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Original Title Page

# CARIBBEAN SHIPOWNERS ASSOCIATION

FMC Agreement No. 010979-043
(A Discussion Agreement)

Fourth Edition

EFFECTIVE
SEP 18 2006
UNDER THE SHIPPING ACT OF 1984
Federal Maritime Commission

ORIGINAL EFFECTIVE DATE: September 7, 1986

EXPIRATION DATE: None

FMC Agreement No.: 010979-048 Effective Date: Friday, August 21, 2009
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**ARTICLE 1. NAME OF THE AGREEMENT**

This agreement (the "Agreement") shall be known as the Caribbean Shipowners Association, hereinafter called the "Association".

**ARTICLE 2. PURPOSE**

This Association is to provide a forum among ocean common carriers serving the geographic scope as hereinafter defined to discuss and agree, on a voluntary basis, on rates, charges, rules, classifications, and practices governing the transportation of cargo, whether moving in all water or in through transportation service under through bills of lading or otherwise, in the Trade. The objectives of the Association are to establish and maintain competitive, non-destructive liner services in the Trade for the purpose of fostering commerce and stability in the Trade while maintaining competition and freedom of carrier action.

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**ARTICLE 3. PARTIES TO THE AGREEMENT**

The members of the Association (hereinafter referred to collectively as the "members" and individually as a "member" are:

BERNUTH LINES, LTD.
3201 N.W. 24th Street Road
Miami, FL 33142
Nationality: Grand Cayman

SEAFREIGHT LINE, LTD.
c/o Seafreight Agencies (USA) Inc.
2800 NW 105 Avenue
Miami, FL 33172
Nationality: Cayman Islands

SEABOARD MARINE, LTD.
8050 NW 79 Avenue
Miami, FL 33166
Nationality: Liberian

TROPICAL SHIPPING & CONSTRUCTION COMPANY LIMITED
Four East Port Road
Riviera Beach, FL 33404
Nationality: Caymanian
(resignation effective 8/23/09)

CMA CGM SA
CMA-CGM THE FRENCH LINE
4 Quai d'Arenc
Marseilles 13215 Cx2, France
Nationality: French

CROWLEY LINER SERVICES, INC./
CROWLEY CARIBBEAN SERVICES, LLC
(acting as a single party)
9487 Regency Square Blvd.
P.O.Box 2110
Jacksonville, FL 32202-2110

SEA STAR LINE CARIBBEAN, LLC
100 Bell Tel Way, Suite 300
Jacksonville, FL 32216

ZIM INTEGRATED SHIPPING SERVICES, LTD.
9 Andrei Sakharov Street
"Matam" – Scientific Industries Center
P.O.B. 1723
Haifa, 31016
ISRAEL
Nationality: Israeli

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**ARTICLE 4. GEOGRAPHIC SCOPE**

The geographic scope of the Association extends between Atlantic and Gulf ports of the United States located between Eastport, Maine, and Brownsville, Texas, ports in the Commonwealth of Puerto Rico, on the one hand, and ports located in the Leeward/Windward Islands (excluding Guadeloupe and Martinique, but including Saint Barthélemy and both the French and Dutch portions of St. Martin), Trinidad, Guyana, Suriname, Haiti and Jamaica, on the other hand, including points located within the Continental United States (excluding Hawaii and Alaska) and Puerto Rico and points in nations of the Leeward/Windward Islands (excluding Guadeloupe and Martinique, but including Saint Barthélemy and both the French and Dutch portions of St. Martin), Trinidad, Guyana, Suriname, Haiti and Jamaica via the aforementioned ports. This geographic scope is herein referred to as "the Trade".

**ARTICLE 5. AUTHORITY**

In all or any portion of the Trade, any two or more members are authorized to:

A. Discuss, exchange information relating to, agree upon, establish, maintain, cancel and revise uniform or differential rates, charges, classifications, rules, regulations, policies and practices in connection with the transportation of cargo moving within the Trade and the use of equipment in connection therewith, including provisions relating to cargo space accommodations; inland factors; surcharges; arbitraries; absorptions; equalization; currency adjustment factors; alternate port service; proportional rates, through rates, joint through rates or other intermodal rates, time/volume rates; service contracts (excluding specific individual

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service contracts, existing or proposed); receipt, handling, delivering, and storing of cargo; consolidation and allowances applicable thereto; designation, and storing of cargo; designation of base ports; terminal and port charges, wharfage,

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container detention, free time, per diem, cargo demurrage; positioning of containers, chassis and related equipment; container yards, depots, and freight stations; interchange of cargo and/or equipment with connecting and/or inland carriers; payment for services rendered or received including credit rules and privileges and the enforcement thereof (including suspension and restoration of credit privileges), commission, brokerage and freight forwarder compensation and conditions thereof, and any other ancillary services in connection with ocean transportation of cargo, it being understood that the Members are not authorized to publish a common tariff or tariffs, and have no obligation to adhere, other than voluntarily, to any agreement reached pursuant to the authority in this Article.

B. Discuss and enter into agreements with other carriers serving the trade not members of this Association or other conferences serving the trade or the foreign destinations of the Trade; provided, however, such agreements shall not be implemented until filed and effective pursuant to the terms of the Shipping Act of 1984, as amended (the "Shipping Act").

C. Discuss and exchange information including statistics or compilations or analyses thereof, relating to transportation conditions in the Trade, including the expected supply of and/or demand for liner transportation services in the Trade.

D. Implement this authority through individual tariffs and/or service contracts as provided for in this Agreement.

E. Negotiate with any shipper's association as defined in Section 3 (22) of the Shipping Act.

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F. Charter space to, from or among each other on an ad hoc basis, i.e., not to exceed 90 days, on vessels owned or operated by them in the Trade on such terms and conditions as they shall agree and may also jointly establish sailing schedules, port rotation, and jointly advertise each others vessels. The Association shall submit to the FMC separate and sequentially numbered confidential records on a quarterly calendar year basis reporting all ad hoc, sporadic or emergency charter arrangements entered into between or among the members pursuant thereto and specifying, for each such arrangement, (i) the names of the chartering and underlying carrier parties; (ii) the amount of space chartered expressed in twenty foot equivalent container units (TEUs); (iii) the commencement and termination dates; and (iv) the port or ports from or to which it applies. Any ongoing or long-term charter arrangements between or among Association members shall be filed with the Federal Maritime Commission as a separate and discrete agreement.

G. Enter into service contracts as provided in Article 10 hereof.

H. Enter into or terminate agreements with other persons or entities to form and administer a non-profit corporate entity to provide administrative services to the Association.

I. Enter into or terminate joint and/or individual contracts with third parties for professional services with respect to matters relating to the authority contained herein including, but not limited to, the administration of detention/demurrage collection programs, collection of outstanding freight and charges, and tariff and/or service contract auditing.

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J. Discuss and agree upon a common position with respect to proposed or actual governmental, quasi-governmental (e.g., port authority) or industry (e.g., shipper groups or trade association) actions that may affect their operations in the Trade, and work with any or all of the aforementioned entities in connection with such matters.

**ARTICLE 6. OFFICIALS OF THE AGREEMENT**

A. The members of the Association, in authorized meetings, shall constitute the plenary authority. An authorized meeting shall include, in addition to meetings of the members, discussions and agreements between or among any two or more members. The Association shall appoint or contract with such persons or entities for the provision of such administrative services ("Administrator") as the Association may deem necessary or desirable for its efficient and lawful operation.

B. The Association may, from time to time, establish standing, ad hoc, and any other committees and sub-committees ("committees") as they consider necessary to conduct the business of the Association and the decision of the committees shall be deemed the decision of the Association, unless specifically limited by the Association. Unless otherwise unanimously agreed, each Member shall be entitled to full and equal membership on any committee established by the Association and may designate the person or persons selected to represent it for said purposes. The Association may also conduct its business through oral, written telephone, telegraphic and telex polls upon which Association action is taken.

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C. The Administrator shall chair meetings of the Association and its committees, and perform such other duties as the Association deems necessary or desirable for its efficient and lawful operation.

**ARTICLE 7. MEMBERSHIP, WITHDRAWAL, READMISSION AND EXPULSION**

A. Any ocean common carrier serving the Trade may become a member of this Agreement. Upon joining this Agreement, each ocean common carrier shall also be made a party to the Florida Shipowners Group Agreement and shall have the option of obtaining an ownership interest in the not-for-profit entity established pursuant thereto.

B. Each member shall pay a reasonable admission fee, as determined from time to time by the Association (but in no event to exceed the total annual projected budget of the Association divided by the number of members). Each new member shall pay the then current admission fee upon application, and this fee is not refundable. The Federal Maritime Commission shall be advised of the amount of such admission fee no later than thirty (30) days after the establishment thereof.

C. Any member may resign from this Agreement upon at least thirty (30) days written notice to the Administrator. During this written notice period such member shall not be entitled to vote (if applicable) on any matter. Notice of resignation will be effective in accordance with the requirements of the Shipping Act.

D. Any former member may be readmitted without penalty provided, however, that previous debts to the Association, if any, are fully paid and it meets the conditions set forth in subparagraphs A and B hereof.

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E. Any member can be expelled for failure to maintain an ocean common carrier service in the Trade for a period of one hundred twenty (120) consecutive days, force majeure and strike periods excepted; or for failure to abide by the terms of the Agreement. An explanation will be served upon that member with copy of the appropriate office of the Federal Maritime Commission detailing the basis for expulsion prior to its effective date.

F. The filing of a notice of resignation does not, until the resignation become effective, relieve a member of its obligations under this Agreement. Computation of outstanding obligations of any resigning member shall include any amount reflecting pro-rata share of continuing obligations for six months subsequent to the effective date of the member's resignation with respect to the Association's expenses and liabilities incurred prior to the receipt of the notice of resignation by the Administrator.

**ARTICLE 8. VOTING**

Decisions reached under this Agreement shall be by unanimous agreement of all members, it being fully understood that no member is required to adhere, other than voluntarily, to any decision reached. Any discussion between or among any two or more members in which agreement is reached, shall be by agreement of those members participating, it being fully understood that no member is required to adhere, other than voluntarily, to any decision reached.

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**ARTICLE 9. DURATION & TERMINATION**

This Agreement shall be effective upon its filing with the Federal Maritime Commission and effectiveness pursuant to the Shipping Act and shall remain in effect until terminated. This Agreement may be terminated by the unanimous vote less one of the Association members entitled to vote or by the resignation of all members less one. Notice of termination will be promptly filed with the Federal Maritime Commission.

**ARTICLE 10. SERVICE CONTRACTS**

A. The Association may negotiate and enter into service contracts as defined in Section 3(19) of the Shipping Act including, but not limited to, service contracts covering excepted commodities. Any such service contract will be a contract of the Association on behalf of its members. Members may elect not to participate, or to limit their participation, in any Association service contract by appropriate written notification to the Administrator prior to execution of any such contract specifying their election not to participate or the limitation on their participation. Any Association service contract shall specify those members not participating, or if participating in a limited manner, the limitation of the participation. A member which has initially elected not to participate in an Association service contract or to limit its participation may, at any time, elect to participate or remove its limitation as to its participation by notifying the Administrator in writing, which notice shall include the effective date of its participation or the removal of the limitation. The members are

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authorized to adopt guidelines with respect to some or all Association service contracts.

B. Any member may, individually or jointly with any other member or members, separately and independently from the Association, negotiate and enter into service contracts for cargo moving within the Trade.

C. The members are authorized, but not required, to discuss, adopt, repeal or amend voluntary guidelines relating to the terms and procedures of all or a portion of their individual service contracts (excluding any specific individual service contract, existing or proposed). Any voluntary guidelines adopted shall be confidentially submitted to the Federal Maritime Commission and shall explicitly state the right of the members not to follow any or all of the guidelines adopted.

**ARTICLE 11. MEETINGS AND PROCEDURES**

A. Regular Association meetings shall be held as agreed upon by the members. Upon the request of at least two (2) members and upon forty-eight (48) hours notice, the Administrator shall call special meetings. In all other respects, the Association shall determine notice for other meetings, contents of agenda, and meeting procedures.

B. Notwithstanding sub-paragraph (a) hereof, any two (2) or more parties may, without notice to any other member, hold meetings with one another pursuant to the authority of this Agreement.

C. Any agreement reached at meetings taking place pursuant to sub-paragraph (b) hereof shall be minuted in writing and copies of such minutes shall be


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delivered to the Administrator for distribution to the other members of the Agreement and to the Federal Maritime Commission.

**ARTICLE 12. EXPENSES AND OFFICE ARRANGEMENTS**

Expenses of the Association shall be apportioned among the members as they agree from time to time. The Administrator shall maintain all financial records including checking accounts. The Administrator shall sign all checks on behalf of the Association.

**ARTICLE 13. DEFINITIONS**

Words defined in the Shipping Act and the Federal Maritime Commission regulations promulgated pursuant thereto have the same definition and meaning when used in the Agreement.

**ARTICLE 14. FILING AGENT**

The Administrator and/or a law firm to be designated by the members from time to time shall have the authority to execute and file all amendments to this Agreement on behalf of the Association. The Agreement and each amendment or republication of the Agreement may be executed in one or more counterparts, and all such counterparts shall constitute one Agreement, notwithstanding that all members are not signatory to the same counterpart.

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**ARTICLE 15. ADMINISTRATIVE REGULATIONS**

The members may implement this Agreement through administrative regulations, resolution and decisions, all of which shall be binding on the members.

**ARTICLE 16. CIVIL PENALTIES**

In the event civil penalties are imposed on the Agreement as a result of:

(i) the failure of one or more members to prepare and arrange for the filing of minutes of any discussion conducted or agreement reached outside of a regularly scheduled or convened meeting of the Agreement; or

(ii) the failure of one or more members to submit in a timely manner the data necessary to complete the quarterly monitoring reports of the Agreement;

such penalties and all costs associated therewith (including but not limited to attorneys' fees) shall be the responsibility of the members that participated in such meeting(s) or failed to provide the monitoring report data, and said members shall be liable to non-participating members (with respect to minutes) or compliant members (with respect to monitoring reports) for any civil penalties and all costs associated therewith (including but not limited to attorneys' fees) such non-participating or compliant members may be required to pay as a result of the conduct described in this Article 16.

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Signature Page

IN WITNESS WHEREOF, the Members have agreed this 21st day of August, 2009, to amend the Agreement as per the attached pages and to file same with the U.S. Federal Maritime Commission.

CARIBBEAN SHIPOWNERS ASSOCIATION

By: _____

Name: Wayne Rohde

Title: Attorney-in-fact

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