FMC Agreement No.: 011223-001 Effective Date: Friday, June 29, 1990
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203-011223-001

AMENDMENT OF
FMC AGREEMENT NO. 203-011223

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WHEREAS, the Parties wish to amend the Transpacific Stabilization Agreement, FMC No. 203-011223 (the "Agreement") for the purposes of (a) clarifying administrative and related technical procedures concerning the Agreement's capacity management program, (b) allowing flexibility to adjust periods covered by semi-annual reporting to the FMC provided under the Agreement and (c) revising and clarifying the notice to be given to the Parties of meetings held pursuant to the Agreement;

NOW, THEREFORE, in accordance with subarticle 8.2, the Parties have taken action upon the unanimous vote of all of them to amend the Agreement as reflected by the First Revised Page Nos. 7, 8, 11, 14 and 31 which are attached hereto and made a part hereof.

IN WITNESS WHEREOF, the Parties to the Agreement have caused this amendment to be executed on their behalf by their duly authorized representative.

EFFECTIVE
JUN 29 1990
Federal Maritime Commission

TRANSPACIFIC STABILIZATION AGREEMENT

By: Robert A. Peavy
Name: Robert A. Peavy
Title: Counsel to the Agreement
(Pursuant to authorization under subarticle 6.9)

Date signed: May 15, 1990

FMC Agreement No.: 011223-001 Effective Date: Friday, June 29, 1990
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other rate and cargo adjustments and service matters, containership capacity structure and adjustment of the Maximum Allowed Capacity for any or all Parties in anticipation of cargo demands.

5.2 The Maximum Allowed Capacity for each Party is calculated as set forth in Appendix B to this Agreement and shall be in effect for one year (i.e., for at least four consecutive Accounting Periods) following the Effective Date of this Agreement. The Maximum Allowed Capacity for any Party may be increased or decreased by action of the Parties at any time, provided that the total of all Parties' Maximum Allowed Capacities for any Accounting Period may not be reduced to less than 85 percent of the total of all Parties' actual cargo capacities in the Trade during such Accounting Period, prior to reduction pursuant to this Agreement, unless and until an appropriate amendment of this Agreement has become effective in accordance with the regulations of the FMC; and, provided further, that the Chairman, Secretariat, counsel to the Agreement or other designee of the Parties will notify the FMC in writing, in the form of an updated Appendix B hereto, on or before 30 days following any other action by the Parties that does not require the filing of an amendment, as aforesaid, to increase or decrease a Party's Maximum Allowed Capacity.

FMC Agreement No.: 011223-001 Effective Date: Friday, June 29, 1990
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5.3 Unless otherwise agreed, action by the Parties to extend and recalculate the Maximum Allowed Capacity of each Party for an additional term or terms is required no later than three months before the expiration of the year or other term that is then in progress. Written notice will be given to the FMC on behalf of the Parties (as in subarticle 5.2 above) on or before 30 days following any action by the Parties to extend and recalculate the Maximum Allowed Capacity of each Party, including any related action taken pursuant to subarticle 7.4. Such notice may be given as part of the minutes of a meeting of the Parties hereunder, filed pursuant to the FMC's regulations. If the Parties fail to reach agreement as to the extension or renewal of the initial term or of any succeeding term within the agreed time, this Agreement shall terminate as of the expiration of the term that is then in progress.

5.4 The Market Survey Committee will meet, review, analyze and discuss cargo market conditions in the Trade from time to time, and will review and recommend any adjustments in the Maximum Allowed Capacity of any Party or Parties for action by the Parties. The Market Survey Committee may

FMC Agreement No.: 011223-001 Effective Date: Friday, June 29, 1990
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service contracts, and/or will participate in the separate tariffs and service contracts of conferences and other authorities effective in the Trade.

5.11 On or before 30 days following each six-month period after the Effective Date of this Agreement, or such other period as may be agreed by the Parties and accepted by the FMC (for example, to conform to the Accounting Periods then in effect), the Chairman, Secretariat, counsel to the Agreement or other designee of the Parties will file a report with the FMC as described in Appendix D to this Agreement.

5.12 This Agreement does not authorize the Parties to engage in conduct prohibited by the Shipping Act of 1984.

ARTICLE 6 - AGREEMENT OFFICIALS AND DELEGATIONS OF AUTHORITY

6.1 The Administrative Committee shall be charged with overseeing and effecting the administrative and housekeeping functions of the Agreement, including, but not limited to, screening and making recommendations to the Parties concerning the selection of the Secretariat and the Auditor, establishing the format of reports to be furnished by the Secretariat and the Auditor under this Article and by the Parties under Article 10, recommending procedures for

FMC Agreement No.: 011223-001 Effective Date: Friday, June 29, 1990
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compliance by each Party with the Maximum Allowed Capacity. The Auditor shall:

(a) conduct such studies and prepare such reports as directed by the Chairman and the Administrative Committee, and consistent with the direction of the Parties; and

(b) take any further steps as directed by the Parties to further the purpose of the Agreement.

6.7 Meetings of the Parties will be held as needed, and will be called by the Chairman (or the chairman of a committee hereunder in the case of a committee meeting) upon at least ten calendar days' electronic notice of the time and place, to be followed as soon as possible by an agenda. An emergency meeting may be called upon at least five calendar days' electronic notice, unless all Parties (or all Parties that are members of a committee hereunder for which an emergency meeting is called) receive without objection a shorter notice for the particular emergency meeting called.

6.8 At meetings of the Agreement and of committees hereunder, each Party will be represented by an executive designated in advance to the Chairman or his designee.

6.9 Upon action taken by the Parties in accordance with this Agreement, the Chairman and the counsel to the Agreement are each authorized to execute and file on the Parties'

FMC Agreement No.: 011223-001 Effective Date: Friday, June 29, 1990
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APPENDIX D

REPORTING TO THE FMC

The following documents and information will be provided or reported to the FMC in accordance with subarticle 5.11 of this Agreement. All such information will be confidential as provided in § 572.608 of the FMC's regulations.

1. A copy of the accounting reports (without supporting documents) submitted by each Party to the Auditor in compliance with Article 10 of the Agreement or, alternatively, at the option of the Parties, a summary of such accounting reports satisfactory in content to the FMC. All supporting documents submitted or made available to the Auditor, the Secretariat or their representatives will likewise be submitted or made available to the FMC, upon demand.

2. A copy of any analysis or report prepared for the Parties by the Agreement's Market Survey Committee.

3. A copy of any notice issued pursuant to subarticles 5.6 and 5.8 relating to a penalty assessed against any Party for overcarriage.

4. To the extent that any Party has changed or plans to change its vessel deployment, sailing schedules, ports of