

COMPROMISE AGREEMENT

FMC File No. 17098(4)

This Compromise Agreement (this “Agreement”) is entered into between:

- (1) The Federal Maritime Commission, hereinafter referred to as Commission,
- (2) Wallenius Wilhelmsen Logistics AS, hereinafter referred to as WWL, and
- (3) EUKOR Car Carriers, Inc., hereinafter referred to as EUKOR, and referred to collectively with WWL as Respondents.

WHEREAS, the Commission is considering the initiation of an assessment proceeding against Respondents for the recovery of civil penalties for alleged violations of the Shipping Act of 1984 (“Shipping Act”), including but not limited to: section 10(a)(2), 46 U.S.C. § 41102(b); section 10(b)(2), 46 U.S.C. § 41104(2); section 10(b)(10), 46 U.S.C. § 41104(10); section 10(b)(13), 46 U.S.C. § 41103(a); section 10(c), 46 U.S.C. § 41105; and, section 8(c), 46 U.S.C. § 40502(b) (the “Proceedings”); and

WHEREAS, such a Proceeding would be based on the Commission’s position that Respondents, acting individually or through certain agents, including Wallenius Wilhelmsen Logistics Americas LLC, engaged in certain practices in violation of the Shipping Act, to wit:

- (a) Between at least the beginning of the applicable statute of limitations period and September 6, 2012, Respondents knowingly and willfully violated the Shipping Act by acting in concert with other ocean common carriers to operate under an agreement(s) with respect to the shipment of automobiles and other motorized vehicles by RO/RO or specialized car carrier vessels in various U.S. import and export trades, where such agreement(s) have not been filed with the Commission or become effective under the Shipping Act.
- (b) Between at least the beginning of the applicable statute of limitations period and May 2, 2016, Respondents violated the Shipping Act by participating under certain space charter agreements with other operators of RO/RO vessels, which agreements had not been validly filed with the Commission, or pursuant to agreements which were not yet effective under the Shipping Act.

- (c) Between at least the beginning of the applicable statute of limitations period and December 31, 2013, EUKOR violated the Shipping Act by providing service and operating pursuant to certain service contracts which had not been filed as required (referred to collectively with subparagraphs (a) and (b) as the “Alleged Violations”).

WHEREAS, Respondents do not admit that they have violated the Shipping Act; and

WHEREAS, the Commission is authorized under section 13(c) of the Shipping Act, 46 U.S.C. § 41109(a), and Subpart W of the Commission's Rules of Practice and Procedure, 46 C.F.R. § 502.604, et seq. to compromise and collect civil penalties arising for the Alleged Violations set forth and described above; and

WHEREAS, the Commission and Respondents desire to settle and finally resolve their disputes regarding the Alleged Violations and the potential Proceedings without any admission of liability or wrongdoing relating to the Alleged Violations; and

WHEREAS, Respondents have corrected or terminated the alleged practices that may have existed that are the basis of the Alleged Violations set forth herein, and have instituted and commit to maintaining measures designed to eliminate or prevent any such practices in the future; and

WHEREAS, Respondents have cooperated and disclosed to the Commission information and factual details relevant to their transportation activities and practices with respect to the shipment of automobiles and motorized vehicles by RO/RO or specialized car carrier vessels in the inbound trades to the United States from, and in the outbound trades from the United States ports to, foreign ports and points; and

WHEREAS, Respondents have agreed to cooperate with respect to investigative activity or enforcement actions conducted by the Commission regarding the transportation activities identified by the Commission or disclosed by Respondents giving rise to the Alleged Violations herein.

NOW THEREFORE, in consideration of the premises herein, and in compromise of all civil penalties arising from the Alleged Violations set forth and described herein, Respondents and the Commission hereby agree upon the following terms of settlement:

1. Respondents shall make payment to Commission by wire transfer or cashier's check in the total amount of \$1,500,000.00, on or before September 30, 2016.
2. This instrument shall forever bar the commencement or institution by the Commission of any assessment proceeding or other claim for recovery of civil penalties from Respondents, their officers, directors, employees, or agents (including but not limited to Wallenius Wilhelmsen Logistics Americas LLC), or from any parent company of Respondents, for any conduct giving rise to the Alleged Violations set forth above that occurred during the time periods specified in subparagraphs (a), (b) and (c) respectively.
3. Respondents agree to cooperate in good faith with the further efforts of the Commission to investigate and prosecute other carriers operating RO/RO or specialized car carrier vessels in U.S. import and export trades for the Alleged Violations of the Shipping Act described above, as follows:
 - a) Respondents agree to direct and authorize their legal counsel to meet in person with Bureau of Enforcement ("BOE") attorneys upon reasonable notice and to provide at that meeting a reasonably detailed description (or update if previously furnished) of the principal facts furnished to the U.S. Department of Justice in response to subpoenas or otherwise that are relevant to the conduct at issue, including the times, places and participants with respect to any communications or meetings relevant to such conduct. To the extent BOE has follow-up questions to this meeting, Respondents, through legal counsel, shall endeavor to answer such questions. In addition, Respondents, through legal counsel, will

meet or confer with BOE upon request as necessary to support BOE's prosecution against other carriers relating to the conduct at issue herein.

- b) Subject to paragraph d) below, at BOE's request, Respondents shall make available at Respondents' expense, at a location and time upon which the parties shall agree and upon reasonable notice, for depositions, or interviews if appropriate: (i) any current directors, officers and employees of Respondents who have been interviewed by the U.S. Department of Justice, the European Commission or the Japan Fair Trade Commission relating to the conduct at issue herein, and (ii) any additional current employees who BOE, acting in consultation with Respondents' counsel, reasonably believes to have knowledge relating to the conduct at issue herein.
- c) Subject to paragraph d) below, at BOE's request, Respondents shall make available at Respondents' expense and upon reasonable notice, for testimony at a hearing before the Commission: (i) any current directors, officers and employees of Respondents who have been interviewed by the U.S. Department of Justice, the European Commission or the Japan Fair Trade Commission relating to the conduct at issue herein, and (ii) any additional current employees who BOE, acting in consultation with Respondents' counsel, reasonably believes to have knowledge relating to the conduct at issue herein.
- d) With regard to any current directors, officers and employees of Respondents who have retained counsel or confirmed an intention to assert any rights against self-incrimination, Respondents agree to use their best efforts to obtain the cooperation of such individuals, but in no event shall Respondents be obligated to make such individuals available to BOE for interviews, declarations,

depositions or at trial. Any such failure or inability shall not be deemed a breach of Respondents' agreement to cooperate with BOE. The payment of any attorney's fees for any such current directors, officers and employees pursuant to any preexisting indemnity agreement or law shall not be deemed a breach of Respondents' obligations under this paragraph.

- e) At BOE's request, Respondents shall, to the extent not previously furnished pursuant to this Agreement, produce to BOE: (i) copies of documents furnished to the U.S. Department of Justice relating to the conduct at issue herein, produced in the same format as furnished to the U.S. Department of Justice; (ii) copies of any other documents in the possession of Respondents or their counsel that are not privileged, and are otherwise subject to discovery in a civil proceeding, that are responsive to reasonable and specific requests made by BOE regarding any other matter relevant to the conduct at issue herein. Respondents may withhold production of any document(s) otherwise subject to production pursuant to this subparagraph if the production would prejudice Respondents' interests in connection with any investigation conducted by the U.S. Department of Justice or antitrust or competition regulators in any other jurisdiction, (or if otherwise prohibited by an order of a U.S. court of competent jurisdiction) provided, however, that Respondents shall produce any such relevant, non-privileged withheld documents within 60 days after any such investigation conducted by the U.S. Department of Justice or regulators in any other jurisdiction is completed. Any documents kept at any time in an electronically searchable format, shall be produced to BOE in such format. Where BOE requests documents that are stored in an electronic data base, counsel for the parties shall agree to reasonable

custodial and search-term limitations on the document-production obligations enumerated in this subparagraph.

f) Subject to paragraph d) above, at BOE's request, Respondents shall produce at trial or deposition, up to three representatives of Respondents' choice qualified to establish for admission into evidence any of those documents produced pursuant to this Agreement. Respondents agree to produce at trial or deposition, or through affidavits or declarations, additional representatives of Respondents' choice for the purposes described in this subparagraph, provided such additional representatives are reasonably necessary to BOE's prosecution of the conduct at issue herein.

g) All disclosures, cooperation and documents provided to BOE under this Agreement:

- (i) shall be used only in connection with BOE's prosecution of other carriers operating RO/RO or specialized car carrier vessels in U.S. import and export trades for violations of the Shipping Act;
- (ii) shall not be used directly or indirectly for any other purpose; and
- (iii) subject to subparagraph (i) above, shall not be disclosed by BOE to any third parties, except pursuant to a valid legal order issued by a tribunal with appropriate jurisdiction to issue and enforce such order.

In the event discovery of such disclosures, cooperation and documents provided to BOE is sought by any person in any jurisdiction, BOE agrees to use its best efforts to assist Respondents in opposing the disclosure by BOE of such materials, including but not limited to assisting in pleadings, providing affidavits or declarations, and court

appearances. Documents, information and materials produced to BOE pursuant to this Agreement (whether provided orally or in writing) are deemed by Respondents to be confidential commercial, financial, and proprietary business information exempt from Freedom of Information Act disclosure pursuant to 5 U.S.C. §552(b)(4).

4. Respondents' obligations to cooperate under this Agreement are ongoing and shall continue until the later of the expiration of the statute of limitations for the Shipping Act violations described herein, or the issuance of a non-appealable final judgment in an enforcement action by the Commission against an ocean carrier based on information disclosed to the Commission by Respondents pursuant to this Agreement.
5. It is expressly understood that this Agreement is a settlement agreement and is not itself, and is not to be construed as, an admission by Respondents to the Alleged Violations set forth above, or to any other violation of the Shipping Act or any other statute or law. The Parties agree that nothing relating to this Agreement, including but not limited to the fact of this Agreement, the Parties' negotiations and any actions taken to enter into or carry out this Agreement shall be discoverable, nor used directly or indirectly except in a proceeding to enforce or interpret this Agreement.
6. Nothing in this Agreement shall be construed to grant immunity pursuant to 46 U.S.C. § 40307(a) with respect to violations of the antitrust laws of the United States or any foreign nation, nor to address any carrier agreements or disclosure obligations, with respect to trades not originating or discharging cargo at a U.S. port.
7. Where written notice to Respondents is required by this Agreement, such notice shall be provided to: Paul Heylman, Esq., 1919 Pennsylvania Avenue NW, Suite 550, Washington D.C., 20006, and to Robert Buehler, Esq., 875 Third Avenue, New York,

NY 10022, or such other counsel as Respondents shall designate in writing to the Commission.

8. This Agreement is subject to approval by the Commission's Managing Director in accordance with 46 C.F.R. § 502.604.

Wallenius Wilhelmsen Logistics AS

EUKOR Car Carriers, Inc.

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPROVAL AND ACCEPTANCE

The above Terms and Conditions and Amount of Consideration are hereby approved and accepted:

By the Federal Maritime Commission:

Brian L. Troiano (Date)
Deputy Director
Bureau of Enforcement

Peter J. King (Date)
Deputy Managing Director