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# THE MIDDLE EAST INDIAN SUBCONTINENT DISCUSSION AGREEMENT

FMC Agreement No. 011654-007

An Agreement Among Ocean Common Carriers

Restatement of Agreement
(2d Edition)

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UNDER THE SHIPPING ACT OF 1984
Federal Maritime Commission

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THE PARTIES HERETO HAVE AGREED AS FOLLOWS:

ARTICLE 1: NAME OF AGREEMENT

The name of this agreement is The Middle East Indian Subcontinent Discussion Agreement (hereinafter "Agreement").

ARTICLE 2: PURPOSE OF AGREEMENT

This Agreement has been established pursuant to the authority of regulations prescribed by the U.S. Federal Maritime Commission under the Shipping Act of 1984, as amended, for purposes of promoting the interests and well being of the Members and stability in the trades covered by this Agreement, by authorizing the parties hereto to agree, on a voluntary and non-binding basis, upon rates, charges, rules and practices governing the transportation of cargo in these trades

ARTICLE 3: PARTIES TO THE AGREEMENT

The names and principal office addresses of the parties to the Agreement (individually "Member" and collectively "Members") are listed in Appendix A.

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ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

4.1 The Agreement covers the transportation of all cargo, whether or not subject to the tariff filing requirements of the Shipping Act of 1984, as amended, and whether moving in all water or intermodal service under through bills of lading or otherwise, in the trade from all United States ports and from inland and coastal points in the United States via such ports to all ports and points in Bahrain, Bangladesh, India, Iran, Iraq, Jordan, Kuwait, Oman, Pakistan, Qatar, Saudi Arabia, Sri Lanka, the United Arab Emirates and Yemen (hereinafter the "Trade").

ARTICLE 5: AGREEMENT AUTHORITY

5.1 The Members are authorized to consider all aspects of transportation and service in the Trade and to:

(a) Discuss, agree upon, establish, cancel, maintain and revise rates, rules, charges, classifications, regulations, conditions and practices in the Trade or any portion thereof for the transportation and handling of cargo. The rates authorized herein include, but are not limited to, port-to-port, inland, class, time-volume, proportional (based on origin or destination), through intermodal (whether single factor, multifactor or otherwise) and inland portions of any through rate. Rates may apply from base ports and points and may provide for absorptions, equalizations and substituted or alternate port service. Further, the authority provided for herein includes, but is not limited to, discussion and agreement upon the establishment, cancellation, maintenance and revision of provisions concerning liability, bill of lading conditions,

positioning of equipment, interchange with connecting carriers, terminal and shoreside loading operations, wharfage, free time and demurrage, receipt, handling, storage and delivery of cargo, consolidation, container yards, depots and freight stations, and the transportation, use and storage of containers, chassis and all other intermodal equipment;

(b) Discuss, agree upon, establish, cancel, maintain and revise surcharges and ancillary charges applicable to the transportation of cargo in the Trade including, but not limited to, surcharges relating to bunker fuel costs and differences in the value of currency;

(c) Establish or employ a cargo inspection service and agree upon a level of penalties to be applied for misdeclarations, other document irregularities, or failure to provide documents relevant to cargo inspection;

(d) Agree with forwarders or brokers, or among themselves, on amounts of brokerage and freight forwarder compensation and conditions for the payment thereof (including deferred or other payments based on all or a fixed portion of such broker's or forwarder's cargo(es) and/or commodity or commodities moving with the Members);

(e) Agree upon, publish, revise, and cancel rules governing the extension of credit by Members to shippers, including rules prohibiting the extension of credit, bonding requirements and/or security requirements, and provisions denying credit to any shipper, forwarder or consignee which is in default of or has failed to comply with the credit rules set forth in the Members' respective tariffs for any shipment moving under such tariffs and exchange among themselves credit information concerning shippers, consignees and forwarders;

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(f) Negotiate, offer and enter into service contracts, as per Article 14 hereof; and

(g) Agree upon, negotiate and discuss with shippers, shippers' associations or other shippers' groups including shippers' councils all service contract and/or tariff matters covered by this Agreement or other matters of common interest and to act on such matters.

*5.2* The Members may enter into agreements with other ocean freight conferences, rate agreements, or common carriers to provide and/or share office facilities, personnel, office equipment, computer equipment, information systems, and other services pertaining to the administration, management, staffing, housekeeping, and communication needs of such conferences, rate agreements, and ocean carriers including, but not limited to, computer and tariff filing services, electronic mail, and development of statistical information. The fee or the allocation of expenses for such facilities and/or services shall be as mutually agreed by the parties involved.

*5.3* The Members or any group of the Members are authorized to caucus or otherwise discuss, consider, agree and exchange information concerning any matter within the scope of this Agreement for the purpose of clarifying differences in their respective viewpoints regarding such matters, or of endeavoring to reach common positions for communication to, or discussion or negotiation with, any other Member or Members.

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5.4 The Members are authorized to exchange information, keep and compile records and statistics, including market data, as may be required or deemed helpful to the implementation of any authority contained in this Agreement and/or the interests of the Members

5.5 Any two or more Members may agree among themselves upon the terms and conditions pursuant to which any one of them may charter space on the vessel(s) of another Member on an ad hoc, sporadic or emergency basis, for the transportation of cargo in the Trade. The Agreement shall submit reports to the FMC on a quarterly calendar year basis reflecting all chartering arrangements effected between or among the Parties pursuant hereto and specifying, for each such arrangement, (i)the names of the chartering and underlying carrier parties, (ii)the amount of space chartered expressed in twenty-foot equivalent units (TEUs); (iii) the commencement and termination dates; and (iv)ports of loading and discharge.

5.6. Effective May 1, 1999, the Members or any of them are authorized to jointly negotiate with a non-ocean carrier or group of such carriers (forexample, truck, rail or air operators) on matters relating to rates or services provided to the Members or any of them within the U.S. by such non-ocean carriers.

5.7 In addition to any other authorities established elsewhere in this Agreement, two or more of the Members may meet and otherwise

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communicate and may exchange information and views and discuss positions or proposals with respect to rationalization of vessels and/or vessel capacity operated, or which is being planned to be operated, by any one or more Members in all or any portion of the Trade. For purposes of this Article 5.7, the term "rationalization" includes arrangements or agreements to: slot charter vessel capacity; cross charter vessel capacity; jointly share or operate vessels and vessel capacity; add or remove vessels or vessel capacity from availability for use in all or any portion of the Trade; reduce, increase or otherwise modify sailing schedules, port calls, or transit times; allocate vessels or vessel capacity for contract and non-contract cargo, for particular routings, particular commodities, for particular equipment sizes or types, based on cargo weight or other transportation related characteristics; establish a pooling arrangement for cargo (based on commodity, weight, measure, revenue, or container units, hereafter "cargo units") with Members being allocated shares of anticipated cargo units; and to exchange individual, group and tradewide data, reports, plans, projections, and **all** other information regarding, relevant and/or useful to any or all Members for purposes of the activities provided for hereunder. Any agreement reached pursuant to this Article 5.7 shall not be implemented unless it, to the extent required, has been filed and become effective under the Shipping Act of 1984, as amended.

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*5.8* Any agreement or understanding between or among the Members pursuant to this Agreement shall at all times be voluntary and non-binding and any Member can depart from such an agreement or understanding without prior discussion or notice to the other Members.

ARTICLE 6: ADMINISTRATION AND DELEGATIONS OF AUTHORITY

6.1 Agreement Executive. The Members may employ a Secretariat and such other administrative staff as they deem necessary. The Secretariat shall have full authority to carry out the decisions of the Parties. The Secretariat and administrative staff shall give notice of meetings, issue dockets for meetings, keep records, distribute minutes to the Members and perform such other duties as may be delegated by the Members.

6.2 Agreement Offices. The Agreement shall establish such offices in such places as the Members deem necessary from time to time.

6.3 Committees. The Agreement may have such standing and/or special committees as the Members deem necessary. The responsibilities of and procedures for any committees, including representation and the use of proxies at meetings of such committees, shall be determined by the Members.

6.4 Amendments to Agreement. Upon action taken by the Members in accordance with this Agreement, an authorized Secretariat official and Agreement Counsel (including all members of the law firm of Agreement

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Counsel) are each authorized to execute and file amendments to this Agreement with the Federal Maritime Commission on behalf of the Members.

ARTICLE 7: MEMBERSHIP

7.1 Any ocean common carrier by water, as defined in Section 3(18) of the Shipping Act of 1984, as amended, may become a Member. Application for membership shall be made to the Agreement Secretariat in writing, outlining the corporate and trade name of the company, the service in effect or contemplated, and such other information as the Agreement may require. Copies of the application shall be sent to all Members and every application for admission to membership shall be acted upon promptly. Admission to membership shall be effective in accordance with applicable legal requirements.

7.2 Before its Membership becomes effective, each applicant shall post the financial guarantee referred to in Article 15.

7.3 Any Member may withdraw from the Agreement, without penalty, effective not less than forty-five (45) days after receipt of written notice of such withdrawal by the Secretariat, which shall promptly advise the other Members of the same. Any other Member may, within ten (10) days from the receipt of such notice, withdraw by the same procedure, but effective on the same date as that designated by the notice filed within the ten preceding days.

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7.4 The withdrawing Member shall not, however, after receipt by the Agreement of such Member's withdrawal, have any vote on any Agreement matter, rate, rule or regulation which is to continue in effect or to become effective after the effective date of its resignation.

7.5 Any Member may be expelled from this Agreement, pursuant to the voting procedures of Article 8 hereof, for failure to maintain a service in the Trade for a period of sixty (60)consecutive days, force majeure and strike periods excepted, or for failure to abide by the terms and conditions of this Agreement. No expulsion shall become effective until the expelled Member has been furnished with a detailed statement setting forth the reason or reasons therefor and a copy of such statement has been submitted to the Federal Maritime Commission.

ARTICLE 8: MEETING AND VOTING PROCEDURE

8.1 There is no voting under this Agreement except with respect to Agreement service contracts provided for in Article 14, the sharing of expenses and other administrative matters, the termination of this Agreement, or amendments to the Agreement. Any amendment to this Agreement shall require the affirmative vote of all of the Members. Voting on any other matter, except for termination of the Agreement, shall be determined by a simple majority of those Members entitled to vote.

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8.2 Votes may be taken at a meeting, by telephone conference call or by other electronic polling means.

8.3 Agreement meetings shall be held as agreed upon by the Members or may be called by the Secretariat. The Members may adopt and revise rules governing the calling and conduct of Agreement meetings.

ARTICLE 9: DURATION AND TERMINATION OF AGREEMENT

The Members may at any time, by a vote of unanimity-less-one of all Members, terminate this Agreement and declare it disbanded.

ARTICLE 10: POLICING AND ENFORCEMENT

Not Applicable.

ARTICLE 11: PROHIBITED ACTS

The Agreement shall not boycott or take any other action resulting in a refusal to deal, or engage in any predatory practice designed to eliminate the participation, or deny entry in the Trade of a common carrier not a member of the Agreement, a group of common carriers, an ocean tramp or a bulk carrier.

ARTICLE 12: CONSULTATION, SHIPPERS' REQUESTS AND COMPLAINTS

Not applicable.

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ARTICLE 13: INDEPENDENT ACTION

Not applicable.

ARTICLE 14: SERVICE CONTRACTS

14.1 Agreement Service Contracts.

(a) The Members are authorized to negotiate, offer, enter into, amend, or decline to offer or enter into, or amend, Agreement service contracts (hereinafter "Agreement service contract(s)") with shippers, shippers' associations, and other shipper groups (collectively,"Shippers") for the movement of cargo moving within all or any portion of the Trade covered by this Agreement.

(b) Prior to the execution of any Agreement service contract, any Member may elect not to participate, or to limit its participation therein, by so advising the Secretariat (including a statement of any limitations on its participation). Any such election by a Member not to participate or to limit its participation in an Agreement service contract shall be specified in said contract. In the event a Member elects not to participate in an Agreement service contract or to limit its participation, that Member may elect to participate in the Agreement service contract or to remove, entirely or partially, the limitations on its participation after the execution of said service contract by so advising the Agreement in writing; provided, however, that if a new Member which joins the Agreement after the effective date of a given Agreement service

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contract has any pre-existing individual service contracts within the scope of the Agreement in which the Members of the Agreement may not participate, the joining party shall be deemed to have waived its right to participate in all such Agreement service contracts which became effective prior to the effective date of that party's membership, unless the Members unanimously agree otherwise.

14.2 Individual Service Contracts.

Any Member is and any group of Members are authorized to enter into individual service contracts ("ISCs"). Nothing in this Agreement shall restrict the right of any Member or Members to negotiate an ISC, nor is any Member(s) required to disclose negotiation of any ISC, or the terms and condition of an ISC, other than those terms and conditions required to be made publicly available under Section 8 of the Shipping Act of 1984, as amended. Provided, however, that the Members are authorized to exchange information relating to ISCs and discuss such information as is available by reason of a legal requirement or where a shipper party has consented to such disclosure/discussion.

14.3 Voluntary Guidelines Applicable to Agreement Service Contracts and ISCs.

The Members may adopt, repeal or amend voluntary guidelines relating to the terms and procedures of all or a portion of the Agreement's

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service contracts and/or the ISCs of Members (subject to such deviations or alterations as the Members may authorize from time to time). Any voluntary guidelines adopted shall be confidentially submitted to the Federal Maritime Commission and shall explicitly state the right of the Members not to follow any or **all** of the guidelines adopted,

ARTICLE 15: FINANCIAL GUARANTEE

Not applicable.

ARTICLE 16: MEMBERS' OBLIGATIONS

16.1 No Member may divulge to any person not a party to this Agreement the views and positions of any Members or of the Agreement staff on any subject placed before the Agreement for consideration, or any information concerning Agreement resolutions of any Agreement action; provided, however, that disclosure to any government agencies having jurisdiction over all or any portion of the Agreement's operations for the purpose of enforcing the laws of the involved governments shall not constitute a breach of this Agreement.

16.2 In the event civil penalties are imposed on the Agreement as a result of:

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(a) the failure of one or more Members to prepare and arrange for the filing of minutes of any discussion conducted or agreement reached outside of a regularly scheduled or convened meeting of the Agreement; or

(b) the failure of one or more Members to submit in a timely manner the data necessary to complete the quarterly monitoring reports of the Agreement;

such penalties and all costs associated therewith (including but not limited to attorneys' fees) shall be the responsibility of the Members that participated in such meeting(s) or failed to provide the monitoring report data, and said Members shall be liable to non-participating Members (with respect to minutes) or compliant Members (with respect to monitoring reports) for any civil penalties and all costs associated therewith (including but not limited to attorneys' fees) such non-participating or compliant Members may be required to pay as a result of the conduct described in this Article 16.2.

ARTICLE 17: ARBITRATION

Any disputes arising out of or in connection with this Agreement, including the payment of civil penalties and costs under Article 16.2, shall be resolved by arbitration before a single arbitrator in New York, NY, said

arbitrator to be agreed upon by the party or parties on opposing sides of the issue. Failure such agreement, the arbitrator shall be appointed by the President of the Society of Maritime Arbitrators, New York, NY. The arbitration shall be conducted pursuant to the procedural rules of the said Society of Maritime Arbitrators.

ARTICLE 18: EXPENSES

Each member shall be assessed a share of Agreement expenses. The Members shall agree upon how the expenses shall be allocated among them

-- All assessments shall be paid within thirty (30)days of dispatch.

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SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have agreed this 16th day of January, 2007, to amend this Agreement as per the attached page and to file same with the Federal Maritime Commission.

THE NATIONAL SHIPPING COMPANY OF SAUDI ARABIA

By: _____
Name: Wayne Rohde
Title: Attorney in Fact

A. P. MOLLER-MAERSK A/S trading under the name of Maersk Line

By: _____
Name: Wayne Rohde
Title: Attorney in Fact

UNITED ARAB SHIPPING COMPANY (S.A.G.)

By: _____
Name: Wayne Rohde
Title: Attorney in Fact

CMA CGM S.A.

By: _____
Name: Wayne Rohde
Title: Attorney in Fact

HAPAG-LLOYD AG

By: _____
Name: Wayne Rohde
Title: Attorney in Fact

MACANDREWS & COMPANY LIMITED

By: _____
Name: Wayne Rohde
Title: Attorney in Fact

The Middle East Indian
Subcontinent Discussion Agreement
FMC Agreement No. 011654-017
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SIGNATURE PAGE (continued)

SWIRE SHIPPING LIMITED

By: _____
Name: Wayne Rohde
Title: Attorney-in-fact

EMIRATES SHIPPING LINE FZE

By: _____
Name: Wayne Rohde
Title: Attorney-in-fact

SHIPPING CORPORATION OF INDIA LTD.

By: _____
Name: Wayne Rohde
Title: Attorney-in-fact

ZIM INTEGRATED SHIPPING SERVICES, LTD.

By: _____
Name: Wayne Rohde
Title: Attorney-in-fact

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APPENDIX A

A.P. MOLLER-MAERSK A/S trading under the name of Maersk Line

Address: 50 Esplanaden
Copenhagen, Denmark

CMA CGM S.A.

Address: 4 Quai d'Arnec
F-13002 Marseille
France

The National Shipping Company of Saudi Arabia

Address: World Trade Center
401 E. Pratt Street
26th Floor
Baltimore, MD 21202

United Arab Shipping Company (S.A.G.)

Address: 505 South Avenue
Cranford, NJ 07016

P&O Nedlloyd Limited

Address: One Meadowlands Plaza
12th Floor
East Rutherford, New Jersey 07073
(resignation effective March 29, 2006)

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Hapag-Lloyd AG

Address: Ballindamm 25
20095 Hamburg, Germany

Swire Shipping Limited

Address: Level 10, Swire House 10
Spring Street
Sydney, NSQ 2000
Australia

MacAndrews & Company Limited

Address: 40 Cragwood Road
South Plainfield, NJ 07080

Emirates Shipping Line FZE

Address: c/o Emirates Shipping (Hong Kong) Ltd.
21/F Convention Plaza, 1 Harbour Road
Wanchai Hong Kong

Shipping Corporation of India Ltd.

Address: Liner & Passenger Services Division
15th Floor, Shipping House
245, Madame Cama Road
Nariman Point, Mumbai -- 400021, India

Zim Integrated Shipping Services, Ltd.

Address: 9 Andrei Sakharov Street
"Matam" – Scientific Industries Center
P.O. Box 1723
Haifa, 31016, Israel

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