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FEDERAL MARITIME
COMMISSION
OFFICE OF THE SECRETARY

MEDITERRANEAN SPACE CHARTER AGREEMENT

FMC Agreement No. 10051

Space Charter Agreement

Date Last Published: October 12, 1986

EFFECTIVE
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Federal Maritime Commission

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Article 1

NAME OF AGREEMENT

The full name of the Agreement is the Mediterranean Space Charter Agreement (hereinafter "the Agreement").

Article 2

PURPOSE OF AGREEMENT

The purpose of the Agreement is to expedite the movement of cargoes and to serve the interests of the parties hereto and the shipping public.

Article 3

PARTIES TO THE AGREEMENT

The parties to this Agreement are listed in Appendix A hereto, which is hereby incorporated by reference.

Article 4

GEOGRAPHIC SCOPE OF AGREEMENT

The Agreement covers the trade between and/or via all ports on the Iberian Peninsula and/or in the Mediterranean Sea and ports on the U.S. Atlantic and Gulf Coasts, Eastport, Maine, to Brownsville, Texas, inclusive. The geographic scope of the Agreement is hereinafter referred to as "the trade."

Article 5

AGREEMENT AUTHORITY

5.1 Definition of Terms

As used herein, a Party who charters vessel capacity from another Party is the "charterer", a Party whose vessel capacity is chartered by another Party is the "underlying carrier", and the shipper who tenders the cargo to the charterer is the "underlying shipper."

5.2 Parties' Rights and Obligations

(a) Any Party may advise any other Party at any time of the need for, or the availability of, vessel capacity for chartering purposes. Except as provided in Subsection 5.2(b) hereof, a Party may charter space or slots under such Party's operational control to another Party on any feeder, relay or other vessel utilized for the transportation of cargo within the scope of the Agreement. Any Party may agree to such a charter arrangement in conjunction with discussions regarding the deployment or redeployment of such vessel.

(b) Space/slot chartering shall be strictly voluntary. No Party shall be obligated to charter space or slots to or from any other Party except as any Parties may, from time to time, mutually agree.

(c) Cargo shipments made pursuant to this Agreement shall be consigned to the charterer and transported by the underlying carrier on a contract basis.

(d) Compensation for any shipments under space/slot charter arrangements between or among Parties shall be as the parties to such arrangements may agree.

(e) Nothing herein shall be construed as a demise or partial demise of any vessel of any Party. At all times during any voyage on which cargo, containers or other equipment are carried pursuant to the terms of a space/slot charter arrangement entered into hereunder, the Master, his delegates, the officers and crew, shall be and remain the employees and agents of the underlying carrier only and shall not be or be deemed to be the employees or agents of the charterer.

(f) The charterer and underlying carrier shall make such ancillary terminal, operating, administrative and other arrangments as may be needed to conduct and perform space/slot chartering pursuant hereto, and shall exchange such booking data, shipping documents, tariff information and other material as they may require for that purpose.

(g) An underlying carrier will ensure that its personnel will, in accordance with any instructions of

the charterer, maintain, repair, and inspect the charterer's equipment.

5.3 Liabilities

(a) Charterer. The charterer shall, with respect to the underlying shipper, employ its regular bill of lading and strictly adhere to applicable published tariffs. The charterer shall be liable to the underlying shipper and shall receive and process claims for cargo loss and damage in the same manner and to the same extent and degree as if the cargo had been transported on the charterer's own vessel. The charterer shall indemnify and hold harmless the underlying carrier for damage to property, death, injury or illness resulting from misdescription of goods, improper stowage of goods within containers, or defect in the construction of containers tendered by the charterer to the underlying carrier. The charterer shall also indemnify the underlying carrier for any fines, penalties, duties or other expenses imposed on the latter due to errors in cargo manifests or any other documents, whether furnished by the charterer or the underlying shipper, if the charterer is liable for such errors.

(b) Underlying Carrier. Subject to the terms and conditions of the space/slot charter arrangement, the

underlying carrier shall indemnify the charterer, as provided in the Carriage of Goods by Sea Act, 46 U.S.C §§1301-1315, for liability to the underlying shipper in connection with any loss or damage to property caused by the underlying carrier.

(c) Force Majeure. Except as may be otherwise specifically provided in a space/slot charter arrangement, the obligations of the Parties to an arrangement shall be excused to the extent that the existence and continuance of conditions beyond the Parties' control render either the underlying carrier or the charterer, or both, unable to carry out their obligations. Such conditions include but are not limited to: war; civil commotion; invasion; rebellion; hostilities; strikes, labor disputes, sabotage or other work stoppages; unusually severe weather; regulations; or order of governmental authorities; legal intervention; acts of God; or inability to obtain materials or services. A Party asserting the existence of such conditions as an excuse of non-performance shall promptly give written notice of such conditions to all other Parties to the charter arrangement.

(d) Perishable Cargoes. Unless otherwise specifically provided in a space/slot charter arrangement,

the underlying carrier shall not be held liable for damage to the cargo if the charterer fails to take delivery of all containers said to contain perishable cargoes moving in dry or temperature-controlled equipment within twenty-four (24) hours after said containers have been made available for pickup from the underlying carrier.

Article 6

OFFICIALS OF AGREEMENT
AND DELEGATION OF AUTHORITY

The Parties may, but need not, appoint an Agreement Coordinator, who shall have the duty and the authority to ensure adherence to the terms and the conditions of the Agreement. All expenses arising from the maintenance and administration of this Agreement shall be prorated among the signatories in equal shares.

Any amendment to this Agreement may be executed by its Coordinator or Counsel for and on behalf of, and at the direction of, the signatories.

Article 7

MEMBERSHIP, WITHDRAWAL,
READMISSION AND EXPULSION

Any common carrier by water providing containerized shipping services and regularly scheduled sailings in the trade may become party to this Agreement on

equal terms and conditions. Any Party may withdraw from this Agreement without penalty by giving the Agreement Coordinator at least 60 days' written notice of its intention to withdraw. If the parties have not appointed an Agreement Coordinator, the 60 days' written notice shall be given to each of the other Parties. Any Party may be expelled from this Agreement, by a unanimous less one vote of all Parties, for failure to abide by the terms and conditions of this Agreement.

Article 8

VOTING

Except as otherwise agreed, all decisions implementing the Agreement shall be by unanimous vote of the Parties. Any amendment to this Agreement shall be by unanimous vote of the Parties.

Article 9

DURATION AND TERMINATION OF AGREEMENT

The effective date of this Agreement shall be the date it becomes effective under the Shipping Act of 1984. The Agreement shall remain in effect unless terminated by unanimous vote of the Parties.

Article 10

CARGO PREFERENCE LAWS

Laws and government regulations requiring shipments to be carried in whole or in part by a national flag line shall be observed unless appropriate waivers are obtained.

Article 11

RESOLUTION OF DISPUTES

Except as otherwise specifically provided in a space/slot charter arrangement, any dispute or claim arising thereunder which is not amicably settled by the parties to the arrangement shall be settled by arbitration.

Article 12

OPTIONAL ARRANGEMENTS

The liability and disputes provisions of Articles 5.3 and 11, and the provisions of subparagraphs (e) and (g) of Article 5.2 hereof shall apply except as may be otherwise mutually agreed by a charterer and an underlying carrier with respect to any space/slot chartering arrangements between them.

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MEDITTERRANEAN SPACE CHARTER AGREEMENT
FMC Agreement No. 217-010051-033
Sixteenth Revised Appendix A

APPENDIX A

EVERGREEN MARINE CORP. (TAIWAN) LTD.

FARRELL LINES, INC.

ITALIA DI NAVIGAZIONE, LLC

LYKES LINES LIMITED, L.L.C.

A.P. MOLLER-MAERSK A/S TRADING UNDER THE NAME OF MAERSK SEALAND

MEDITERRANEAN SHIPPING COMPANY S.A.

P&O NEDLLOYD B.V.

P&O NEDLLOYD LIMITED

ZIM ISRAEL NAVIGATION CO., LTD.

HAPAG-LLOYD CONTAINER LINIE GMBH

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UNDER THE SHIPPING ACT OF 1984
Federal Maritime Commission