Detailed Rules for the Delivery of Shanghai (Export) Container Shipping Capacity

(Prepared in February, 2014; Amended in October, 2014)

1. General Provisions

1.1 These Detailed Rules for the Delivery of Shanghai (Export) Container Shipping Capacity ("**Rules**") are issued by Shanghai Shipping Freight Exchange Co., Ltd. ("**SSEFC**") in accordance with relevant state laws and regulations, "the Decision of the State Council on Rectification of All Kinds of Trading Places to Guard Against Financial Risks" (promulgated by the State Council on November 38th, 2011) and "Trading Rules of SSEFC" with a view to regulating the trading of Shanghai (Export) Container Shipping Capacity ("**Capacity Trading**"), and to securing and protecting the legal rights of all parties involved in Capacity Trading and public interests.

1.2 These Rules shall be applicable to the delivery of Shanghai (Export) container shipping capacity organized by SSEFC. SSEFC, its members and traders shall comply with these Rules.

2. General Rules

2.1 Capacity delivery refers to the process where both parties, through the transfer of the capacity as specified in the relevant capacity trading contract ("**Contract**"), and in accordance with SSEFC' s relevant rules and procedures, settle any capacity that remains non-transferred upon the expiry of the Contract.

2.2 The capacity settled by SSEFC is the standard container capacity specified in the "Shanghai (Export) Container Shipping Capacity Trading Contract" , the contents of which contract include, but not limited to, quantity standards, loading and unloading ports, types of cargo, delivery prices, delivery deadlines, etc.

2.3 Depending on factors such as traders' demands and carriers' service qualities, SSEFC shall designate a list of carriers whose capacities are qualified for delivery and publish such list on its website （WWW.SSEFC.COM）. Traders can apply to SSEFC to conduct capacity delivery with carriers who are not on the list after obtaining the approval of SSEFC.

Based on the traders' suggestions and the differences in market prices, SSEFC will apply different premiums or discounts to the capacities settled with different carriers.

The carrier premiums or discounts shall be governed by the data published by SSEFC, and SSEFC shall have the right to adjust such premiums or discounts.

2.4 The freight pricing is determined based on the price of the container to be exported from the reference port; premiums or discounts will be applied between other ports and the reference port.

The port of origin premiums or discounts shall be determined in accordance with the data published by SSEFC. SSEFC shall have the right to adjust the standards of such premiums and discounts.

2.5 Standard containers specified by the standard container capacity regulations are as follows: (i) twenty-foot equivalent unit dry cargo container for Europe services (excluding perishable goods); (ii) and forty-foot equivalent unit dry cargo container for United West services (excluding perishable goods). Premiums and discounts will be applied to other types of containers.

2.6 The container premiums and discounts shall be determined in accordance with the data published by SSEFC. SSEFC shall have the right to adjust such premiums and discounts. The minimum deliveryquantity is 5TEU for EU Line and 2FEU for UW Line.

The minimum delivery quantity shall be set by SSEFC. SSEFC shall have the right to adjust the minimum delivery quantity, and any such adjustment will be implemented upon being, or according to the effective date, announced by SSEFC.

All capacities must be settled in integral multiple of the minimum delivery quantity.

2.7 Maximum delivery quantity

The total maximum delivery quantity in a single month is 5,000TEU for EU Line and 2,500FEU for UW Line.

The maximum deliveryquantity per trader in a single month is 1000TEU for EU Line and 500FEU for UW Line.

The maximum delivery quantity shall be set by SSEFC. SSEFC shall have the right to adjust the maximum delivery quantity, and any such adjustment will be implemented upon being, or according to the effective date, announced by SSEFC.

Traders can apply to SSEFC to increase the hedging quota to meet any increased delivery quantity demand.

2.8 Undeliverable contracts include, but are not limited to, contracts with quantities that exceed the maximum limit or quantities that are not in integral multiple of the minimum delivery quantity, contracts of natural person traders, and contracts under which traders are not able toissue or receive freight invoices.

Before each delivery month, traders with undeliverable contracts shall transfer out such contracts for that delivery month. If there are undeliverable contracts which have not been transferred after the close of the market on the last trading day, SSEFC shall have the right to transfer the contracts to the counterparties on the principle of "giving priority to undeliverable contracts, and to the most recently executed contracts whose quantities are in integral multiple of the minimum delivery quantity", and the transfer price shall be the delivery price.

A fine of 20% of the contract value calculated on the basis of the delivery price shall be imposed on matched traders with undeliverable contracts; delivery shall cease upon such fine being paid to the other non-defaulting party. If both parties are defaulting traders withundeliverable contracts, SSEFC shall impose a fine on both parties, which fine will be calculated on the basis of this article and apportioned between the parties, and convert the fine into risk reserve provision account, after which the delivery shall cease.

2.9 Percentage of deposit

a. By term

(a) EU Line

Delivery Quantity	Percentage of Deposit
Normal Month	15%
Previous Month before Maturity	20%
Delivery Month	30%

(b) UW Line

Delivery Quantity	Percentage of Deposit
Normal Month	15%
Previous Month before Maturity	20%
Delivery Month	30%

The deposit shall be calculated starting from the close of the last trading day of the preceding month and using the adjusted percentage of deposit of the following month.

b. By quantity

(a) EU Line single month contract :

Delivery Quantity	Percentage of Deposit
EU≤ 1,000,000TEU	15%

1,000,000TEU ＜EU≤ 1,200,000TEU	20%
1,200,000TEU ＜EU≤ 1,500,000TEU	30%
1,500,000TEU ＜EU≤ 1,800,000TEU	40%
EU＞ 1,800,000TEU	50%

（b）UW Line single month contract:

Delivery Quantity	Percentage of Deposit
UW≤ 500,000FEU	15%
500,000FEU ＜UW≤ 600,000FEU	20%
600,000FEU ＜UW≤ 700,000FEU	30%
700,000FEU ＜UW≤ 800,000FEU	40%
UW＞ 800,000FEU	50%

SSEFC shall settle the deposit against the relevant contract in accordance with the adjusted percentage of deposit on a same-day basis. SSEFC shall have the right to adjust the percentage of deposit of the contract, and any such adjustment will be implemented upon being, or according to the effective date, announced by SSEFC.

2.10 The last trading day of the contract is the first Friday of the month in which the contract expires (subject to the listing announcement of the contract).

The delivery deadline is the fifteenth day after the last trading day (subject to the listing announcement of the contract).

2.11 The delivery price is calculated as volume-weighted average price of all transaction prices within the last five trading days (inclusive of the last trading day).

If there are no transactions within the last five trading days (inclusive of the last trading day), the delivery price of the last trading day during which a transaction had taken place shall be taken as the delivery price.

Delivery prices shall be rounded up or downto the nearest whole number.

2.12 Delivery price includes ocean freight costs and other relevant surcharges as follows:

a. Bunker Adjustment Factor (BAF/FAF)

b. Emergency Bunker Surcharge (EBS/EBA)

c. Currency Adjustment Factor (CAF/YAS)

d. Peak Season Surcharge (PSS)

e. General Rate Increase (GRI)

f. War Risk Surcharge (WRS)

g. Port Congestion Surcharge (PCS)

h. Canal Surcharge (SCS/SCF/PTF/PCC)

i. Other surcharge (please refer to the listing announcement of the contract for details)

Other expenses and prices shall be determined in accordance with the normal standards, without any discrimination.

If one party claims that there is price discrimination, that claimant shall prove the alleged discrimination within three (3) working days and pay in advance the relevant fees incurred in adducing evidence. The claimant shall notify SSEFC in writing of the proof results within one (1) working day after the expiration of the time limit for adducing evidence. If it is proven that there is no discrimination, the fees shall be borne by the claimant. On the contrary, if it is proven that there is discrimination, the counterparty will be in breach of contract and shall bear the relevant expenses.

2.13 After the close of the last trading day, SSEFC shall settle the delivery profit and loss against the contracts signed by both parties during the delivery month based on the delivery prices. The formula for the calculation of the delivery profit and loss is set out in the Detailed Delivery Rules of SSEFC.

2.14 Both parties shall pay handling commissions to SSEFC based on the capacity delivery quantity. SSEFC shall have the right to adjust the rates of the handling commissions.

3. Procedures of Delivery

3.1 Application for delivery

a. Application for maturity delivery

Traders are allowed to apply for maturity delivery any time from 9:00 to 15:00 on any trading day starting from the next trading day after a transaction until the trading day prior to the last trading day of the contract.

After the close of the last trading day, all the contracts which are neither transferred nor approved by SSEFC to be settled in other manners will automatically enter into the procedures of maturity delivery

b. Application for advance delivery

Traders are allowed to apply for advance delivery at any time from 9:00 to 15:00 on any trading day starting from the next trading day after a transaction until the trading day prior to the last trading day of the contract. Traders are allowed to cancel their application for advance delivery before 15:00 on the same day of application. SSEFC will assist in making enquiries after receiving the application. The advance delivery application will automatically become invalid if there is no counterparty who is willing or able to match the application within 48 hours.

c. Application for on-agreement delivery

The buyer and the seller who have reached an agreement on delivery may jointly submit a 'Requisition for On-agreement Delivery to SSEFC any time from 9:00 to 15:00 on any trading day starting from the next trading day after a transaction until the trading day prior to the last trading day of the contract.

SSEFC shall verify the application and decide whether to approve the on-agreement delivery. Also, the two parties can jointly cancel the application before 15:00 at the same day of application.

In the case of advance delivery or on-agreement delivery, the buyers and sellers shall, before submitting any delivery application, pay the full amount of the deposit based on the delivery price and the percentage of deposit of 30%.

3.2 Once a trader applies for delivery, the subject contract cannot be transferred while SSEFC is processing such application or if the applicant trader has not withdrawn such application.

3.3 No later than 11:30 am on the last trading day, the buyer must submit in writing accurate description including name and weight of goods, loading & discharging ports, required type and quantity of containers and other necessary information to SSEFC. All photocopies or fax copies must be signed or sealed by the buyer.

3.4 No later than 11:30 am on the last trading day, the seller must submit in writing accurate sailing schedule, vessel movement, expected time of arrival and other necessary information to SSEFC. All photocopies or fax copies must be signed or sealed by the sellers.

If the seller intends to settle the capacity through a different voyage, it must apply to SSEFC in writing no later than 48 hours prior to the last trading day. After such application is approved by SSEFC, the seller will have the right to settle through a different voyage, on condition that the buyer is agreeable and the seller can guarantee the quality of shipment.

3.5 In the case of maturity delivery, SSEFC pairs the buyer and the seller based on the principles of fairness, reasonableness, overall consideration, minimum possible pairing of buyers and sellers, and timing priority of delivery applications.

The capacity matching results as announced by SSEFC shall prevail.

Upon completion of the matching of capacity, SSEFC will fax to both the buyer and the seller a delivery bill, which bill will include the following information, among other things: name of buyer & seller, loading & discharging ports, quantity and delivery price.

3.6 Regardless of the form of delivery (i.e. whether it is ordinary, advance or on-agreement delivery), both the buyer and the seller shall, after SSEFC having confirmed such delivery and completed the matching of capacity, sign the "Shanghai (Export) Container Shipping Capacity DeliveryContract", which contract shall immediately come into effect.

The buyer and the seller are not allowed to adjust or alter their contractual relationship once the delivery and matching of the capacity are confirmed. Otherwise, the defaulting party shall be responsible for any dispute and loss arising therefrom. Also, SSEFC shall have the right to penalize the defaulting party, and take the necessary action to recover any loss and reduce any adverse impact on its business operations caused by defaulting party's actions in accordance with delivery rules.

3.7 The buyer and the seller shall complete all matters relating to the delivery of container capacity within the period specified in the "Shanghai (Export) Container Shipping Capacity Trading Contract" (subject to the listing announcement of the contract).

The service routes for the capacity delivery shall include all service routes that will set sail (based on the sailing schedule announced by the base carriers) during the period from Thursday to Saturday of the third week of the month in which the contract expires (as per the listing announcement of the contract). SSEFC is allowed to adjust such service routes.

3.8 The buyer shall place the booking before 17:00 on the third day following the last trading day with the seller or its agents or other booking agencies authorized, entrusted, or approved by the seller, as set out on the "delivery bill". At the same time, the buyer must deliver the “booking note” to the seller and fax a copy of it to SSEFC (for bookings that are made online, the buyer must print out a copy of the electronic booking message and fax it to SSEFC). All photocopies or fax copies must be signed or sealed by the buyer.

The "Booking note” (or the E-booking message) shall include, among other things, loading & discharging port, place of receipt & delivery, shipper, consignee, estimated sailing schedule, expected quantity & type of containers, detailed information of goods (description of goods, number of packages, weight and volume, etc.), shipping terms, freight terms and relevant charges, notify party, and signature or stamp of the buyer.

3.9 Before 17:00 on the fifth day after the last trading day, the seller shall accept the booking from the buyer specified in the “delivery bill” . At the same time, the seller shall deliver the “booking acknowledgement receipt” to the buyer and fax it to SSEFC (for bookings made online, the seller must print out a copy of the electronic booking confirmation receipt and fax it to SSEFC). The seller shall then release the container within 24 hours after the delivery of the “booking acknowledgement receipt” . All photocopies or fax copies must be signed or sealed by the seller.

The “booking acknowledgement receipt” (or the E-booking confirmation receipt) shall contain, in addition to the information included in the “booking note” , the name of vessel, voyage number, customs declaration number, the signature or stamp of the liner company or its agent.

3.10 Provisions dealing with excess and shortage in quantity of containers for delivery:

The standard quantity of each delivery for an EU contract is 5 TEU, and a shortage of no more than 2 TEU is allowed, whereas the standard quantity for an UW contract is 2 FEU, and a shortage of no more than 1 FEU allowed.

In the abovementioned permitted range of quantities, SSEFC will settle the freight based on the actual volume of containers shipped (refund for overcharge or compensation for undercharge). Both the buyer and the seller will negotiate and settle on their own any excess quantity. The buyer is required to make up any difference in quantity if the shortage exceeds the permitted range, and any failure by the buyer to do so will be regarded as a breach of the delivery provisions.

The total freight, including main surcharges as specified in the capacity trading contract, is:

(Delivery Price + Discount or Premium) × Quantity × UW1505 Exchange Rate

3.11 After successful booking, the buyer and the seller shall go through export clearance in line with the customary business practice of the departure port. The buyer is required to convey full containers into the port and go through all the customs formalities 24 hours before the container yard cut-off time for the relevant vessel. Correspondingly, the seller is expected to load all containers on board before 24:00 on the fifteenth day after the last trading day (subject to the listing announcement of the contract).

3.12 The seller shall issue a bill of lading no more than five working days after the vessel has sailed and fax a copy of it to SSEFC, on condition that the buyer has provided all the required documents. A master bill of lading will be issued for European voyage, whereas, in line with customary business practices, the corresponding type of ocean bill of lading will be issued for UW voyage. All photocopies or fax copies must be signed or sealed by the sellers.

3.13 Within one working day after SSEFC receives the faxed bill of lading provided by the seller, SSEFC shall transfer 30% of the deposit in the buyer’s account to the seller’s. At the same time, 30% of the deposit in the seller’s account will be released.

4. Breach of Contract

4.1 The following circumstances will constitute a breach on the part of a trader:

a. The buyer fails to submit accurate description & weight of goods, loading & unloading port and projected size & quantity of containers to SSEFC in written form before 11:30 of the last trading day, or fails to book cargo space with the seller or its agents or other booking agencies authorized, entrusted or approved by the seller, all of whom are set out on the “delivery bill”, and fax a copy of the “booking note” or the E-Booking message before 17:00 on the third day following the last trading day, or fails to transport full containers into the port and go through all the clearance procedures 24 hours before the container yard cut-off time for the relevant vessel, or fails to make up the shortage in quantity.

b. The seller fails to submit accurate sailing schedule, vessel movement, expected/projected time of arrival and other relevant documents to SSEFC in written form before 11:30 on the last trading day, or fails to accept booking order from the buyer as specified in the delivery bill, and fax a copy of the booking acknowledgement receipt or electronic booking confirmation receipt to SSEFC before 17:00 on the fifth day after the last trading day, or fails to release the container within 24 hours after the booking acknowledgement receipt is sent, or fails to complete the loading before 24:00 on the fifteenth day after the last trading day.

c. After successful booking, if the container fails to be loaded on board before 24:00 on the fifteenth day after the last trading day, a trader will be adjudged liable for breach of contract under the following three circumstances:

(a) Except in the case of force majeure, the seller will be adjudged liable for breach of contract if the container fails to be shipped due to the ship owner’s fault.

(b) Except in the case of force majeure, the buyer will be adjudged liable for breach of contract if the container fails to be shipped due to the cargo owner’s fault.

(c) If a trader foresees that the container will not, despite best efforts, be loaded by the final deadline for delivery, it shall notify the other party and SSEFC five days ahead of the deadline for delivery in writing, apply for a new deadline for loading, and check with the other party whether the other party will exercise its option to terminate the contract or is agreeable to a new loading deadline.

One party (the non-defaulting party) shall announce its decision within 24 hours of receipt of a notice for postponement of the loading deadline issued by the other party (the applicant).

i. The non-defaulting party chooses to accept the applicant' s request, in which event the new deadline for loading will be become the final deadline for delivery;

ii. The non-defaulting party chooses to terminate the contract, in which event the applicant will be adjudged liable for breach of contract;

iii. The option to postpone loading can only be exercised once. If the loading is further delayed, then the party who is responsible for such further delay will be adjudged liable for breach of contract;

d. Other actions determined as constituting a breach of contract by SSEFC.

4.2 In the event of default of delivery, SSEFC shall have the right to take the following actions against the defaulting party:

a. To suspend new orders;

b. To transfer on behalf of that trader;

c. To restrict the withdrawal of deposit.

4.3 Upon the occurrence of a default of delivery, SSEFC will notify both parties to negotiate a delivery within three (3) working days.

If both parties come to an agreement on a default solution, SSEFC will assist in carrying out the related procedures in accordance with such agreement.

If an agreement cannot be breached between the two delivery parties, SSEFC will terminate the subject container shipping capacity delivery contract and take the following actions:

a. To transfer 30% delivery deposit of the defaulting party to the non-defaulting party`s trading account in SSEFC;

b. To release the non-defaulting party`s delivery deposit;

If both parties are in default, 30% of the delivery deposit will be imposed on each party as penalty and transferred to the risk reserve capital account.

4.4 Force Majeure

Force majeure refers to unexpected, irresistible or insuperable circumstances, including earthquake, hurricane, tsunami, inundation, conflagration and other natural disasters, and war, riot, chaos, disturbance and other objective circumstances that are beyond the control of the affected party.

If a party is unable to fulfill its contractual obligations under this Contract due to a force majeure event, it shall promptly inform the other party and submit adequate proof of such force majeure event. In addition, it shall take reasonable measures to reduce the impact of the force majeure event, and resume performance of this contract, as soon as possible.

In case of a force majeure event, neither party shall be liable to the other party for any damage arising from the failure to perform, or the delay in the performance of, this Contract, which failure or delay shall not constitute a breach of contract.

In case of a force majeure event, the time for the performance of this Contract may be extended in accordance with the development of the circumstances. If such force majeure event has resulted in one party not being able to perform its obligations for over five (5) days, and in the interests of either party being harmed by such inability, then the latter party shall have the right to terminate this contract.

5. Supplementary Provisions

5.1 Definition

a. A "Buyer" in the process of capacity delivery refers to a trader qualified for capacity delivery through SSEFC, including cargo owners, NVOCCs and their agents.

b. A "Seller" in the process of capacity delivery refers to a trader qualified for capacity delivery through SSEFC, including carriers, NVOCCs and their agents.

c. "Shanghai (Export) Container Shipping Capacity Delivery Contract", referred to as the Capacity Delivery Contract in general, is an electronic contract under which the rights and obligations of both capacity delivery parties are specified. The Capacity Delivery Contract, once comes into force, will automatically replace the corresponding Capacity Trading Contract.

5.2 Those who have violated these Detailed Rules shall be dealt with in accordance with the relevant provisions of these Detailed Rules, the Trading Rules of SSEFC, and the relevant provisions of SSEFC.

5.3 SSEFC reserves the right to interpret and revise these Detailed Rules.

5.4 These Detailed Rules shall be implemented as of May 1st, 2015.

Shanghai Shipping Freight Exchange Co., Ltd.

This Contract is executed in Chinese and English versions, with both versions bearing equal legal effect. To the extent of any conflict or inconsistency between the English version and Chinese version, the Chinese version shall prevail.