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U.S. PACIFIC COAST-OCEANIA AGREEMENT

FMC AGREEMENT NO. 011741-004
(2nd Edition)

A Space Charter and Sailing Agreement

Expiration Date: None

EFFECTIVE
FEB - 2 2003
UNDER THE
SHIPPING ACT
OF 1984
Federal Maritime Commission

This Agreement has not been published previously.

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ARTICLE 1: Full Name of the Agreement.

The full name of this Agreement is the U.S. Pacific Coast-Oceania Agreement (the "Agreement").

ARTICLE 2: Purpose of the Agreement.

The purpose of this Agreement is to promote efficient utilization of vessels and equipment and provide efficient, reliable and stable liner shipping services in the Trade (as defined in Article 4) through the activities authorized hereunder.

ARTICLE 3: Parties to the Agreement.

The following are the respective names and addresses of the principal offices of the parties to this Agreement:

(a) Hamburg-Sudamerikanische Dampfschifffahrtsgesellschaft KG, whose address is Ost-West-Str. 59, 20457 Hamburg, Germany ("Hamburg Süd");

(b) P&O Nedlloyd Limited and P&O Nedlloyd B.V. (as a single party), whose address is One Meadowlands Plaza, East Rutherford, New Jersey 07073 ("P&O Nedlloyd");

(c) Australia-New Zealand Direct Line, a division of CP Ships (UK) Limited and Lykes Lines Limited LLC (as a single party), whose address is 401 E. Jackson Street, Suite 330, Tampa, FL 33602 ("ANZDL/Lykes");

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(d) FESCO Ocean Management Limited, whose address is 1 Costakis Pantelides Avenue, Kolokasides Building, 3rd Floor, 1010 Nicosia, Cyprus and whose mailing address is 821 Second Avenue, Suite 1100, Seattle, WA 98104 ("FOML"); ~~and~~

(e) A.P. Moller-Maersk A/S, trading under the name Maersk Sealand, whose address is Esplanaden 50, DK-1098, Copenhagen, Denmark ("Maersk Sealand").

The foregoing are hereinafter referred to collectively as the "Parties" and singly as a "Party."

ARTICLE 4: Geographic Scope of the Agreement.

The geographic scope of this Agreement is the trade between:

(a) (i) ports on the Pacific Coasts of the United States (including Hawaii), Canada and Mexico and inland points served via these ports and (ii) ports and points in Australia, New Zealand and the Pacific Islands; and

(b) (i) ports on the Pacific Coast of the United States and inland points served via such ports and (ii) ports on the Pacific Coasts of Canada and Mexico and inland points in Canada and Mexico served via such ports.

The entirety of this Article is hereinafter referred to as the "Trade." [1]

[1] The trade between Canada and Mexico, on the one hand, and Australia, New Zealand and the Pacific Islands, on the other hand, is not within the scope of the U.S. Shipping Act or the jurisdiction of the FMC and it is understood the Parties receive no immunity from U.S. antitrust laws with respect to the aforementioned trade. It is identified in this Agreement solely for purposes of disclosing the full scope of the cooperation of the Parties.

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ARTICLE 5: Agreement Authority.

5.1 Vessels and Strings.

(a) Initially, the Parties shall operate two strings under this Agreement, as follows:

(i) Pacific South West ("PSW") string, calling at ports in California and ports in New Zealand, Australia, Fiji and Mexico. The PSW string initially shall utilize seven (7) vessels of approximately 1,100 to 1,500 TEU capacity (based on 14 tonnes per TEU), two of which will be provided by PONL and five of which will be provided by ANZDL/Lykes.[2]

(ii) Pacific North West ("PNW") string, calling at ports in California, the Pacific North West, Hawaii, New Zealand, Australia, Fiji and Tahiti. The PNW string initially shall utilize eight (8) vessels of approximately 1,100 to 1,500 TEU capacity (based on 14 tonnes per TEU), three of which will be provided by Hamburg Süd, three of which will be provided by FOML, one of which will be provided by ANZDL/Lykes, and one of which will be provided by Maersk Sealand.

(iii) In addition to the vessel it contributes, Maersk Sealand shall also have the right, at its cost and expense, to have one of the other vessels named and painted to the Maersk Sealand livery and returned to the providing Party's name and livery at the termination of this Agreement.

[2] Initially, calls by the PSW service in Fiji will alternate fortnightly with calls by that service in Mexico. Initially, calls by the PNW service in Fiji will alternate fortnightly with calls by that service in Tahiti and the PNW service will call Hawaii on a monthly basis only.

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(b) The vessels to be contributed under Article 5.1(a) shall have suitable characteristics with regard to size, speed, configuration and power points for temperature-controlled units, and shall only be introduced after agreement with the other Parties, such agreement not to be unreasonably withheld. However, so long as any Party is able to provide slots to the other Parties (including power points) pursuant to the terms of this Agreement, and the pro-forma schedules are maintained, any Party may introduce, withdraw or substitute vessels on the strings as it sees fit, subject to providing a minimum of 90 days notice of change or, if not practical, then as soon as possible thereafter and in any case no later than 30 days prior to the intended substitution.

(c) It is understood that vessels presently operated by the Parties in the Trade covered by this Agreement or substitute vessels will be contributed to provide an adequate, economic and efficient shipping service in the Trade to maintain the Minimum Capacity and Service Levels negotiated as required with designated shipper bodies in Australia. When agreed, Minimum Capacity and Service Levels shall be set forth in Appendix A to this Agreement. It is also understood that in order to provide such an adequate, economic and efficient shipping service in the Trade to maintain the Minimum Capacity and Service Levels, it is necessary for the Parties' vessel utilizations to be maximized. Accordingly, except as provided in Appendix B or with the unanimous consent of the other Parties, no Party or any parent, subsidiary or affiliate of a Party may operate any direct, relay or transshipment service between the United States Pacific Coast and Australia and/or New Zealand that competes

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with a service operated hereunder and Maersk Sealand's present Oceania service shall cease calling on the U.S. West Coast for the duration hereof. Each Party agrees to provide the other Parties with advance notice of any potentially competitive service in the Pacific Islands or trans-Tasman trades which may be entered into by that Party or any of its parents, subsidiaries or affiliated companies, and to notify the other Parties in advance of any public announcements of any changes in its U.S. East Coast-Oceania related service(s).

(d) Each Party will be responsible for the costs of its vessel(s), including, but not limited to, vessel charter hire, fuel, port charges and port agency vessel husbanding expenses. The Parties shall be responsible for their own initial phase in and phase out costs and shall discuss and agree on the treatment of any subsequent phase in and phase out costs associated with any restructuring of the service. Each Party also will be responsible for any fees, taxes, penalties, charges, or liabilities, assessed against the vessel, by virtue of its flag or otherwise, by any governmental authority.

(e) The Parties shall agree on a long-term pro-forma schedule for the service. Such schedule may be changed from time to time as the Parties mutually agree and shall incorporate periods required for programmed maintenance and repair including periodic dry docking which shall be advised at least three (3) months in advance. The Parties will agree on string co-ordinators who shall maintain the long term sailing schedule and shall use

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maximum efforts to remedy any failure to comply. The Parties are authorized to discuss and agree upon rules for remedial actions and financial consequences in cases of non-performance.

(f) The Parties are authorized to charter vessels to/from one another or jointly from third parties.

5.2 Slot Allocations and Use of Slots.

(a) The initial weekly allocation of slots on vessels operated under this Agreement as revised by Amendment No. 4, which are based on an agreed standard slot capacity for each such vessel, shall be as follows:

Effective Date of Amendment Through March 31, 2003	April 1, 2003 through Termination of Agreement
ANZDL/Lykes -- 764 TEUs	ANZDL/Lykes – 740 TEUs
Hamburg Süd -- 467 TEUs	Hamburg Süd – 453 TEUs
FOML – 464 TEUs	FOML -- 450 TEUs
PONL – 359 TEUs	PONL -- 348 TEUs
Maersk Sealand – 225 TEUs	Maersk Sealand – 288 TEUs

The Parties will agree on the division of the foregoing allocations between the strings. The standard slot capacity of the vessels operated hereunder shall be determined based on an average deadweight of 14 tonnes per TEU southbound, 14 tonnes per dry TEU northbound, 18 tonnes per 20 ft. reefer northbound and 32 tonnes per 40 ft. reefer northbound. Each Party shall be entitled to use its slot allocation without any geographical restrictions regarding the origin or destination of the cargo and, except as otherwise provided herein, there shall be no priorities for either full, empty, wayport/interport or breakbulk cargo.

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(b) If on any sailing a Party is unable to utilise its allocation of slots, such allocation may be made available to the other Parties. Agreement to release slots should not be unreasonably withheld. The Party(ies) to whom the allocation has been transferred shall commit to the payment for the slots at the prevailing slot rates on a used/not used basis one way.

(c) In the event more than one Party requests additional unused slots, the unused slots will be apportioned in line with that string's allocation. Should unused allocation exist during a voyage, the string co-ordinator will load the maximum amount of cargo that is released to a vessel at last port southbound and northbound. The Parties commit to the payment for the slots at the prevailing slot rates on a used/unused basis one way.

(d) Any unused slots within a Party's entitlement may be sold or sub-chartered ad hoc to any vessel operating common carrier (VOCC) meeting regulatory requirements, always provided that there is prior consultation with the other Parties, and that the other Parties will have first refusal of such unused slots. The Party with unused slots may sell space to VOCCs only on an ad hoc basis if the other Parties have failed to exercise their "first refusal" option within one business day notification by e-mail or fax. An ad hoc sale shall be deemed to be a sale of slots on a single voyage occurring within a one week period. Space charters or vessel sharing arrangements of a more permanent nature with non-party VOCCs that utilize the vessels operated under this Agreement are not permitted. Notwithstanding the immediately

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preceding sentence, any Party that has a pre-existing space charter or vessel sharing agreement with one or more non-party VOCCs operating within the scope of this Agreement that is outside the portion of the Trade between the United States Pacific Coast and Australia and/or New Zealand, and which is identified in Appendix C hereto, shall be permitted to continue to make space available to such non-party VOCCs on vessels operated under this Agreement. In the event a Party proposes an addition to Appendix C covering a new space charter or vessel sharing agreement in any portion of the Trade outside that between the United States Pacific Coast and Australia and/or New Zealand which would utilize vessels operating under this Agreement, such addition shall be permitted only upon the unanimous consent of the Parties, which consent shall not be unreasonably withheld.

(e) A Party requiring additional slots shall first approach the other Parties to ascertain whether they have unused slots to sell. If, however, the other Parties are unable to fulfill such requirements and sufficient excess space is not available pursuant to Article 5.2(g) below, then slots may be acquired from third parties with direct voyages/schedules on an ad hoc basis occurring within a one-week period.

(f) The Parties shall be free, subject to regulatory requirements, to make space available from within their own allocations to their own subsidiary or affiliated vessel-operating common carrier companies.

(g) Excess capacity is that usable capacity remaining on a vessel after the full declared capacity of the vessel has been utilized. Subject to Article

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5.2(h), excess capacity shall be made available to each Party in proportion to its basic allocation. If, after purchasing space from other Parties and utilizing its share of excess capacity a Party still requires additional space, it may utilize any excess capacity that has not been utilized by the other Parties. Any Party which utilizes excess capacity shall pay for such excess capacity at the established slot hire rates; provided that the use of southbound slots from excess capacity shall also be subject to a premium to be agreed by the Parties. The payments for the excess capacity southbound shall be distributed amongst the non-purchasing Parties in accordance with their respective percentage shares of the relevant southbound weekly allocation and the payments for excess capacity northbound shall remain with the vessel operator. Empty containers may be carried in excess capacity free of any slot payment, subject to operational approval from the string co-ordinator. The string co-ordinator will manage the use of excess capacity on any sailing.

(h) If a Party has vacant slots within its allocation of slots, then any slots required by another Party must be purchased from the Party having such vacant slots at the established slot hire rates before using slots in excess of allocation. The established slot hire rate paid for slots pursuant to this Article 5.2(h) shall be for the benefit of the Party selling the slots.

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(i) A Party utilising slots in excess of its allocation on a coastal passage shall be entitled to use such slots at no additional cost but must immediately return the slots to the other Party on demand at any subsequent port. This right shall not be abused and operational restrictions may be introduced to ensure that the vessels meet their pro-forma voyage schedules.

(j) The Parties are authorized to discuss and agree on the amount of slot charter hire to be paid hereunder and the terms and conditions under which such slot charter hire shall be paid. Slot charter hire shall be calculated based upon three components: vessel charter prices, fuel references prices, and port charges. Each Party that is contributing chartered tonnage to the service shall provide its daily charter hire rates to an independent third-party that is acceptable to all of the Parties ("ITP"). The Parties shall also submit fuel reference price information and port charge information to the ITP. Promptly upon receipt of all this data, the ITP shall determine the initial slot charter hire to apply to all vessels in the service based on a formula provided by the Parties. Each time a chartered vessel enters or exits the service or the charter of a vessel remaining in the service is renewed, the chartering Party shall provide the ITP with the relevant charter hire so that the ITP may recalculate the slot charter hire based on the updated information. In addition, the Parties shall review the fuel reference price and port charge components of the slot charter hire every three (3) months and, if they deem necessary, provide the ITP with revised data

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for purposes of recalculating the slot charter hire. It is understood that nothing herein shall authorize the Parties to exchange vessel-operating cost data.

(k) Each Party shall be responsible for the non-fixed component costs of handling cargo moving under its bill of lading (e.g., stevedoring and other cargo handling costs).

5.3 Review and Revision of Vessels and Slot Allocations.

(a) It is understood that the provision of vessels set forth in Article 5.1 above and the allocation of space set forth in Article 5.2 are those that will initially apply under this Agreement. After this Agreement has become operational, it is understood that the Parties may review and revise the foregoing provisions as they may agree from time to time. Should any such revisions to the vessels and/or slot allocations require any amendments to this Agreement, such amendments will be filed with the Federal Maritime Commission and otherwise as required by applicable law.

(b) In the event that at any time during the period of the Agreement there is a change in the standard slot capacity of vessel(s) operating in a string as a result of upgrading or downgrading the size of the fleet, the slot allocations will be adjusted as follows: (i) demand for slots will be reassessed in light of the changes in the capacity available; and (ii) new string slot allocations will be determined in accordance with the principles set out in Article 5.3(c) hereof. For the avoidance of doubt, a substitution of one or more individual vessels,

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albeit of different capacity, will not trigger this Article 5.3(b) unless the Parties agree that such substitution is indeed part of an upgrade/downgrade in the size of the vessels in the string(s).

(c) In reviewing and revising slot allocations under this Agreement, the following principles shall apply:

(i) If demand increases in such a way that the standard slot capacity of the string is insufficient to cover a Party's demand then each Party shall be entitled to require that its current string slot allocation shall be protected and not artificially reduced as a result of any other Party increasing their demand beyond the ability of the string to accommodate the requirement.

(ii) If demand declines in such a way that there is a surplus or an increase in the surplus standard slot capacity available on the string then each Party shall be entitled to require that their current string slot allocation shall be protected and shall not be artificially increased as a result of any other Party reducing their demand.

5.4 Terminals.

The Parties are authorized to jointly negotiate ocean terminal and stevedoring agreements. Subject to such criteria as the Parties may from time to time agree, the Parties shall work towards the establishment of the most efficient ocean terminal arrangement, which may include using one ocean terminal at each port of call. In selecting an ocean terminal, preference will be

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given to ocean terminals owned/leased/operated by Parties or their subsidiary or associated companies and consideration shall be given to the fulfillment of Parties' existing ocean terminal contracts. It is understood, however, that the selection of an ocean terminal shall be based on all input, including cost, comparative service and all other relevant factors (such as other services calling at the terminal). To the extent this Article 5.4 relates to outwards or inward liner cargo shipping services in Australia, it is limited to the extent permitted under Part X of the Trade Practices Act (Cth) 1974.

5.5 Membership in Other Agreements.

The Parties may discuss and agree upon their respective memberships in any conference, rate agreement, discussion agreement, stabilization agreement, or other type of agreement in the Trade, provided that each Party shall retain the unilateral right to join or withdraw from any such agreement in accordance with the terms of such agreement.

5.6 Feeder and Transshipment Vessels.

The Parties are authorized to discuss and agree upon the chartering, hiring, establishment, use, scheduling and coordination of feeder and transshipment services in conjunction with the strings operated under this Agreement.

5.7 Equipment

The Parties are authorised to discuss and agree upon standards for, and may interchange, purchase, pool, lease, sublease, maintain and repair, or

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otherwise co-operate in connection with containers, chassis and other equipment utilized in the Trade as among themselves as they may from time to time agree, including the establishment of joint container and chassis pools, depots, container yards and container freight stations.

5.8 Inland Transportation.

To the extent permitted by the Shipping Act of 1984, as amended, Part X of the Australian Trade Practices Act (Cth) 1974, or the applicable law of any other relevant jurisdiction, the Parties are authorized to jointly negotiate and agree with one or more motor carriers and/or railroads with respect to rates, terms, conditions and services charged or provided by such inland carriers to the Parties in the United States or other countries within the scope of this Agreement.

5.9 Liabilities.

The Parties are authorized to discuss and agree upon their respective liabilities hereunder, including the terms and conditions of the Parties respective bills of lading issued to cargo interests or of memorandum bills of lading that they may issue to one another or to any sub-charterer.

5.10 Separate Commercial Identities.

Each Party shall retain its separate identity and shall have separate sales, pricing and marketing functions. Each Party shall issue its own bills of lading. This Agreement does not create and shall not be interpreted as creating any partnership, joint venture or agency relationship among the Parties, or any joint liability under the law of any jurisdiction.

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5.11 Working Procedures.

The Parties are authorized to enter into written agreements or otherwise agree on working and administrative procedures that implement the authority contained herein, including procedures for the booking of cargo in slots allocated hereunder; the acceptance and accommodation of dangerous cargoes, out-of-gauge cargoes and reefer cargoes; terminal operations; usage of containers, chassis and other equipment; and all other routine, operational and administrative matters.

5.12 Further Agreements.

Pursuant to 46 C.F.R. §535.407, any further agreement contemplated by this Agreement, except to the extent such further agreement relates to routine operational and administrative matters, shall be filed with the FMC and become effective under the Shipping Act of 1984, as amended, prior to being implemented. To the extent this Article 5.12 relates to outwards or inwards liner cargo shipping services in Australia, it shall be subject to Part X of the Trade Practices Act (Cth) 1974.

ARTICLE 6: Officials of the Agreement and Delegations of Authority.

(a) This Agreement shall be administered and implemented by decisions, memoranda and communications between the Parties to enable them to effectuate the purpose of this Agreement. The Parties are authorized to establish such standing or temporary committees and sub-committees as they may deem appropriate from time to time.

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(b) The following individuals shall have the authority to file this Agreement and any modifications thereto with the Federal Maritime Commission, as well as authority to delegate same: any authorized officer or representative of a Party; and legal counsel for each of the Parties.

(c) The individuals identified in Article 6(b) above shall also be authorized:

(1) To apply under the Trade Practices Act 1974 (Cth) for the provisional and final registration of this Agreement and of any amendment or associate agreement;

(2) To give notice of any change in negotiable shipping arrangements or of any other affecting event, as may be required under that Act; and

(3) To do any other act which may be necessary, by way of filing, registration or notification, under any applicable law.

ARTICLE 7: Membership, Withdrawal, Readmission and Expulsion.

(a) An ocean common carrier in the Trade may be admitted as a new party on unanimous consent of the existing Parties. Any Party may withdraw from the Agreement upon six (6) months written notice to the other Parties, which notice may not be given prior to eighteen (18) months from the effective date of Amendment No. 4 and may not become effective prior to twenty-four (24) months from the effective date of Amendment No. 4.

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(b) Notwithstanding Article 7(a), if at any time during the term of the Agreement there shall be a change in the control or a material change in the ownership of a Party or any holding company of a Party (the Party so affected being referred to in this Article 7(b) only as the Affected Party) and the other Parties are unanimously of the opinion arrived at in good faith that such change is likely materially to prejudice the cohesion or viability of the service operated under this Agreement, then the other Parties may within three months of the coming into effect of such change give not less than three months' notice in writing to the Affected Party terminating the Agreement in relation to that Party. For purposes of this Article 7(b), a change in the control or material change in the ownership of a Party or of the holding company of that Party shall not include any public offering of shares in that Party or its holding company, or existing shareholders changing their relative shareholdings, or the acquisition by a third party of a minority shareholding in that Party or its holding company.

(c) Notwithstanding Article 7(a), if at any time during the term of the Agreement any Party should become bankrupt or declares insolvency or have a receiving order made against it, suspend payments, or continue its business under a receiver for the benefit of any of its creditors, or if a petition is presented or a meeting convened for the purpose of considering a resolution, or other steps are taken, for the winding-up of the Party (otherwise than for the purposes of and followed by a resolution previously approved in writing by the other Parties), or any event similar to any of the above shall occur under the

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laws of the Party's country of incorporation (the Party so affected being referred to in this Article 7(c) only as the Affected Party) and the other Parties are unanimously of the opinion that the result may be materially detrimental to the service operated under this Agreement, or that sums may be owed by the Affected Party to any other Party or Parties and may not be paid in full or their payment may be delayed, then, by unanimous decision of the other Parties, any further participation of the Affected Party in the Agreement or any part thereof may, with immediate effect, either be terminated or suspended for such period as the other Parties, in their sole discretion, deem appropriate.

ARTICLE 8: Voting.

Decisions on all issues concerning this Agreement shall be reached by unanimous agreement of the Parties.

ARTICLE 9: Duration and Termination of the Agreement.

This Agreement shall remain in full force and effect until the parties unanimously agree to its termination or until all but one of the parties has withdrawn from the Agreement in accordance with Article 7 hereof.

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ARTICLE 10: Arbitration and Governing Law.

10.1 Except where Article 11 applies, this Agreement shall be governed by and construed in accordance with the laws of England.

10.2 All disputes or differences arising under this Agreement which cannot be amicably resolved shall be referred to arbitration in England in accordance with the Arbitration Act 1996 together with LMAA (London Maritime Arbitration Association) terms in use at the time of the dispute or difference.

10.3 The Parties to agree to appoint a single/sole arbitrator, having appropriate commercial and consortia experience, within 21 days of any Party seeking an appointment. If any Party should so request, a panel of three arbitrators shall be appointed. Should there be no agreement on the appointment within the said 21 days, then the LMAA President will appoint a single/sole arbitrator (or a panel of three arbitrators, as appropriate) at the request of any Party.

10.4 The Parties further agree:-

a. The right of appeal to the Courts is excluded, and immediately following the appointment of the arbitrator(s) each Party shall send to the arbitrator(s) a letter confirming that such right of appeal is excluded.

b. Where the amount in dispute is US$ 200,000 or less, the arbitration will proceed on a documents and written submission basis only. However, oral evidence will be allowed exceptionally and at the discretion of the arbitrator(s).

c. For all disputes or differences whatever the amount claimed, there shall be no discovery, but, if in the opinion of the arbitrator(s) a Party has failed to produce any relevant document(s), he may order the production of such document(s) and may indicate to the Party to whom the order is directed that if, without adequate explanation, he fails to produce the document(s) it will not favour that Party's case.

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d. The term "relevant document" includes all documents relevant to the dispute of difference, whether or not favourable to the Party holding them. It includes witness statements, expert reports and the like on which the Party intends to rely, but does not include documents which are not legally disclosable.

e. Each Party agrees that any awards given under this Clause shall be notified to the European Commission.

f. Any interest awarded under this Article shall be simple interest only.

Article 11. Law and Arbitration – Outwards Service

11.1 The Parties acknowledge that section 10.06 of the Trade Practices Act 1974 (Cth) requires that questions under an agreement in relation to an outwards liner cargo shipping service must be determined in Australia in accordance with Australian law, and that the portion of the Trade from Australia to the United States is an outwards liner cargo shipping service within the meaning of the Trade Practices 1974 (Cth) ("Outwards Service"). Accordingly, the Parties agree that any question arising under the Agreement solely in relation to the Outwards Service shall be determined in Australia in accordance with the laws of New South Wales, Australia.

11.2 All questions arising under this Agreement relating solely to the Outwards Service which cannot be amicably resolved shall be referred to arbitration in Sydney Australia in accordance with and subject to the Commercial Arbitration Act 1984 (NSW) and UNCITRAL Arbitration Rules.

11.3 The Parties to agree to appoint a single/sole arbitrator, having appropriate commercial and consortia experience, within 21 days of any Party seeking an appointment. If any Party should so request, a panel of three

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arbitrators shall be appointed. Should there be no agreement on the appointment within the said 21 days, then the Australian Chamber of Shipping President (or equivalent) will appoint a single/sole arbitrator (or a panel of three arbitrators, as appropriate) at the request of any Party.

11.4 The Parties further agree:-

a. The right of appeal to the Courts, including any right under Part VI of the Commercial Arbitration Act 1984 (NSW), is excluded, and immediately following the appointment of the arbitrator(s) each Party shall send to the arbitrator(s) a letter confirming that such right of appeal is excluded.

b. Where the amount in dispute is US$ 200,000 or less, the arbitration will proceed on a documents and written submission basis only. However, oral evidence will be allowed exceptionally and at the discretion of the arbitrator(s).

c. For all disputes or differences whatever the amount claimed, there shall be no discovery, but, if in the opinion of the arbitrator(s) a Party has failed to produce any relevant document(s), he may order the production of such document(s) and may indicate to the Party to whom the order is directed that if, without adequate explanation, he fails to produce the document(s) it will not favour that Party's case.

d. The term "relevant document" includes all documents relevant to the dispute of difference, whether or not favourable to the Party holding them. It includes witness statements, expert reports and the like on which the Party intends to rely, but does not include documents which are not legally disclosable.

e. Any interest awarded under this Article shall be simple interest only.

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ARTICLE 12: Non-Assignment.

The rights and obligations of each Party under the Agreement shall not be assignable except to subsidiaries, parent companies or fellow subsidiaries or with the prior unanimous agreement of all Parties. Each Party shall warrant that any subsidiary or fellow subsidiary to which any assignment is made shall not be sold to a third-party that is not a Party.

ARTICLE 13: Force Majeure.

(a) In circumstances such as but not limited to the event of war, whether declared or not, hostilities or the imminence thereof, act of public enemies, restraint of princes, rulers or people, or compliance with any compulsorily applicable law or governmental directive, boycott against flag, political ban or other events which render the Agreement wholly or substantially impracticable, the Agreement shall not thereby be terminated, but (subject always to the various provisions for termination of this Agreement as set out in Article 7) the performance thereof shall be suspended (in whole or in part as appropriate) until such time as the performance thereof is again practicable, without prejudice to any rights, liabilities and obligations accrued at the date of suspension. Should the Agreement be wholly suspended for a period exceeding six (6) calendar months from the date of commencement of such suspension the Agreement shall terminate. Prompt written notice of any

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suspension or termination of the Agreement pursuant to this Article 13 shall be provided to the Federal Maritime Commission.

(b) In the event that a Party considers that any cause, happening or event not within its control substantially impairs its ability to enjoy its rights or carry out its, or other Parties', obligations under this Agreement then, at its request, the Parties shall meet together with all reasonable dispatch in order to consider such adjustment of the terms hereof as may be mutually acceptable.

ARTICLE 14: Language.

This Agreement and all notices, communications or other writing shall be in the English language and no Party shall have any obligation to translate such matter into any other language. The wording in the English language shall prevail.

ARTICLE 15: Severability.

If any provision of this Agreement, as presently stated or later amended is held to be invalid, illegal or unenforceable in any jurisdiction in which this Agreement is operational then this Agreement shall be invalid only to the extent of such invalidity, illegality or unenforceability and no further. All remaining provisions hereof shall remain binding and enforceable.

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ARTICLE 16: Notices.

Any notice or other communication which one Party hereto may require to give or to make to the other Parties under the Agreement shall, unless otherwise specifically provided herein, be written in English and sent by mail or facsimile with copy by mail, to the addresses of each of the other Parties as set out in Article 3 hereof.

ARTICLE 17: Customs-Trade Partnership Against Terrorism ("C-TPAT").

Each Party agrees that it shall enter into a C-TPAT agreement with the U.S. Customs Service and shall abide by the terms of such agreement.

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Appendix A

Minimum Capacity and Service Levels

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Appendix B

Competing Services Between the U.S. and Australia and/or New Zealand

1. Maersk Sealand's U.S. West Coast-Fremantle service via transshipment in Asia

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Appendix C

Vessel Sharing Arrangements Authorized to
Utilize Space on Vessels Operated Hereunder

1. ANZDL arrangements with:

    a. Pacific Direct Line between Australia/New Zealand and Tahiti
    b. Neptune Shipping Services between Australia/New Zealand and Fiji
    c. Mediterranean Shipping Company between Australia/New Zealand

2. P&O Nedlloyd arrangements with:

    a. Mediterranean Shipping Company in the trans-Tasman trade
    b. Contship in the trans-Tasman trade
    c. Swire in the trans-Tasman trade

3. FESCO Ocean Management arrangements with:

    a. Hamburg-Sud between USWC and Papeete
    b. Fesco Australia Line between Asia and Australia
    c. Fesco New Zealand Line between Asia and New Zealand and New Zealand and Brisbane

4. Hamburg-Sud arrangements with:

    a. Polynesia Line between USWC and Papeete, Samoa, America Samoa, Tonga, Fiji and Cook Islands
    b. Fesco Australia Line between Asia and Australia
    c. Fesco New Zealand Line between Asia and New Zealand and New Zealand and Brisbane

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