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FEDERAL MARITIME COMMISSION

CSAV/CMA CGM SPACE CHARTER AGREEMENT

FMC AGREEMENT NO. 011759

AGREEMENT TYPE:	SPACE CHARTER AGREEMENT
LAST REPUBLISHED:	NOT APPLICABLE
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EFFECTIVE
MAY 24 2001
UNDER THE SHIPPING ACT OF 1984
Federal Maritime Commission

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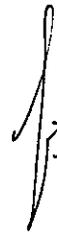
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ARTICLE 1 - Name of the Agreement - This Agreement shall be known as the CSAV/CMA CGM Space Charter Agreement.

ARTICLE 2 - Purpose - The purpose of this Agreement is to permit CMA CGM to charter vessel space from CSAV and to utilize other related equipment in connection with the carriage of cargo on terms and conditions agreed to by the Parties in the trade within the geographic scope set forth in Article 4.

ARTICLE 3 - Parties to the Agreement - The Agreement is made by and between the following parties:

1. Compania Sud Americana de Vapores ("CSAV"), a company organized under the laws of the Republic of Chile, with its principal office at Valparaiso, Chile; and
2. CMA CGM ("CMA CGM") a company organized under the laws of France, with its principal office at Marseilles, France.

CSAV and CMA CGM are jointly referred to as "the Carriers" or "the Parties."

ARTICLE 4 - Geographic Scope of the Agreement - This Agreement shall cover the carriage of cargoes in direct service between ports in the United States East Coast and Puerto Rico and inland and coastal points served via those ports, on the one hand, and ports in the Caribbean, Colombia, Panama, Ecuador, Peru and Chile and inland and coastal points served via those ports (including points in Bolivia and Argentina) on the other hand (hereinafter the "Trade").

ARTICLE 5 - Authority

5.a. Carrier Obligations

5.a(i) CSAV shall transport CMA CGM's tendered cargo and/or equipment in their general cargo container service in the trade, with CSAV providing CMA CGM with space for 75 TEU per vessel voyage during the period from June 1 until September 1, 2001, after which CSAV shall provide space for 100 TEU per vessel voyage. CSAV will provide up to twelve reefer plugs per vessel voyage. Equipment includes, without limitation, containers owned or leased by CMA CGM, whether full, partially loaded or empty.

5.a(ii) Intentionally omitted.



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5.b. Designation of Carriers as Charterers and Owners

As used herein, CMA CGM shall be referred to as "Charterers". CSAV shall be referred to as "Owners."

5.c. Compensation

Compensation for any transportation pursuant to this Agreement shall be as the Carriers may from time to time agree. CMA CGM shall pay for slots hired, used or not used.

5.d. No Joint Service, Pooling, Pricing or Marine Terminal

The chartering of space provided hereunder does not create a joint service, permit the Parties to discuss or agree on rates or terms to be offered or charged the shipping public or permit the Parties to pool cargo or revenue except as permitted under agreements relating to United States oceanborne commerce of which the Parties are or may become members, which agreements are filed with the FMC and effective pursuant to the Shipping Act of 1984. Nothing in this Agreement authorizes the parties to jointly operate a marine terminal facility.

5.e. Booking and Documentation

Procedures for booking vessel capacity, documentation and other administrative matters relating to chartering and transportation provided under this Agreement as well as allocation of responsibilities shall be as the Carriers may from time to time agree.

5.f. Further Agreements

The authority of the Parties under this Agreement contemplates operations, activities and agreements interstitial to or otherwise in implementation of all such expressed authority or undertaken or entered into with a reasonable basis to conclude that such collective action is covered by this Agreement, as lawfully in effect at the time the action occurred. In accordance with 46 C.F.R. § 535.407, any further agreement contemplated herein cannot go into effect unless filed and effective under the Shipping Act of 1984, except to the extent that such agreement concerns routine operational or administrative matters. Except as required by law, the terms and conditions of any interstitial agreement shall be confidential to the Parties and no details of such agreement or the contents thereof shall be divulged to any other party without the prior written approval of the other Party.

ARTICLE 6 - Officials and Delegations of Authority - Legal Counsel for the



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respective parties are appointed as U.S. representatives of the Agreement and are authorized to file with the Governmental Authorities the Agreement and any amendments hereto, as well as to submit associated supporting materials.

ARTICLE 7 - Membership, Withdrawal, Readmission and Expulsion -

7.a. New Parties to this Agreement may be added only upon unanimous consent. The addition of any new Party to this Agreement shall become effective after an amendment noticing its admission has been filed with the Federal Maritime Commission and become effective under the Shipping Act of 1984.

7.b. Notwithstanding any other provision of this Agreement, any party may withdraw from this Agreement at any time with ninety (90) days written notice to the other Parties, subject to the following terms and conditions:

7.b.(i) Any withdrawal shall be without prejudice to the Parties' respective accrued obligations to one another as of the date of withdrawal. In no event shall any party be liable to another for consequential damages arising from withdrawal from this Agreement;

7.b.(ii) The withdrawing party will promptly notify the Federal Maritime Commission of its withdrawal pursuant to this Article; and

7.b.(iii) No notice of withdrawal may be given prior to twenty-one months after the effective date of the Initial Period of this Agreement as amended, (i) except that if at any time there shall be a change in the ownership of any Party and if any other Party is of the opinion, arrived at in good faith, that such change in ownership is likely materially to prejudice the cohesion or viability of this Agreement, then such other Party may, within one (1) year of becoming aware of such change, give not less than ninety (90) days written notice of its withdrawal from this Agreement; and (ii) except that if at any time any Party is dissolved or becomes insolvent, or fails to pay its debts as they may become due or makes a general assignment, arrangement or composition with or for the benefit of its creditors or has a winding-up order made against it or enters into liquidation, whether voluntarily or compulsorily, or seeks or becomes subject to the appointment of an administrator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets, or is affected by any event or similar act or which under the applicable law of the jurisdiction where it is constituted has an analogous effect or takes any action in furtherance of any of the foregoing acts (other than for the purpose of a consolidation, reconstruction or amalgamation previously approved in writing by the other Parties), and another Party is of the opinion that such event or occurrence is or may be materially detrimental to this Agreement, or sums that



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may be owed other than those that would be disputed in good faith may not be paid in full or that their payment may be delayed, then such other Party may give notice in writing of its immediate withdrawal from this Agreement.

ARTICLE 8 - Voting - All exercise of authority under the Agreement shall be by the unanimous consent of the Parties.

ARTICLE 9 - Duration and Termination -

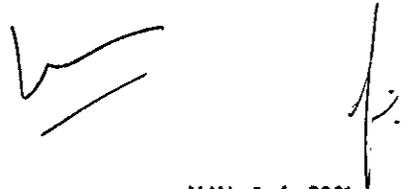
9.a. This Agreement shall remain in effect for a minimum of twenty-four (24) months from the date on which it first becomes effective under the Shipping Act of 1984 (the "Initial Period") or June 1, 2001, whichever is later. After expiration of the Initial Period, this Agreement shall continue in effect unless the Agreement is terminated by the unanimous agreement of the Parties or the resignation of all but one Party.

9.b. Any Party's termination of participation shall be without prejudice to the Parties' respective accrued obligations to one another as of the effective date of the withdrawal.

9.c. In the event of the following Events of Default occurring, the party(ies) for which the Events of Default do not occur (in this clause referred to as the "Non-defaulting Party(ies)") may immediately terminate this Agreement in relation to the Party in default ("Defaulting Party"):

9.c.(i) failing to perform or observe any covenant, undertaking, condition or provision contained in this Agreement (including but not limited to failure to make any payment due under this Agreement) and such failure continuing for a period of ten (10) days following the service via facsimile or telex by the Non-Defaulting Party to the Defaulting Party of notice requiring such failure to be remedied; or

9.c.(ii) becoming bankrupt or insolvent, or appointing a receiver or liquidator or trustee or assignee in bankruptcy or insolvency, or commencement of the business under a receiver for benefit of any of its creditors, or making a general assignment for the benefit of any of its creditors, or petition being presented or convening a meeting for the purpose of considering a resolution, or other step being taken for the winding up or liquidation of the Defaulting Party (otherwise than for the purpose of a merger, amalgamation or reconstruction to the terms whereof approval in writing by the Non-Defaulting Party shall have been previously given, which shall not be unreasonably withheld), or occurring of any event similar to any of the above under the laws of the Defaulting Party's country of



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incorporation.

Any Party which, notwithstanding a Default by the other Party, continues to participate in the Agreement, shall not be deemed to have waived its right of immediate withdrawal under this Article, unless and until the Defaulting Party shall have cured any default in accordance with those Articles.

9.d. In the event of termination of this Agreement under this Article 9, subject to the limitation of subclause 9.b. above, the Defaulting Party shall be liable to the Non-Defaulting Party for compensating any and all losses, damage, costs and expenses, including reasonable legal fees and disbursements, arising out of or in connection with such termination. In the event of the change in ownership or control of any Party (the Party so affected in this subclause referred to as the "Affected Party") occurring and the other Party(ies) being of the opinion arrived at in good faith that such change is likely materially to prejudice the operation under this Agreement, then the other Party(ies) may give not less than 30 days notice in writing to the Affected Party terminating this Agreement.

ARTICLE 10 - Compliance with Chilean and United States Regulations - The provisions and implementation of this Agreement will fully comply with the Chilean Maritime Regulations, the U.S. Maritime Regulations, and such other national regulation as may apply, including but not limited to the statutes administered by the Federal Maritime Commission of the United States.

ARTICLE 11 - Arbitration and Governing Law - a) Applicable Law. The interpretation, construction and enforcement of this Agreement shall be governed by the laws of the United States of America and the substantive laws of the State of New York.

b) Arbitration. Except as otherwise provided herein, any dispute or claim arising hereunder which is not amicably settled by the Parties shall be settled by arbitration. Arbitration shall be held in New York, New York, by a panel of three arbitrators familiar with ocean container shipping, unless the Parties can agree on a single arbitrator, none of which shall have any interest in or with any Line. Upon agreement of the Parties, arbitration may be held in any other place. Arbitration shall be conducted in accordance with the arbitration Rules of the New York Society of Maritime Arbitrators, Inc. (the "SMA").

(1) Any Line may call for such arbitration by service upon the Line with whom it has the dispute of a notice specifying the name and address of the arbitrator chosen by the first moving Line and a brief description of the disputes or differences




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which such Line desires to put to arbitration. If the other Line shall not, by notice to first moving Line within thirty days of the service of such first notice, appoint its arbitrator to arbitrate the dispute or differences specified, the arbitrator appointed by the first moving Line shall act as the sole arbitrator, with full power as to act hereunder. In the event that the two arbitrators fail to appoint a third arbitrator within twenty days of the appointment of the second arbitrator, either Line may petition the President of the SMA for the appointment of the third arbitrator, whereupon the third arbitrator shall be appointed by such President. In the event that the President of the SMA fails to appoint the third arbitrator within twenty days of the date on which such President receives the petition, either party may apply to a Judge of any court of competent jurisdiction in New York, New York (or the alternate location for the arbitration agreed to by the Parties) for the appointment of a third arbitrator, and the appointment of such arbitrator by such President or Judge on such application shall have precisely the same force and effect as if such arbitrator had been appointed by the two arbitrators. Until such time as the arbitrators finally close the hearings, either Line shall have the right by written notice served on the arbitrators and on the other Line to specify further disputes or differences under this Memorandum of Agreement for hearing and determination.

(2) If there are more than two parties to the arbitration, the complaining party or parties shall submit a written request, in which the party or parties complained against shall be given the opportunity to join, to the President of SMA for a list of arbitrators, the number of which shall be three times the number of parties to the arbitration plus an additional three, and all of which shall be former or current officers or directors of SMA. Upon receipt of such list, the parties to the arbitration shall confer and, acting in alphabetical order, shall seriatim strike one arbitrator from the list until there remain only three arbitrators, who shall arbitrate the dispute.

(3) The arbitrators, by majority vote in writing, may award damages and expenses which they deem proper. In addition, the arbitrators shall assess the costs of the arbitration including interest, pre-judgment interest, their fees and reasonable attorney's fees against either Line, or both, in such manner as they shall set forth in their written findings of facts and conclusions. Such decision shall be final and conclusive, shall be rendered within 90 days of the final submissions of the Parties, including briefs, and may be enforced in a court of competent jurisdiction. The arbitrators may not award exemplary or punitive damages nor may they order specific performance. A copy of such decision shall be served by the arbitrators on the Parties.

(c) Notwithstanding anything to the contrary in the Agreement or in law, any Party shall have the right to apply to any Court of competent jurisdiction to obtain any pre-judgment remedy to which it may be entitled against another.



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ARTICLE 12 - Notices

All notices and other communications pertaining to the Agreement, except as the parties may otherwise provide, shall be sent by airmail, postage prepaid and addressed as follows:

COMPANIA SUD AMERICANA DE VAPORES S.A.
Plaza Sotomayor 50
Valparaiso, Chile
Fax 56-32-203333
Attention:

CMA CGM
4, Quai D'Arenc
P.O. Box 2409
13215 Marseilles
Cedex 2 - France
Fax:
Attention:

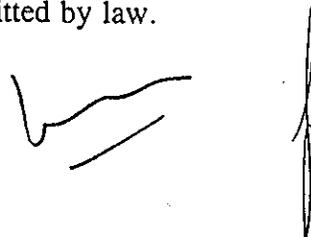
Priority notices and communications may be sent by fax and confirmed by registered airmail.

ARTICLE 13 - Assignment and Exclusivity

CMA CGM may not subcharter or assign its rights and obligations under this Agreement in whole or in part, without the written consent of the other Parties. This Agreement is non-exclusive, and the Parties may load cargo or containers in other ships not belonging to this Agreement within the Trade.

ARTICLE 14 - Enforceability

If at any time during the performance of any transportation under the provisions of the Agreement, any term, covenant, condition or proviso contained in the Agreement or the application thereto to any person or circumstances shall be held to be invalid, illegal or unenforceable, the remainder of the Agreement or the application or such term, covenant, condition or proviso to persons or circumstances other than those to which it is invalid, illegal or unenforceable shall not be affected thereby and each term, covenant, proviso or condition of the Agreement shall be valid and be enforceable to the full extent permitted by law.



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Handwritten signature or initials consisting of several strokes, including a large 'L' shape and a vertical line.

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Signature - This Agreement may be executed and delivered by exchange of facsimile copies showing the signatures of each Party, and the original signatures need not be affixed to the same copy. The facsimile copies showing the signature of each Party will constitute original signed copies of the same Agreement requiring no further execution.

Dated: ~~March~~ ^{April} 6, 2001

COMPANIA SUD AMERICANA DE VAPORES S.A.

By: Walter H. Lion
Name: Walter H. Lion
Title: Attorney in fact

CMA CGM

By: JEAN Louis SAULNIER
Name:
Title: Senior Vice President
Jean Louis

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