

Maersk Block Space Terms

1. CARRIER'S TERMS FOR SERVICE AND CARRIAGE

1.1. The Carrier's service contract terms available at <https://terms.maersk.com/service> ("Service Contract Terms") are incorporated herein for non-FMC lanes, the Contract terms apply for FMC lanes and further the Carrier's terms for carriage available at <https://terms.maersk.com/carriage> ("Terms for Carriage") or otherwise obtainable from the Carrier upon request, are incorporated by reference and shall apply to all individual shipments performed under these Maersk Block Space Terms (hereinafter referred to as "**Block Space Terms**") and further the definitions set out therein are adopted for these Block Space Terms. In the event of conflict, the order of precedence shall be as follows:

- i. these Block Space Terms including Contract Output;
- ii. the Terms for Carriage; and
- iii. the Service Contract Terms (for non-FMC) and the Contract (for FMC), as applicable.

1.2 All rates, fees and scope including other details are set out in the contract output ("**Contract Output**") which forms part of these Block Space Terms as set out above. Rates appearing in the Contract Output may be subject to any surcharge(s) resulting from any: emergency risks; government mandates; or congestion, capacity or equipment issues arising outside of the reasonable control of the Carrier.

2. DURATION AND SCOPE

2.1 These Block Space Terms shall come into effect on the Commencement Date as provided in Contract Output or the earliest date permitted by the Shipping Act and shall expire on the Expiration Date as stated in the Contract Output (the "**Term**"), unless terminated earlier. The Shipper's and Carrier's respective commitments towards Weekly Volume Commitment under these Block Space Terms shall only apply for a scope stated in the Contract Output.

2.2 (A) Whilst these Block Space Terms may cover inland transportation services and/or store door delivery(s), Carrier's commitments stated under these Block Space Terms only applies to transport via ocean (CY-CY) and not extend any further.

For clarity, all transport modes other than ocean such as rail, road, air and/or barge are excluded from the scope Carrier's commitments made under these Block Space Terms.

2.2 (B) The commitments/promises covered under these Block Space Terms shall not apply to any bookings related to refrigerated cargoes.

2.3 In addition and without prejudice to the requirements stated under clause 21 of the Terms for Carriage, when tendering dangerous and/or hazardous goods for carriage, Shipper or its affiliates shall provide requisite documentation and declare to Carrier the nature of the danger and indicate, if necessary, the precautions to be taken. Carriage of dangerous and/or hazardous goods shall be at Carrier's sole discretion. The commitments/promises covered under these Block Space Terms shall not apply to any bookings of dangerous and/or hazardous goods unless such shipments are accepted by Carrier for carriage.

3. SHIPPER'S COMMITMENT

3.1 Shipper agrees to tender and ship a minimum quantity of FFEs (Forty Foot Equivalent Units) per week as stated in the Contract Output (the “**Weekly Volume Commitment**” or “**WVC**”) during the Term. For purposes of WVC calculations, the following equivalencies shall apply:

	<u>20</u>	<u>40 HC/NOR</u>	<u>45</u>
Dry	0.5 FFE	1 FFE	1.266 FFE

HC means high cube containers.

NOR means non-operating reefer.

3.2 The Shipper must place booking before the cut-off time(s) indicated on the web-booking or third party booking platforms. Further, Shipper must also deliver the cargo in custody of Carrier for shipment before the cut-off time(s) indicated in the initial booking confirmation received by Shipper.

3.3 The weekly calculation stated here is based on the Proforma Departure Date and not on the calendar weeks.

3.4 At the time of providing booking notice, Shipper shall also inform the Carrier which delivery or loading promise should apply to the shipment out of Standard Delivery Promise, Essential Delivery Promise or Load as Booked. In case where Shipper fails to inform Carrier about the option selected, Carrier shall be free to apply delivery or loading promise agreed at the time of contracting under Contract Output for such shipment(s). [Note: This feature is currently not available, and Carrier will soon make this feature available].

4. CARRIER'S EQUIPMENT, LOADING AND DELIVERY COMMITMENT

4.1 Carrier's Equipment, Delivery and Loading Commitment comprises of three options, i.e. (i) **Standard Delivery Promise**; (ii) **Essential Delivery Promise**; and (iii) **Load as Booked**:

	Standard Delivery Promise	Essential Delivery Promise	Load as Booked
Applicability	Applies to volume within WVC.		
Delivery/Loading promise	Carrier commit that the vessel arrival time at final discharge port shall be no later than three (3) days after the scheduled Estimated Date of Arrival (“ETA”) as booked and confirmed in the initial booking confirmation.	Carrier commit that the vessel arrival time at final discharge port shall be no later than ten (10) days after the scheduled Estimated Date of Arrival (“ETA”) as booked and confirmed in the initial booking confirmation.	Carrier agrees to load the volume within the WVC onboard the original first leg ocean going vessel listed in the booking confirmation. In the event the Carrier requires to load the container on an alternative vessel, then the Carrier shall load the container onboard an alternative vessel no earlier or later than three (3) days before or after the

			<p>scheduled ETD as confirmed in the booking confirmation.</p> <p>Alternatively, if Shipper agreed to fourteen (14) days' window for the load as booked promise at the time of contracting under these Block Space Terms, then in the event the Carrier requires to load the container on an alternative vessel the Carrier shall load the container onboard an alternative vessel no earlier or later than fourteen (14) days before or after the scheduled ETD as confirmed in the booking confirmation.</p>
<p>Port Pair(s)</p>	<p>The applicable port pairs where Standard and/or Essential Delivery Promise are available can be found here. These port pair(s) are subject to change on a monthly validity basis and covers shipments for which the ETD falls under that applicable month.</p> <p>For E.g. Shanghai-Rotterdam is on Standard Delivery Promise for 1 January to 31 January and it applies to the shipments for which the ETD falls under January.</p>	<p>All port pairs globally.</p>	
<p>Load as Booked</p>	<p>Where Shipper books a cargo for Standard Delivery Promise but the selected port pair(s) is not listed for Standard Delivery Promise then Carrier agrees to load the tendered volume within the WVC onboard the original first leg ocean going vessel listed in the booking confirmation.</p> <p>In the event the Carrier requires to load the container on an alternative vessel, then the Carrier shall load the container onboard an</p>	<p>Where Shipper books a cargo for Essential Delivery Promise but the selected port pair(s) is not listed for Essential Delivery Promise then Carrier agrees to load the tendered volume within the WVC onboard the original first leg ocean going vessel listed in the booking confirmation.</p> <p>In the event the Carrier requires to load the container on an alternative vessel, then the Carrier shall load the container onboard an</p>	<p>N/A</p>

	alternative vessel no earlier or later than three (3) days before or after the scheduled ETD as confirmed in the booking confirmation.	alternative vessel no earlier or later than ten (10) days before or after the scheduled ETD as confirmed in the booking confirmation.	
Allocation Grouping(s)	<p>The Shipper's Weekly Volume Commitment and Carrier's space and equipment commitments may be split into allocation grouping(s) separately agreed. Such allocation grouping(s) indicates the geographical distribution of the Weekly Volume Commitment.</p> <p>Shipper acknowledges that the allocation grouping(s) may be impacted by network and/or operational constraints (including but not limited to reduced capacity to or from any port) and may therefore be subject to changes. In such cases, Carrier will exercise its reasonable endeavours to reallocate the impacted volume to the unaffected port pair(s) from the same or different allocation grouping(s) for the relevant period. In any event and failing feasible alternatives, Carrier reserves the right to reduce the Weekly Volume Commitment equal to the impacted volume for the affected time period without any further liability for damages from either party.</p>		
Exception	<p>In the event Shipper requests any changes in the confirmed initial booking, the scheduled ETA (Standard/Essential Delivery Promise) or ETD (Load as Booked) in the subsequent revised booking confirmation will apply in those cases. Carrier's commitment shall automatically extend as per the rescheduled ETA or ETD in such subsequent revised booking confirmation.</p> <p>In the event the Carrier initiates any service changes resulting in a revised ETA or ETD then the original scheduled ETA or ETD as confirmed in the initial booking confirmation shall nevertheless apply.</p>		
Equipment Availability	Subject to clause 4.3, Carrier agrees to provide the equipment agreed and indicated in the booking confirmation or suitable alternative to the Shipper.		
Damages	<p>Subject to contingencies stated in clause 4.2, Carrier shall pay USD 100 per FFE ("Compensation Fee"), if it fails to comply with delivery or loading (as the case may be) commitments.</p> <p>This includes Carrier's failure to provide equipment or the vessel space which may result in non-compliance with delivery or loading commitments.</p> <p>The Carrier shall only be liable for one Compensation Fee in total for the same FFE.</p>		

4.2 Notwithstanding the foregoing, the commitment set out under clause 4.1 shall not apply in below cases:

- i. late or non-provision of documents or incorrect declarations by Shipper;
- ii. late gate-in of the goods;
- iii. containerised goods not in compliance with measurement restrictions including weight restrictions or limitations;
- iv. any default or breach of these Block Space Terms or the Service Contract terms or the Contract for FMC lanes or the Terms for Carriage on part of the Shipper or anyone acting on behalf of Shipper which may result or create any hindrance in compliance with the Carrier's commitment stated herein;



- v. Force Majeure event, the term "Force Majeure" as used herein shall mean any and all events beyond the reasonable control of a Carrier including, without limitation, strikes, work stoppages, lockouts or circumstances arising from the threat thereof; acts of God, states or a public enemy, terrorism, cyber-attack, war, hostilities, riots, civil disorder, insurrection, embargo, pandemic, governmental actions (whether informal or formal government acts) or other similar disruptions or interference with trade, marine disaster, fire and or other casualty; or
- vi. Port Omission - for the purpose of these terms 'Port Omission' shall mean the omission of a scheduled call at any relevant port affecting the voyage due to operational reasons beyond the reasonable control or anticipation of the Carrier.

4.3(A) As a part of the Carrier's commitments, the Carrier shall provide the equipment agreed and indicated in the booking confirmation or a suitable alternative. Excluded from this commitment are:

- i. Special grade containers, including: food/dairy, flexitank, Open Tops, Flat Racks and scrap-grade containers;
- ii. Equipment picked up at a different location from the default 'Empty Container Depot' stated in the booking confirmation; and / or
- iii. Equipment picked up on a date earlier than the equipment 'Release Date' stated in the booking confirmation.

4.3(B) (Some equipment grades shall also be subject to additional charges, details of which can be found on <https://www.maersk.com/local-information> under country specific local information or by contacting the relevant local Carrier office.

4.3(C) Additional charges may apply if the location for equipment pick up / drop off requested by the Shipper is different from the origin/destination locations stated in the booking confirmation.

4.3(D) 45' equivalent unit and NORs are only included if confirmed by the Carrier in booking confirmation. Carrier also reserves the right to substitute 45' equivalent unit and NORs with 40' equivalent unit and/or 40'HC equivalent unit.

5. DAMAGES FOR CARRIER'S NON-PERFORMANCE

5.1 Notwithstanding any separate agreement between Shipper and Carrier, Shipper hereby explicitly agrees and accepts that the Compensation Fee stated under clause 4.1 above shall constitute its sole and exclusive remedy for Carrier's failure meet its commitments under these Block Space Terms and the applicable Contract Product Terms.

5.2 Notwithstanding any other provision to the contrary in these Block Space Terms or any separate agreement between Shipper and Carrier, Carrier shall in no event be liable whether directly or indirectly to the Shipper for any special, consequential, indirect (including, but not limited to, lost profits, lost sales, loss of reputation, loss of market share, loss of agreements or contracts, loss of anticipated savings, loss of use or corruption of software, data or information, loss of or damage to goodwill and lost opportunity costs etc.), multiple, exemplary, liquidated or punitive and/or other extraordinary damage suffered by the Shipper. The foregoing limitation shall apply regardless of the form of action, whether the damages or other relief sought are based on breach of warranty, breach of contract, tort (including negligence), strict product liability or any other legal or equitable theory, even if the Carrier has been advised of the possibilities of such damages. The prohibition of the foregoing types of damages shall also apply whether the damages are characterized as "contract damages", "tort damages" or otherwise.



6. VOLUME TENDERED ABOVE WVC

It is agreed and understood by the Shipper that Carrier shall not and will not be liable to accept and/or carry any volume above the WVC per week under these Block Space Terms.

7. DAMAGES FOR SHIPPER'S NON-PERFORMANCE

7.1(A) In case Shipper, for any reason whatsoever, fails to tender the WVC in any week during the Term, it shall be liable for liquidated damages in an amount stated under the Contract Output per FFE of cargo committed as its WVC but not tendered.

Example:

Weekly Volume Commitment = 5 FFE

Week 1: 4 tendered

Week 2: 3 tendered

Week 3: 5 tendered

Week 4: 5 tendered

Total commitment for 4 weeks: 20 FFEs

Total tendered in 4 weeks: 17 FFEs

Shortfall: 3 FFEs (20 FFEs – 17 FFEs)

In above example, Shipper shall be liable for liquidated damages for a shortfall of 3 FFEs.

7.1(B) If during any week, Shipper tenders 6 FFEs for shipment then Carrier reserves the right to reject the additional 1 FFE for shipment and carry 5 FFEs during that week. In such case, the Shipper may book any excess volume above the WVC with the Carrier on "Maersk Spot".

7.2 Notwithstanding the foregoing, if the failure by the Shipper to deliver the goods is due to:

- i. any Force Majeure event, the term "Force Majeure" as used herein shall mean any and all events beyond the reasonable control of a Shipper including, without limitation, strikes, work stoppages, lockouts or circumstances arising from the threat thereof; acts of God, states or a public enemy, terrorism, cyber-attack, war, hostilities, riots, civil disorder, insurrection, embargo, pandemic, governmental actions (whether informal or formal government acts) or other similar disruptions or interference with trade, marine disaster, fire and or other casualty; or
- ii. vessel or alternative vessel is not available for Shipper to book due to blank sailing. Blank sailing as used herein would mean the term as accepted broadly in shipping services.

then Shipper shall not be liable to pay any liquidated damages as set out in this clause 7, subject to the Shipper providing evidence(s) thereof to the satisfaction of the Carrier.

8. REVIEW, INVOICING AND PAYMENT

8.1 The Carrier shall conduct the monthly review of performance under these Block Space Terms and ascertain the liabilities of each party.

8.2 Following the monthly review, the invoice procedure stated below shall apply for all invoices generated pursuant to these Block Space Terms:

- i. invoices for liquidated damages will be submitted monthly in arrears by Carrier to Shipper in an agreed format.
- ii. the invoiced amount would be the result of the amount of liquidated damages for Shipper minus the amount for Carrier's Compensation Fee, if any.
- iii. In the event that the amount of Compensation Fee payable by the Carrier is more than the amount of liquidate damages payable by the Shipper during any quarter, the Carrier shall follow a self-billing process and at its sole discretion (i) issue a credit note in the name of the Shipper for the difference in amount; or (ii) if on the request of the Carrier, the Customer has provided their nominated banking details to the Carrier in accordance with that request and prior to the Commencement Date as provided in the Contract Output, refund the difference in amount to that nominated bank account.
- iv. if any credit note granted to the Shipper as per clause 8.2(iii) above, then such credit note shall be adjusted after the monthly review and in any amount payable by the Shipper to the Carrier either for liquidated damages or for freight for shipments under these Block Space Terms. Shipper cannot claim any credit from Carrier until the credit note is issued in Shipper's favor after the monthly review. Provided further that, the credit note will not be issued in favor of Shipper if any overdue outstanding amount for liquidated damages and freight is more than 10% of the Shipper's total outstanding amounts.

8.3 If Shipper believes that there is any discrepancy in invoice raised, Shipper must raise such discrepancy within 7 days from the date of an invoice. The invoice raised shall be deemed to be valid and undisputed in case where Shipper fails to raise the dispute within such 7 days' period.

8.4 Shipper shall make the payment as per the separate credit agreement between the parties.

8.5 All associated cost of tax or any other mandatory charges, fines, penalty, fees etc. as required by law or regulation will be borne by the respective party legally liable to pay cost of tax or any other mandatory charges, fines, penalty, fees etc.

8.6 The invoices generated pursuant to clause 8 will be issued as per the details mentioned on the invoice. Shipper shall wire transfer the amount invoiced to the bank account stated on the invoice.

9. FAILURE IN PAYMENT OF INVOICES

Shipper undertake to settle all payment in accordance with the credit agreement. In the event that Shipper does not settle outstanding amounts accordingly, Carrier reserves the right to take any or all of the following actions:

- i. Withhold original documents including transport documents and/ or cargo until all outstanding amount under these Block Space Terms, including collection and reminder fees and expenses, are settled.
- ii. Suspend or terminate the provision of credit and/or immediately withdraw from or terminate any and all the legal transaction(s) existing with Shipper including but not limited to these Block Space Terms and also cancel all negotiations with Shipper without any condition.



- iii. Suspend or terminate any special benefit and/or privilege whatsoever provided to the Shipper under these Block Space Terms and/or any other transaction with the Carrier or with any company or other entity within A.P. Moller Maersk Group.
- iv. Exercise any applicable right of lien over any cargo and stop providing or arranging services.
- v. Apply with a prior notice a fixed charge and/or an appropriate interest as authorized under applicable law on the outstanding overdue amounts.
- vi. Commence collection proceedings. Any expenses and fees incurred in collecting overdue amounts are to be covered by the Shipper.

10. SCHEDULE/SERVICE PATTERN CHANGES

The provision of the services from or to the origins/destinations set forth in the Contract Output and/or [here](#) is subject to changes in Carrier's schedule/service patterns. Should Carrier for any reason discontinue service to/from any origin/destination referenced in the Contract Output and/or [here](#), it shall not be required to continue to carry cargo, whether within the WVC or not, from or to such origin/destination. In such event, Shipper and Carrier shall negotiate in good faith regarding an amendment to these Block Space Terms reflecting the change in service. If the parties are unable to reach agreement on such amendment within thirty (30) days from such service change, then either party may terminate these Block Space Terms and the Contract (for FMC lanes) as per clause 12.

11. EMISSION REGULATION CLAUSE

11.1 Shipper accepts and acknowledges that during the Term the Carrier may be subject to regulatory or other industry-wide requirements relating to emissions, fuel bunker content requirements or a requirement to purchase allowances or otherwise make payments calculated by reference to Carrier emissions, or any other regulation whatsoever relating to de-carbonisation or any other environmental concern (each an “**Emissions Regulation**”).

11.2 Shipper accepts and acknowledges that an Emissions Regulations may arise in any jurisdiction in which Carrier performs activities with any of its customers and that an Emissions Regulation may not yet be envisaged, implemented or in full force and effect as of the date of agreeing to these terms. Specifically and without limitation, Shipper agrees that each of the following will be considered to be an Emissions Regulation under these Block Space Terms:

11.2.1 Amendments to MARPOL Annex VI, introducing an Energy Efficiency Design Index for existing ships (EEXI) and Carbon Intensity Indicator (CII), anticipated to enter force in 2022 and 2023, respectively, and known in the industry as “the IMO 2023 regulations”;

11.2.2 The expansion of the European Union Emissions Trading System (ETS) to include the shipping industry, which is proposed to be phased in beginning in the year 2023; and

11.2.3 The FuelEU Maritime Initiative, which is proposed to be phased in beginning in the year 2025.

11.3 Where Carrier is subject to one or more Emissions Regulation(s), Shipper shall pay to Carrier an amount assessed by the Carrier in the Carrier's sole discretion as being the Carrier's business cost of complying with that or with those Emissions Regulation(s) in performing these Block Space Terms.

12. TERMINATION

12.1 After carriage of at least 1 FFE, these Block Space Terms, the Contract Output and the Contract (for FMC lanes) may be terminated at any time during the Term by mutual agreement in writing between



the parties. Save and except that, in case either party becomes insolvent, enters into liquidation (apart from solvent liquidation for the purposes of amalgamation or reconstruction) or is dissolved or declared bankrupt or has a receiver, administrator or administrative receiver appointed over all or a substantial part of its assets or enters into an arrangement with its creditors or takes or suffers similar action the other party may terminate these Block Space Terms and the Contract (for FMC lanes) immediately.

12.2 Provided that the accrued rights and liabilities of the parties as at termination and the continuation of any provision surviving termination, shall not be affected.

13. ENTIRE AGREEMENT

Notwithstanding anything else to the contrary, these Block Space Terms, including the Contract Output, the current bills of lading and the Tariff together constitute the entire agreement and understanding between the parties pertaining to the subject matter contained in these Block Space Terms, and these Block Space Terms supersedes all prior agreements, representations, and understandings of the parties pertaining to the subject matter. It is agreed by the parties that, the parties may, by way of mutual agreement in writing, update, revise and change these Block Space Terms. Save for clause 10 above, any update, revision and change to these Block Space Terms for FMC lanes shall be subject to FMC filing. Notwithstanding the foregoing, Shipper hereby consents to an amendment to these Block Space Terms without Shipper's approval for the purposes of reflecting non substantive change.

14. WAIVER

Any failure by either party in exercising any right, power or privilege under these Block Space Terms and/or the Contract shall not constitute a waiver, nor shall any single or partial exercise preclude any further exercise of any such right, power or privilege.

15. LAW AND JURISDICTION

For shipments to or from the USA any dispute relating to the Contract (for FMC Lanes) and these Block Space Terms shall be governed by U.S. law and the United States Federal Court of the Southern District of New York is to have exclusive jurisdiction to hear all disputes in respect thereof. In all other cases, these Block Space Terms shall be governed by and construed in accordance with English law and any dispute arising shall be referred to arbitration in London in accordance with the Arbitration Act 1996 or any statutory modification or re-enactment thereof. The arbitration shall be conducted in accordance with the London Maritime Arbitrators Association Terms current at the time of commencement of arbitration proceedings.