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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMM

CMA CGM/Maersk Line Space Charter,
Sailing and Cooperative Working
Agreement Asia to USEC and PNW-
Suez/PNW & Panama Loops
FMC Agreement No. 012057-002
First Revised Page No. 2

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of the Agreement shall extend to the trade between ports in the People's Republic of China (including Hong Kong) and Singapore, Korea, Japan, Panama, Morocco and the West Coast of Canada on the one hand, and ports on the East and West Coasts of the United States, on the other hand. All of the foregoing is hereinafter referred to as the "Trade."

ARTICLE 5: AGREEMENT AUTHORITY

5.1 Vessels and Loops. (a) Initially, the Parties shall operate two loops, as described below. The Parties may, by unanimous agreement, change the description of the vessels to be deployed in one or both loops.

(b) Loop 1/The Suez/PNW Loop shall operate between southern and central China, Hong Kong, Japan, Singapore, Morocco, Korea, Canada and the East and West Coasts of the United States. Initially, the Parties shall deploy thirteen (13) vessels in Loop 1, with such vessels having an agreed declared capacity of 6,250 TEUs/59,375 tons (at 9.5 MT per TEU) each and 500 reefer plugs. CMA CGM shall provide six (6) or seven (7) vessels to Loop 1 and Maersk Line shall provide seven (7) vessels.¹ The Parties are authorized, without further amendment, to increase the size of the vessels deployed in Loop 1 up to approximately 8,500 TEUs nominal capacity.

¹ Beginning in May of 2009, the Parties will operate the eastbound leg of Loop 1 via the Cape of Good Hope using 14 vessels rather than via the Suez Canal using 13 vessels. The Parties will continue to monitor costs and will route Loop 1 in the manner deemed most cost effective. If the Parties route the eastbound leg of the Loop via the Suez Canal, CMA CGM will provide 6 vessels. Morocco will be served only if the Parties operate eastbound via the Suez Canal rather than via the Cape of Good Hope.

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(c) Loop 2/The Panama Loop shall operate between northern and central China, Korea, Panama and the East Coast of the United States. Initially, the Parties shall deploy eight (8) vessels in Loop 2, with such vessels having an agreed declared

Loop 1 ²	<u>Line</u>	<u>TEUs/Tons</u>	<u>Reefer Plugs</u>
	CMA CGM	2884/27,398	231
	Maersk Line	3366/31,977	269

Loop 1 ³	<u>Line</u>	<u>TEUs/Tons</u>	<u>Reefer Plugs</u>
	CMA CGM	3125/29,688	250
	Maersk Line	3215/29,688	250

The Parties may agree to adjust the foregoing Loop 1 allocations on particular sailings to maintain the proportional allocation over the course of a vessel cycle.

Loop 2	<u>Line</u>	<u>TEUs/Tons</u>	<u>Reefer Plugs</u>
		On CMA CGM vessels	
	CMA CGM	2301/21,859.50	153
	Maersk Line	2199/20,890.50	147
		On Maersk Line vessels	
	CMA CGM	2199/20,890.50	153
	Maersk Line	2101/19,959.50	147

The Parties may agree to proportional adjustments and/or reductions in the foregoing Loop 2 allocations as necessary for crossings of the Panama Canal. The Parties may also agree to adjust these allocations if the Parties' vessels are declared as having different capacities.

(b) For purposes of this Agreement, a 20-foot container shall be considered as one TEU, and 40-foot, 40HC and 45HC containers shall all be considered as two TEUs.

² Allocations when service is operated via Suez Canal in both directions with 13 vessels.

³ Allocations when service is operated via Cape of Good Hope eastbound with 14 vessels.

(c) There shall be no structural slot exchanges or structural slot purchases between Loop 1 and Loop 2, and each Loop shall always be considered independently (except as provided in Article 5.3).

(d) Slot allocations may be used in slots or weight (based on 9.5 tons per TEU),

as amended, except to the extent that such agreement concerns routine operational or administrative matters.

5.10 The Parties shall collectively implement this Agreement by meetings, writings, or other communications between them and make such other arrangements as may be necessary or appropriate to effectuate the purposes and provisions of this Agreement.

ARTICLE 6: AGREEMENT OFFICIALS AND DELEGATIONS OF AUTHORITY

The following are authorized to subscribe to and file this Agreement and any accompanying materials and any subsequent modifications to this Agreement with the Federal Maritime Commission:

- (i) Any authorized officer of a Party; and
- (ii) Legal counsel for a Party.

ARTICLE 7: VOTING

Except as otherwise provided herein, all actions taken pursuant to this Agreement shall be by unanimous agreement of the Parties.

ARTICLE 8: DURATION AND TERMINATION OF AGREEMENT

8.1 This Agreement shall become effective on the date it is effective under the U.S. Shipping Act of 1984, as amended, and shall continue indefinitely. The Parties shall agree in writing on the commencement date of operations, which shall be the earlier of the actual date of sailing of Loop 1 (as revised) and Loop 2. Any Party may terminate

this Agreement on not less than six (6) months written notice to the other Parties; provided, however, that any such notice given less than thirty (30) months after the commencement date of this Agreement will not begin to run until the completion of thirty (30) months. Unless otherwise agreed, this Agreement will remain in force until the completion of all the roundtrip voyages included in the current ~~thirteen or eight~~ vessel cycle for each Loop which is in progress at the time such notice to terminate would otherwise have taken effect. For the sake of clarity, within Loop 1, termination in the Suez portion will determine the termination in the PNW portion, with each cycle having the same numbering.

8.2 Notwithstanding Article 8.1 hereof, this Agreement may be terminated at any time by the mutual agreement of the Parties.

8.3 Notwithstanding Article 8.1 hereof, if following the outbreak of war (whether declared or not) or hostilities or the imminence thereof, or riot, civil commotion, revolution or widespread terrorist activity, any Party is of the opinion that the events will render the performance of the Agreement hazardous or wholly or substantially imperilled, such Party may terminate this Agreement upon not less than one (1) month prior notice to the other Party.

8.4 Notwithstanding Article 8.1, if any Party, (the affected Party) is prevented by Government intervention (not caused by the contractual obligations of the affected Party to that government) or decree or by law from continuing in the Trade, or if its/their performance becomes illegal and the remaining Party considers that the

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absence of the affected Party will substantially prejudice the continued viability of the service, then the Agreement shall be terminated with immediate effect.