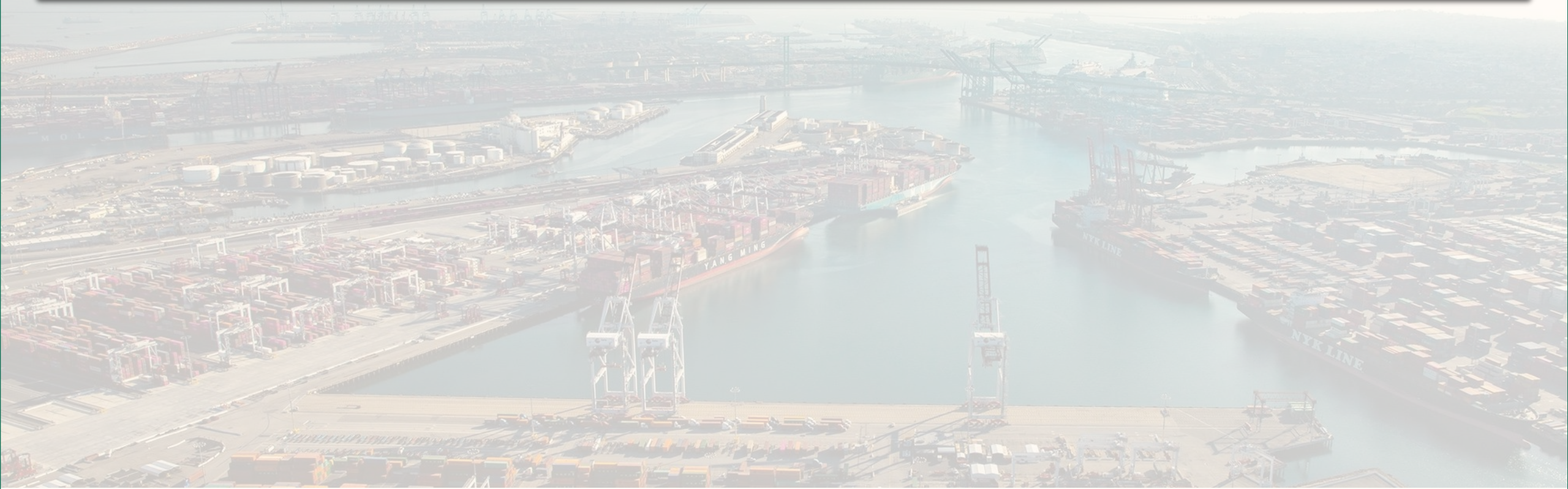




May 25, 2023

Yusen and TraPac Change in Ownership

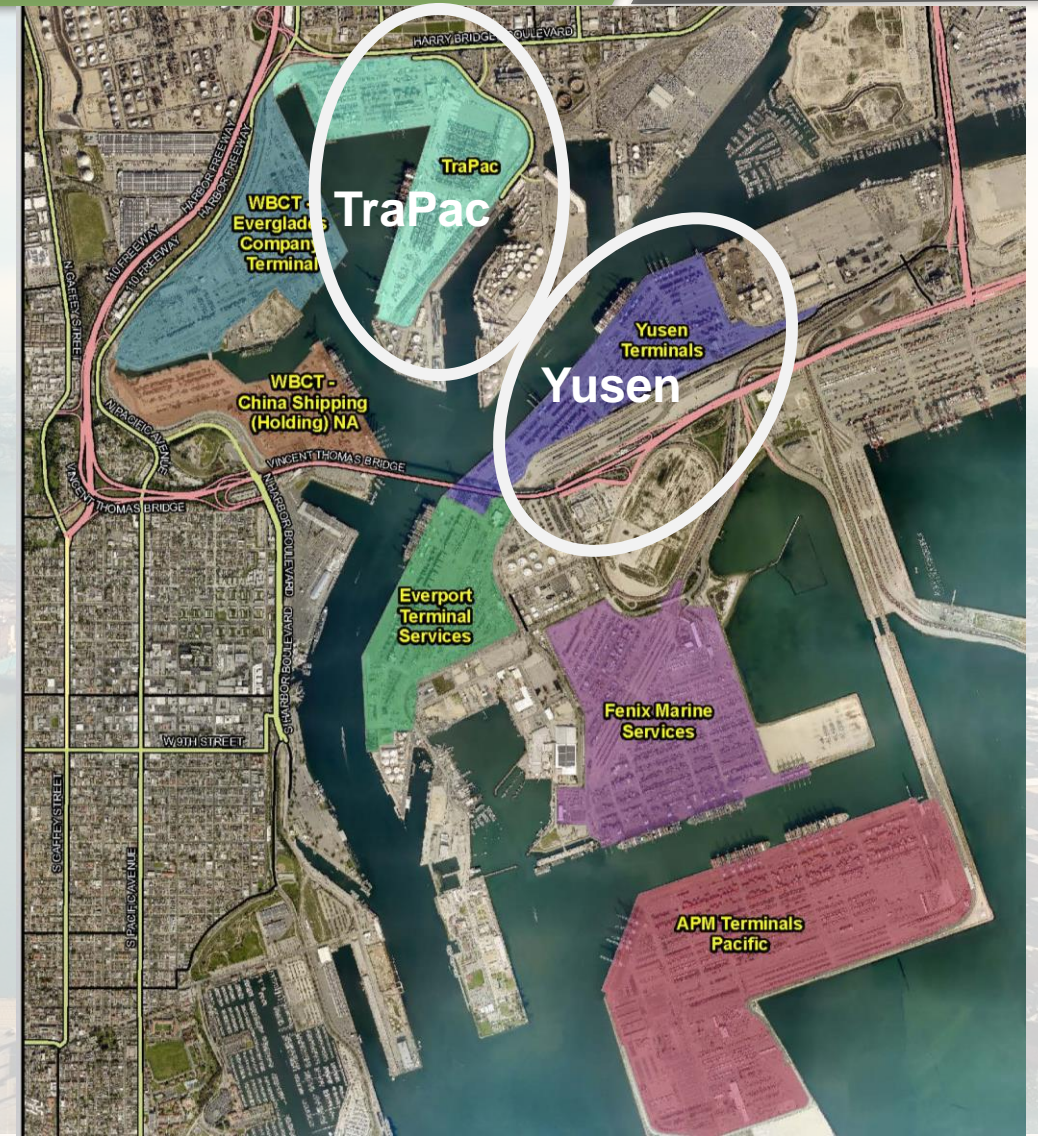
Presented by
Marisa Katnich
Director, Cargo & Industrial Real Estate



Background

Today's action concerns two container terminals at the Port of Los Angeles

- TraPac operates at northern end of the West Basin at Berths 136-147 - permit through September 2039
- Yusen operates on Terminal Island at Berths 212-224- permit through September 2026
- Japanese shipping lines have financial interests in the terminals
 - MOL - TraPac
 - NYK - Yusen
- In 2017, three shipping lines (MOL, NYK and K-line) merged into one forming "Ocean Network Express" (a/ka ONE)



Current Action

- Today's actions concern a change in the ownership composition of both TraPac and Yusen reflective of ONE's merger
- Following approval of the three items on today's agenda:
 - ONE will own majority interest in both YTI and TraPac, and Macquarie Group Limited (affiliated entities) will own the minority interest in both terminals
 - ONE will serve as the guarantor for both leases



TraPac's Ownership

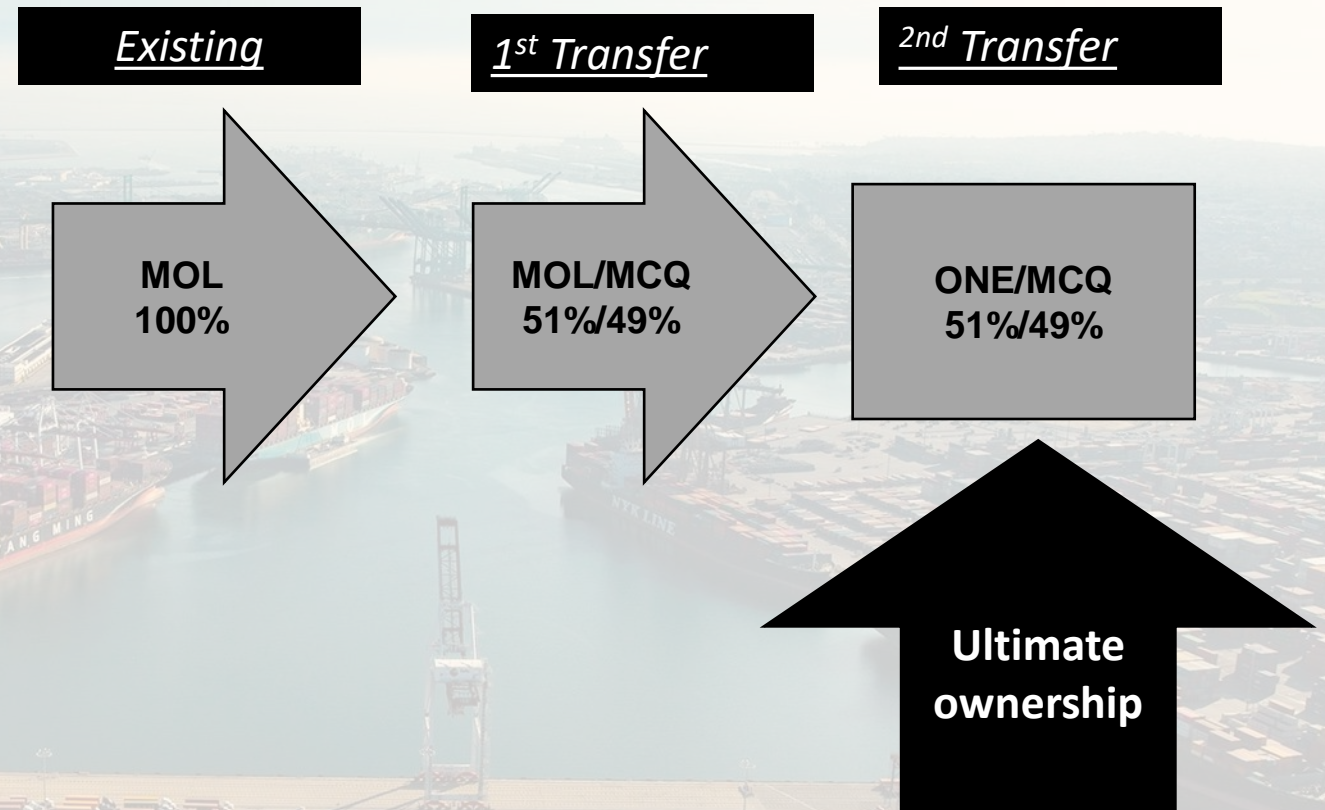
TraPac's ownership composition will change - transfer provision must be implemented for two pending transactions:

1. Minority interest in TraPac to be acquired by entities affiliated with Macquarie Group Limited, results in new ownership split:

- **51% MOL/49%Macquarie**

2. Majority interest in TraPac to be acquired by Ocean Network Express, results in ultimate ownership split:

- **51% ONE/49%Macquarie**



Yusen's Ownership

Yusen's ownership composition will change –transfer provision does not require Board consent

1. Majority interest in Yusen to be acquired by Ocean Network Express, results in ultimate ownership split:
 - **51% ONE/49%Macquarie**

Existing

Transfer

NYK/MCQ
51%/49%

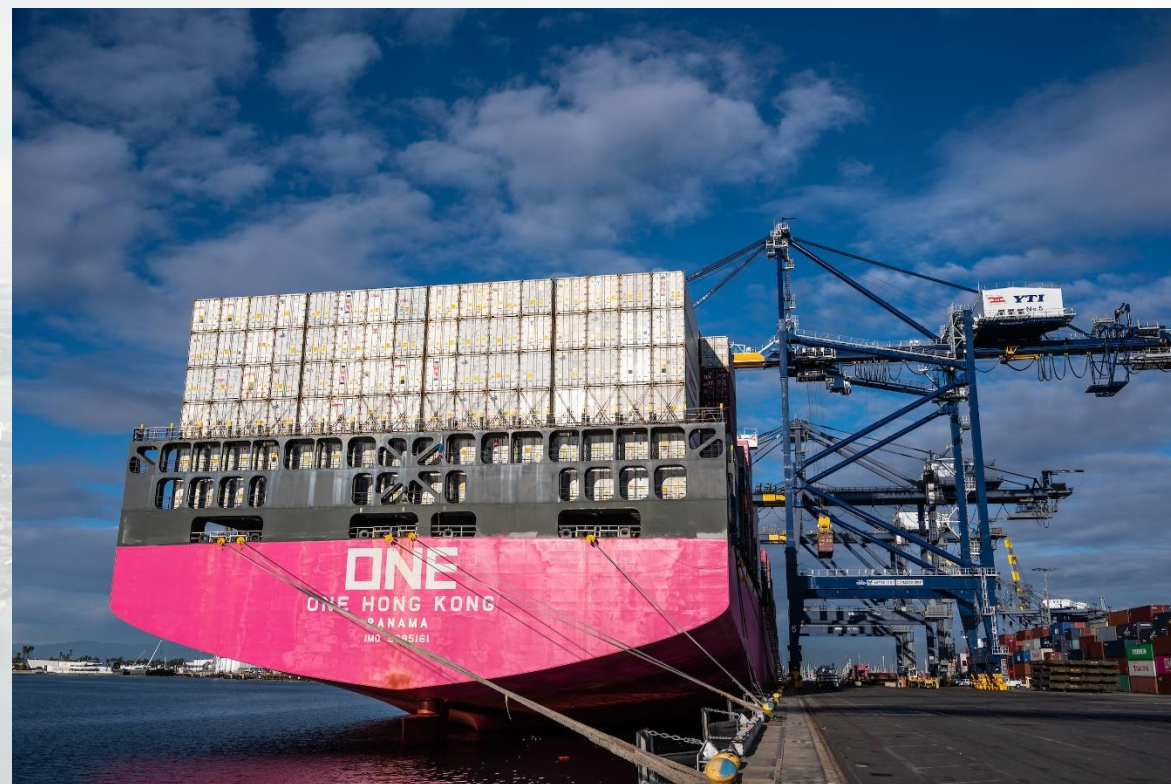
ONE/MCQ
51%/49%

Ultimate
ownership

Guaranty

ONE will serve as guarantor for both the YTI and TraPac leases

1. ONE has the financial wherewithal to take on the collective liabilities for both Yusen and TraPac's respective leases with the Harbor Department
2. ONE is furnishing two guarantees
 - MOL and NYK guarantees to be terminated in favor of ONE guarantees



Requested Action

Staff recommends that the Board:

- Consent to the transfer of TraPac and approve the new guarantees
- Approve the 13th Amendment of Yusen's permit, and approve the new guarantees