ARTICLE 1: FULL NAME OF THE AGREEMENT

This Agreement shall be known as the West Coast of South America Discussion Agreement, hereinafter called "the Agreement."

ARTICLE 2: PURPOSE OF THE AGREEMENT

The purpose of this Agreement shall be to promote rate stability, reduce destructive competition, and facilitate efficiencies and cooperation in providing services in the trade.

ARTICLE 3: PARTIES TO THE AGREEMENT

The parties to this Agreement are set forth in Appendix A hereto and are hereinafter individually referred to as a "Member" and collectively as "Members". Unless otherwise indicated in Appendix A, all Members shall be Members of all ~~both~~ Sections defined in Article 4 hereof.

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of the Agreement shall extend, via direct service or transshipment, between:~~,~~

(1) ~~on the one hand,~~ Atlantic and Gulf Coast ports of the continental United States (including ports in Puerto Rico and the U.S. Virgin Islands) and inland or coastal points in the continental United States served via U.S. Atlantic and Gulf Coast ports and inland points in Puerto Rico and the U.S. Virgin Islands on the one hand and, on the other hand:

(a) (i) ports in Ecuador, Peru, Chile and on the Pacific Coast of Colombia; (ii) inland and coastal points in Ecuador, Colombia, Peru and Chile served via such ports; (iii) in-transit cargo to/from Bolivia via ports in Peru and Chile; and (iv) in-transit cargo to/from Argentina via ports in Chile (the "Atlantic and Gulf Coast ~~West Coast of South America~~ Section"); and

(b) ports on the northern (Caribbean) coast of Colombia and inland and coastal points in Colombia served via such ports (the "Colombia Section").

(2) Pacific Coast ports of the continental United States and inland or coastal points in the continental United States served via Pacific Coast ports on the one hand and, on the other hand: (i) ports in Ecuador, Peru, Chile and on the Pacific Coast of Colombia; (ii) inland and coastal points in Ecuador, Colombia, Peru and Chile served via such ports; (iii) in-transit cargo to/from Bolivia via ports in Peru and Chile; and

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(iv) in-transit cargo to/from Argentina via ports in Chile (the "Pacific Coast Section").

Each of the foregoing is sometimes referred to herein as a "Section" and the Sections together are hereinafter called "the Trade".

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(m) Discussions regarding competitive conditions in that Section and the need or desirability for neutral body or self-policing services, cargo inspection, documentation audit and billing and collection of free time, demurrage and detention charges and services related thereto.

5.02. This Agreement does not authorize any common tariffs. The Members are not required hereunder to agree upon, or if they do agree, to adhere to any uniform rates, charges, practices, conditions of service, or other decisions. Each Member shall designate a point or points of entry for receipt of all inter-Member communications in connection with the operation of this Agreement.

5.03. The Members of a Section, or any two or more of them, may meet in person, by telephone or other electronic means and exchange information, discuss and reach non-binding agreement with respect to any matter authorized by Article 5 hereof.

5.04. The Members of any Section, or any two or more of them may jointly enter into service contracts for cargo moving in the Trade. The Members of a Section may adopt voluntary guidelines relating to the terms and procedures of a Member's or Members' service contracts which guidelines shall be submitted confidentially to the Federal Maritime Commission.

5.05. Notwithstanding anything to the contrary in Articles 5.01, 5.03, and 5.04 hereof, the authority set forth in the aforementioned Articles may be exercised jointly by Members of <u>any two or more</u> ~~both~~ Sections with respect to matters of common interest to <u>those</u> ~~both~~ Sections. In furtherance of the foregoing, the Members of the Sections are authorized to meet together, discuss, exchange information, reach voluntary, non-binding agreement on, and/or adopt voluntary service contract guidelines applicable to matters within the scope of those Articles.

5.06. The Members may charter space to, from and among each other on vessels owned or operated by them on such terms and conditions as they shall agree. The Members may also jointly establish sailing schedules, port rotation, limit sailing and jointly advertise each others vessels, provided however that any such activities in which the Members shall engage pursuant to this Article 5.06 shall be on an ad hoc, interim (defined to mean for a period not to exceed ninety (90) days), sporadic or emergency basis, it being understood that all on-going space charter arrangements (and other activities) shall be pursuant to separate and discreet agreement filed with the Federal Maritime Commission.

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or among them. The Secretariat shall be responsible for taking minutes of meetings and filing any reports with the Federal Maritime Commission as may be required.

(b) Upon action taken by the Members in accordance with this Agreement, each of the Members hereof appoint, in writing, Agreement counsel as attorney-in-fact and agent authorized to execute and file amendments to this Agreement with the Federal Maritime Commission.

ARTICLE 7: MEMBERSHIP

(a) Subject to Article 11 hereof, any ocean common carrier which is regularly engaged as an ocean common carrier in the Trade, directly or by transshipment, or which furnishes evidence of ability and an intention in good faith to institute and maintain a regular service in the Trade, may hereafter become a Member of <u>any or all</u> ~~either or both~~ Sections of this Agreement by signing the Agreement or a counterpart copy thereof and furnishing the same to the Chairman. Prompt notice of admission to membership shall be furnished to the Federal Maritime Commission by an amendment to this Agreement and no admission shall be effective prior to the date a Member's admission is effective in accordance with the regulations of the Federal Maritime Commission.

(b) No ocean common carrier which has complied with the conditions set forth in this Article and those in Article 11 (if applicable) shall be denied admission or readmission to membership. Advice of any denial of admission to membership, together with a statement of the reasons therefore, shall be furnished promptly to the Federal Maritime Commission.

(c) Each applicant for admission shall sign a copy of this Agreement. Upon dissolution of the Agreement, all sums of money remaining in the Agreement treasury, after payment of all expenses, shall be divided among the Members at the time of dissolution pro rata.

(d) A Member which is a joint venture or consortium of two or more ocean common carriers but operated as a single entity shall be treated as a single Member for all purposes under this Agreement.

(e) Any Member may resign without penalty from the Agreement or any Section of this Agreement effective not less than thirty (30) days after filing a written notice with the Agreement office, which shall promptly serve the notice on the other Members. Notice of the resignation of any Member shall be furnished promptly to the Federal Maritime Commission by amendment to this Agreement.

(f) The filing of a notice of resignation shall not, until the resignation becomes effective, relieve a Member of its obligations under this Agreement, but a

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APL Co. PTE Ltd.*
1111 Broadway
Oakland, CA 94607-5500

Seaboard Marine Ltd.**
1300 N.W. 78th Avenue
Miami, FL

Trinity Shipping Line, S.A.*
8347 N.W. 68th Street
Miami, FL 33166

Mediterranean Shipping Company, SA*
40 Avenue Eugene Pittard
1206 Geneva, Switzerland

South Pacific Shipping Company, Ltd.*
d/b/a Ecuadorian Line
Claredon House
Church Street-West
Hamilton 5-31 Bermuda

CMA CGM S.A.*
4, Quai D'Arenc
P.O. Box 2409
13215 Marseilles Cedex 02
(resignation effective August 17, 2006)

* Member of Atlantic and Gulf ~~West Coast of South America~~ Section only

**Member of Atlantic and Gulf and Colombia Sections only

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Hapag-Lloyd AG***
Ballindamm 25
20095 Hamburg, Germany

Frontier Liner Services, Inc.***
8600 NW 53rd Terrace, Suite 204
Miami, FL 33166

King Ocean Services Limited, Inc.***
7570 N.W. 14th Street
Miami, FL 33126

Maruba S.C.A.++
Maipu No. 535
1006 Buenos Aires, Argentina

*** Member of Colombia Section only

++Member of Pacific Coast Section only

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