Deleted: Montemar
Deleted:
Deleted: 203-011539-013
Deleted: . (7th Edition)

RECEIVED
06 NOV -2 PM 4:09
OFFICE OF THE SECRETARY
FEDERAL MARITIME COMM

CLNU/HLAG SPACE CHARTER AND SAILING AGREEMENT

Deleted: MONTEMAR

Restatement of Agreement

Original Effective Date: May 10, 1996

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

Deleted: Montemar
Deleted:
Deleted: 203-011539-013
Deleted: . (7th Edition)

Table of Contents

		Page
1.	Full Name of the Agreement	1
2.	Purpose of the Agreement	1
3.	Parties to the Agreement	1
4.	Geographic Scope of the Agreement	1
5.	Overview of Agreement Authority	1
6.	Officials of the Agreement and Delegations of Authority	4
7.	Membership, Withdrawal, Readmission and Expulsion	4
8.	Voting	6
9.	Duration and Termination of Agreement	6
10.	Applicable Law	6
11.	Arbitration	6
12.	Force Majeure	7
13.	Non-Assignment	8
14.	Notices	8
15.	Enforceability	8
16.	Counterparts	8
Al.	Names and Addresses of Parties	A1

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

Deleted: Montemar
Deleted:
Deleted: 203-011539-013
Deleted: (7th Edition)

1. Full Name of the Agreement. The full name of this Agreement is the CLNU/HLAG Space Charter and Sailing Agreement.

Deleted: Montemar

2. Purpose of the Agreement. The purpose of this Agreement is to permit each of the Parties to achieve efficiencies and economies in their respective services offered in the Trade (as defined in Article 4) covered by this Agreement.

3. Parties to the Agreement. The names and addresses of the principal offices of the Parties to this Agreement are set forth in Appendix A hereto.

4. Geographic Scope of the Agreement. The geographic scope of this Agreement (the "Trade") shall be the following trades, served via direct, transshipment or intermodal service:

(a) the trade between ports on the Atlantic Coast of Florida and in the United States Gulf range (including Puerto Rico) and inland and coastal points served via those ports on the one hand, and ports in Brazil, Argentina, Paraguay, Uruguay, Venezuela, Colombia, the Dominican Republic and Trinidad and Tobago, and inland and coastal points served via those ports, on the other hand; and

(b) the trade between ports on the Atlantic Coast of Florida and in the U.S. Gulf range (including Puerto Rico) and inland and coastal points via such ports on the one hand, and ports in Mexico and inland and coastal points served via such ports on the other hand.

5. Overview of Agreement Authority.

5.1 Coordination and Sailings.

(a) The Parties are authorized to consult and agree upon the initial and subsequent contribution, deployment and utilization of vessels in the Trade including, without limitation, sailing schedules, the number and character of their sailings at ports in the Trade, port rotations, ports to be served, and type and size of vessels to be utilized. The Parties are authorized to operate a maximum of 12 linehaul vessels, with capacities of up to 2,500 TEUs each excluding breakbulk space, under this Agreement at any one time. Initially, the Parties shall operate two strings under this Agreement. One string will initially utilize six (6) vessels of approximately 2,300 TEU capacity, with four (4) such vessels provided by HLAG and two (2) provided by CLNU. The other string will initially utilize three (3) vessels of 800 to 1,150 TEU capacity, with two (2) such vessels provided by HLAG and the other provided by CLNU.

Deleted: Montemar
Deleted: Montemar

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

Deleted: Montemar
Deleted:
Deleted: 203-011539-013
Deleted: (7th Edition)

(b) The Parties are authorized to consult and agree upon any and all aspects of feeder operations in the Trade (and are authorized to load or discharge cargo on or from the vessels which they employ in the Trade, regardless of origin or destination) , including, without limitation, the contribution, deployment, redeployment, elimination and utilization of feeder vessels, sailing schedules, port rotation, the number, type and size of feeder vessels to be utilized, and the terms and conditions under which the Parties shall share the capacity of feeder vessels.

5.2 Reciprocal Space Chartering.

(a) The Parties are authorized to consult and agree to charter and interchange space to and from each other on their respective vessels (which may be owned or chartered) and/or on vessels on which they have contracted for space, and are authorized to agree on the number of slots and/or space to be chartered and on the terms for said transportation. Initially, the space on vessels operated hereunder shall be allocated as follows: HLAG – 69%; CLNU – 31%. The Parties may also buy and sell space from within their respective allocations to one another on such terms and conditions as they may agree from time to time.

Deleted: Montemar

(b) As used in this Article, a Party who charters vessel capacity from another Party shall be referred to as "Charterer" and a Party whose vessel capacity is chartered by the other Party for transportation shall be referred to as "Owner."

(1) On such terms and subject to such limitations as (i) the Parties may agree, or (ii) may be imposed by applicable law, each Party shall accept for transportation and transport any and all containerized cargo and equipment (including empty container equipment) tendered to it by another Party. Equipment includes, but is not limited to, containers owned or leased by the Parties, whether full, partially loaded or empty and other freight service equipment that the Parties may agree upon.

(2) The Parties are authorized to consult and agree on the acceptance and transportation of ro/ro, breakbulk and/or bulk, and other classifications of cargo and equipment under this Agreement.

(3) Each Owner will, as to its vessels, provide, pay for, and submit to the other Party satisfactory evidence of hull and machinery insurance, P&I insurance and evidence of financial responsibility for liability for oil pollution not later than the Effective Date of this Agreement. Each Party further agrees to provide the other with written notice of the removal or cancellation of any such insurance and prompt notice of any change, modification or

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

Deleted: Montemar
Deleted:
Deleted: 203-011539-013
Deleted: . (7th Edition)

non-renewal of such insurance for non-payment of premiums thereon. Until a Party receives such notice, it may rely on the continuing representation of the other Party that it is maintaining the aforesaid insurance.

(4) Each Charterer is authorized to advertise sailings by vessels of each Owner on which Charterer will charter space.

(c) Chartering or subchartering of space in the Trade on vessels operated under this Agreement to non-party vessel operating common carriers is subject to the unanimous consent of the Parties.

5.3 Efficient Use of Equipment, Terminals, Stevedores, Ports and Suppliers. The Parties are authorized to consult and agree to interchange or establish pools of empty containers, chassis and/or related equipment to provide for the efficient use of such equipment on such terms as they may agree. The Parties are authorized to jointly contract with or coordinate in contracting with stevedores, terminals, ports, inland depots, and suppliers of equipment, land or services, and each Party is authorized to designate another Party to provide such services on the designating Party's behalf. Nothing herein contained shall authorize the Parties to jointly operate a marine terminal in the United States.

5.4 Conference Status. The Parties are authorized to agree to join or not join any conference, rate agreement, discussion agreement, stabilization agreement or similar carrier agreement in the Trade.

5.5 Documentation, Data Systems. The Parties are authorized to consult and agree on terms and conditions of joint development, use, implementation, and interchange of documentation, data systems, information and data, other operating, equipment control or similar systems, and computerization and joint communication, including any joint negotiations, leasing or contracting relating thereto.

5.6 Miscellaneous. The Parties are authorized to consult and agree in writing upon such general operational, administrative and accounting matters and other related terms and conditions concerning the implementation of this Agreement as may be necessary or convenient from time to time, including, but not limited to, performance procedures and penalties, procedures for allocating space, forecasting, terminal operations, stowage planning, schedule adjustments, recordkeeping, responsibility for loss or damage, the establishment and operation of individual or joint tonnage centers, the rates, costs and payment procedures between the Parties for any services provided by one Party to another Party, the terms and conditions for adjustments due to the occurrence of force majeure circumstances, insurance, liabilities, claims, indemnification, consequences for delays, and treatment of hazardous and dangerous cargoes.

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

Deleted: Montemar
Deleted:
Deleted: 203-011539-013
Deleted: . (7th Edition)

5.7 Implementing or Interstitial Arrangements. The Parties are authorized to enter into implementing or interstitial arrangements, writings, understandings, procedures or documents within the scope of the authority contained in this Agreement in order to carry out the authority and purpose hereof.

5.8 General. This Agreement is not intended to create a joint service. Each party shall: utilize and maintain its own marketing, pricing and sales organizations; issue its own bills of lading and handle its own claims; be fully responsible for its own expenses and operations; and operate and manage its own vessels.

6. Officials of the Agreement and Delegations of Authority. The following are authorized to subscribe to and file this Agreement, any modification hereof, and any accompanying materials with the Federal Maritime Commission:

(a) Any authorized officer of each of the Parties; and

(b) Legal counsel for each of the Parties.

7. Membership, Withdrawal, Readmission and Expulsion.

7.1 Membership is limited to the Parties hereto, except that additional carriers may be admitted or readmitted by unanimous consent of the Parties at that time members of this Agreement and by amendment of this Agreement pursuant to the Shipping Act of 1984.

7.2 If any Party shall breach its obligations under this Agreement and such breach shall have a material adverse effect on another Party, and the Parties each acting in good faith shall fail to resolve their dispute or there shall have been no correction of such breach within 60 days after written notice by the affected Party to the breaching Party detailing such breach, then any non-breaching Party may withdraw from this Agreement effective upon at least 10 days' written notice to the other Parties to become effective at the end of the aforesaid 60-day period.

7.3 If any Party shall give notice to the other Parties that any government or agency thereof has imposed any restriction or failed to grant or has withdrawn any required approval, and such restriction, or the absence of such approval, would have a material adverse effect upon a Party's obligations or performance under this Agreement and such restriction or required approval is not removed or obtained within 60 days thereafter, the notifying Party may withdraw from this Agreement upon at least 10 days' written notice

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

Deleted: Montemar
Deleted:
Deleted: 203-011539-013
Deleted: (7th Edition)

to the other Parties to become effective at the end of the aforesaid 60-day period.

7.4 Any Party may withdraw from this Agreement at any time immediately by serving written notice thereof on the other Parties if another Party files, or has filed against it, proceedings under bankruptcy, insolvency or other similar laws and such proceedings are not dismissed within 120 days, or if the vessel of another Party is seized or arrested and such seizure or arrest is not lifted within 30 days.

7.5 Any Party may withdraw from this Agreement at any time upon three months' notice to the other Parties if there is a transfer of ownership of 50 percent or more of the outstanding shares of another Party or a transfer of shares of another Party representing 50 percent or more of the shareholders, voting power.

7.6 In the event a Party withdraws from this Agreement, the remaining Parties may meet and discuss whether or not to continue this Agreement. If no agreement to continue this Agreement is reached within the notice period of such withdrawal, then this Agreement shall be terminated effective as of the date of such withdrawal. Notwithstanding any other provision of this Agreement, in the event that a Party withdraws except by reason of a bankruptcy under Article 7.4, any other Party may also withdraw, effective the same date, by notice to other Parties given prior to such date; and in the event that a Party withdraws by reason of a bankruptcy under Article 7.4, any other party may withdraw, effective the same date, by notice to the other Parties given not more than 10 days after such date.

7.7 In the event of a termination of this Agreement or withdrawal herefrom, the Parties shall remain liable to one another in respect to all liabilities and obligations incurred prior to the termination or withdrawal.

7.8 The Federal Maritime Commission shall be promptly notified in writing of any such withdrawal from this Agreement.

7.9 The Parties agree that, as of the effective date of Amendment 011 to the Agreement, Montemar Maritima S.A. ("Montemar"), Montemar being the former name of CLNU, replaced Companhia Libra de Navegacao as a party to this Agreement and the participation of Companhia Libra de Navegacao terminated, without prejudice to any liabilities and obligations among the parties that accrued prior to the termination of its participation. The Parties agree that, as successor in interest to Montemar, CLNU shall remain fully responsible to HLAG for all preexisting obligations of Montemar under this Agreement that accrued prior to the effective dates of Amendment No. 14 hereto, including without limitation any claims whatsoever relating to cargo moved by Montemar under the Agreement, regardless of whether such claim has been notified or filed before or after the effective date of Amendment 14; provided, however, that any such liabilities shall be subject to any limitations on liabilities that have been agreed upon pursuant to Article 5.6 hereof.

Deleted: this
Deleted: s
Deleted: s

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

7.10 The Parties agree that, as successor in interest, HLAG shall remain fully responsible to CLNU for all preexisting obligations of CP Ships, Lykes and TMM under this Agreement that accrued prior to the effective dates of Amendment No. 13 hereto and the Lykes name change and merger with TMM, including without limitation any claims whatsoever relating to cargo moved by CP Ships, Lykes or TMM under the Agreement, regardless of whether such claim has been notified or filed before or after the effective date of Amendment 13; provided, however, that any such liabilities shall be subject to any limitations on liabilities that have been agreed upon pursuant to Article 5.6 hereof.

Deleted: Montemar

Deleted: a

Deleted: ¶
Montemar/HLAG Space . . . FMC Agreement . . . Original¶
Charter and Sailing Agreement . . No. 203-011539-013 . . . Page No. 6¶
. . . . . (7th Edition)¶
¶

8. Voting. All actions taken pursuant to this Agreement shall require unanimous agreement of the Parties.

9. Duration and Termination of Agreement.

9.1 Duration. This Agreement shall take effect as of the Effective Date (as defined in Article 9.2) and shall continue in effect unless and until this Agreement is terminated pursuant to Article 9.3. Upon any termination, Article 7.7 shall apply.

9.2 Effective Date. This Agreement shall be effective on the later of: (1) the date agreed upon by the Parties; and (2) the date this Agreement becomes effective pursuant to the Shipping Act of 1984 (the "Effective Date").

9.3 Termination.

(a) This Agreement may be terminated by any Party giving the other Party a minimum of 6 months written notice of termination.

(b) This Agreement may be terminated at any time by written mutual agreement of the Parties.

9.4 Notice. The Federal Maritime Commission shall be promptly notified in writing of the Effective Date and the date of termination of this Agreement.

10. 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.

11. Arbitration.

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

11.1 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 either Party. 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 Society of Maritime Arbitrators, Inc. (the "SMA").

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

Deleted: Montemar
Deleted:
Deleted: 203-011539-013
Deleted: (7th Edition)

11.2 Any Party may call for such arbitration by service upon the Party with whom it put to arbitration. If the other Party shall, within 30 days of the service of such first notice, appoint its arbitrator to arbitrate the dispute or differences specified, then the arbitrator appointed by the first moving Party shall act as the sole arbitrator, with full power 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 Party 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 Party shall have the right by written notice served on the arbitrators and on the other Party to specify further disputes or differences under this Agreement for hearing and determination.

11.3 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 Party, 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.

11.4 A copy of such decision shall be served by the arbitrators on the Parties.

12. Force Majeure. No Party shall be held responsible with respect to its failure to perform its obligations, if such failure is due to force majeure, and the Parties may make appropriate adjustments as provided in Article 5.6. For purposes of this Agreement, "Force Majeure" shall mean civil commotion, invasion, rebellion, hostilities, sabotage, strikes, labor disputes, work slowdowns or work stoppages, governmental (national, state, territorial, prefectural, municipal or other) regulation, controls or actions, acts of God, boycotts or political bans against any Party, or any other cause whatsoever of a similar nature beyond the control of the Party.

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

Deleted: Montemar
Deleted: .
Deleted: 203-011539-013
Deleted: . (7th Edition)

13. Non-Assignment. No Party shall assign its rights or delegate its duties under this Agreement to any other person or entity without the prior written consent of the other Parties.

14. Notices. Any notice pertaining to this Agreement, except as the Parties may otherwise provide, shall be in writing sent by facsimile transmission to be received during the business day of the Party receiving the notice and confirmed by first class mail, postpaid. The facsimile number and mailing address of each Party is set forth in Appendix A.

15. Enforceability. If at any time during the performance of this Agreement, any non-material terms, covenant, condition or proviso contained in this Agreement, or the application thereof to any person or circumstances, shall be held to be invalid, illegal or unenforceable, the remainder of this Agreement or the application of 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 this Agreement shall be valid and be enforceable to the full extent permitted by law. if/ however, during the effective period of this Agreement, the Shipping Act of 1984 is amended or repealed resulting in the prohibition of conferences or the loss of antitrust immunity in respect of activities encompassed by this Agreement and is not immediately replaced by any other law, regulation or judicial or administrative action which authorizes the continuation of conference and/or common tariffs among ocean common carriers or the activities encompassed in this Agreement and includes such antitrust immunity, any Party may terminate this Agreement without prior consultation by giving written notice of termination to be effective not earlier than the effective date of such amendment or repeal.

16. Counterparts. This Agreement and any amendment hereto may be executed in multiple counterparts. Each counterpart shall be deemed an original, but all together shall constitute one and the same agreement.

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

Deleted:

Deleted: 203-011539-013

Deleted: (7th Edition)

SIGNATURE PAGE

IN WITNESS WHEREOF, the Parties have agreed to amend and restate this Agreement as of this ____ day of October, 2006.

Deleted: July

COMPANIA LIBRA DE NAVEGACION URUGUAY S.A.

HAPAG-LLOYD AG

Deleted: MONTEMAR MARITIMA S.A.

By:_____

Name:

Title:

By:_____

Name:

Title:

Deleted: ¶
CP SHIPS USA, LLC¶
¶
¶
¶
By:_____
¶
¶
Name: ¶
¶
Title:¶

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017

Deleted: Montemar

Deleted: .

Deleted: . (7th Edition)

APPENDIX A

Names and Addresses of Parties

1. COMPANIA LIBRA DE NAVEGACION URUGUAY S.A.("CLNU")
   Edificio Plaza Mayor
   Plaza Independencia 831 , Suite 506 floor 5
   11100, Montevideo- Uruguay
   Attention: Enrique Arteaga

Deleted: MONTEMAR MARITIMA S.A.

Deleted: MONTEMAR

2. Hapag-Lloyd AG ("HLAG")
   Ballindam 25
   20095 Hamburg, Germany
   Attention: Chris Rutgers

FMC Agreement No.: 011539-014 Effective Date: Thursday, November 2, 2006
Downloaded from WWW.FMC.GOV on Thursday, April 27, 2017