applicable U.S. federal and state laws and regulations in force during the course of this Agreement. The Parties may discuss and agree upon terms relating to legal compliance as they believe prudent and necessary, including, but not limited to, compliance with the legal regimes of other countries having lawful jurisdiction over either or both of the Parties in relation to performance of this Agreement, and liability/indemnification for any non-compliance by a Party. The general principle shall be that any consequence to this Agreement or a Party(ies) resulting from the non-compliance of a Party shall be borne in full by that Party, except to the extent that the non-compliance of such Party was caused by an action or omission of the other Party.

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18. Agreement Officials and Delegations of Authority

The following persons 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 a Party; and
(ii) Legal counsel for a Party.

19. 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.

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SIGNATURE PAGE

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE AGREED THIS 7 DAY OF MARCH, 2017 TO ENTER INTO THIS AGREEMENT AS PER THE ATTACHED PAGES AND TO FILE SAME WITH THE U.S. FEDERAL MARITIME COMMISSION.

CMA CGM S.A.	**COSCO SHIPPING LINES CO., LTD.**
By:	By:
Name: Olivier NIVOIX VP North America Lines	Name:
Date: 07/03/17	Date:

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CMA CGM S.A.	**COSCO SHIPPING LINES CO., LTD.**
By: _____	By: _____
Name:	Name: Zhu Jiandong
Date:	Date:

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