U.S. PACIFIC COAST-OCEANIA AGREEMENT

FMC AGREEMENT NO. 011741-008
(2nd Edition)

A Space Charter and Sailing Agreement

Expiration Date: None

FMC Agreement No.: 011741-008 Effective Date: Thursday, March 9, 2006
Downloaded from WWW.FMC.GOV on Sunday, September 11, 2022
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 Dampfschiffahrts-gesellschaft KG, whose address is Ost-West-Str. 59, 20457 Hamburg, Germany ("Hamburg Süd");

(b) Intentionally Left Blank1

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

1 P&O Nedlloyd was acquired by Maersk Line and its interest in this Agreement was transferred to Maersk Line by a Novation Agreement in accordance with English law.

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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 Line, whose address is Esplanaden 50, DK-1098, Copenhagen, Denmark ("Maersk Line").

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." 2

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2 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 document as the "Trade."
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 Maersk Line and five of which will be provided by CP Ships. Without further amendment hereto, the Parties are authorized to operate between six (6) and nine (9) vessels in the PSW string, such vessels to have a capacity of not less than 1,000 TEUs and not more than 2,000 TEUs. In order to implement such adjustments, the Parties are also authorized to make corresponding revisions in port calls and the numbers of vessels provided by the respective Parties.

(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 CP Ships, and one of

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Agreement solely for purposes of disclosing the full scope of the cooperation of the Parties.

3 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.
which will be provided by Maersk Line. Without further amendment hereto, the
Parties are authorized to operate between seven (7) and ten (10) vessels in the PNW
string, such vessels to have a capacity of not less than 1,000 TEUs and not
more than 2,000 TEUs. In order to implement such adjustments, the Parties
are also authorized to make corresponding revisions in port calls and the
numbers of vessels provided by the respective Parties.

(iii) Intentionally Left Blank

(iv) Unless the Parties otherwise agree unanimously, not later than three
(3) months after the Hamburg Shipbrokers Association Container Ship Matrix
for a vessel of the size operated under this Agreement reaches a daily operating
slot rate of equal to or lower than a daily operating slot rate agreed among the
Parties, the PSW string will be operated with seven (7) ships as described in
Article 5(a)(i) and the PNW string will operate with eight (8) ships as described
in Article 5.1(a)(ii).
with a service operated hereunder. 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 coordinators 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. 8, which are based on an agreed standard slot capacity for each such vessel, shall be as follows:

- CP Ships – 740 TEUs
- Hamburg Süd – 453 TEUs
- FOML – 450 TEUs
- Maersk Line – 636 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.
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,
Appendix B

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

1. Maersk Line's U.S. West Coast-Fremantle service via transshipment in Asia
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. Maersk Line arrangements with:
   a. Mediterranean Shipping Company in the trans-Tasman trade
   b. Contship 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
IN WITNESS WHEREOF, the parties have agreed this 26th day of February, 2006, to amend this Agreement as per the attached pages and to file same with the U.S. Federal Maritime Commission.

HAMBURG-SUDAMERIKANISCHE DAMPFSCIFFFAHRTSGESELLSCHAFT KG

Name: [Signature]
Title: Vice President

P&O NEDLLOYD LIMITED and P&O NEDLLOYD B.V.

Name: [Signature]
Title: 

AUSTRALIA-NEW ZEALAND DIRECT LINE, a division of CP Ships (UK) Limited/CP SHIPS USA LLC

Name: [Signature]
Title: 

FESCO OCEAN MANAGEMENT LIMITED

Name: [Signature]
Title: 

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

Name: [Signature]
Title: 

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

Name: [Signature]
Title: 

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HAMBURG-SUDAMERIKANISCHE DAMPFSCHIFFFAHRTSGESELLSCHAFT KG

Name: [Signature]
Title: [Title]

P&O NEDLLOYD LIMITED and
P&O NEDLLOYD B.V.

Name: [Signature]
Title: [Title]

AUSTRALIA-NEW ZEALAND DIRECT LINE, a division of CP Ships (UK) Limited/CP SHIPS USA LLC

Name: [Signature]
Title: [Title]

FESCO OCEAN MANAGEMENT LIMITED

Name: [Signature]
Title: [Title]

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

Name: [Signature]
Title: [Title]

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Title: [Title]

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SIGNATURE PAGE

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HAMBURG-SUDAMERIKANISCHE Dampfschiffahrtsgeellschaft KG P&O NEDLLOYD LIMITED and P&O NEDLLOYD B.V.

Name:  
Title:  

Name:  
Title:  

AUSTRALIA-NEW ZEALAND DIRECT LINE, a division of CP Ships (UK) Limited/CP SHIPS USA LLC FESCO OCEAN MANAGEMENT LIMITED

Name:  
Title:  

Name:  
Title:  

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

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Name: 
Title: 

P&O NEDLLOYD LIMITED and P&O NEDLLOYD B.V.

Name: 
Title: 

AUSTRALIA-NEW ZEALAND DIRECT LINE, a division of CP Ships (UK) Limited/CP SHIPS USA LLC

Name: 
Title: PRESIDENT & CEO CP SHIPS USA, LLC

FESCO OCEAN MANAGEMENT LIMITED

Name: 
Title: 

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

Name: 
Title: 

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

Name: 
Title: 

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