

ARTICLE 4: GEOGRAPHIC SCOPE OF THE AGREEMENT

The geographic scope of the Agreement shall extend to the trade between ports in Puerto Rico on the one hand and ports in Panama, Colombia¹ and the Dominican Republic on the other. The foregoing is hereinafter referred to as the “Trade.”

ARTICLE 5: AGREEMENT AUTHORITY

5.1 Vessels and Schedule. (a) The Parties are authorized to discuss and agree on the number, size and other characteristics of vessels to be operated hereunder. Initially, the Parties shall operate two (2) vessels hereunder, each with a nominal capacity of approximately 3,500 TEU and a declared operating capacity of about 3,000 TEU (@12 metric tons per TEU), including 300 reefer plugs. Without further amendment hereto, the Parties are authorized to operate up to four (4) vessels, with a capacity of up to 4,000 TEUs each. Initially, Sealand shall provide one (1) vessel and ELJSA shall provide one (1) vessel.

(b) The Parties are authorized to discuss and agree on the ports to be called, port rotation, scheduling of the service to be provided, and rules for allocation of liability or costs associated with port omissions or voyage interruptions whether caused by the Vessel Provider or otherwise. Any permanent change to the port rotation or the ports of call shall be mutually agreed by the Parties. Seasonal cancellation of sailings shall require mutual agreement of the Parties, which shall not be unreasonably withheld. Ad hoc addition of port(s) of call may be implemented at the discretion of the Vessel Provider, if such call(s) do not affect the schedule integrity, weekly frequency and normal transit time. In such case, the Vessel Provider shall have

¹ Cartagena, Colombia shall be a private call for Sealand, which shall be responsible for the port costs of that call.

Parties will exchange schedule reliability statistics on a monthly basis and any Party performing below the agreed target of 85% will provide its detailed action plan of specific steps to be made to fully restore schedule reliability within 1 month. If one or both Parties' performance is below target for 2 consecutive months, a formal meeting will be held to discuss actions required, including any structural changes to the proforma schedule.

5.2 Space Allocation. (a) Space on each of the vessels deployed hereunder shall be allocated to the Parties in approximate proportion to their percentage provision of capacity multiplied by the actual capacity of the vessel and the number of reefer plugs, respectively, resulting in the following average space allocations:

<u>Line</u>	<u>TEUs/Tonnes</u>	<u>Reefer Plugs</u>
Sealand	<u>1,775/21,300</u> 1,600/19,200	<u>178</u> 160
ELJSA	<u>1,225/14,700</u> 1,400/16,800	<u>123</u> 140

To the extent a Vessel Provider provides more or less space than agreed hereunder, any merit/demerit shall be for the account of the Vessel Provider, meaning that the Vessel Provider shall have the use of the extra space if it provides more space, and shall reduce its allocation to the extent that it provides less space. Each Party shall each be permitted to load a maximum of thirty (30) 45-foot containers in its allocation of space on the vessel of the other Party. The Parties are authorized to discuss and agree on revisions to the foregoing allocations in order to address draft limitations in particular ports.

(b) It is the duty of the Vessel Provider to guarantee the availability of the slot and reefer plug allocations of the Slot Users at any time during each voyage, even if this means a reduction of the Vessel Provider's own slot allocation and/or reefer plug allocation, save where a

reduction in the actual capacity of a vessel has been caused by a force majeure event, in which case the Parties shall share available slots and/or reefer plugs in proportion to their respective allocations as set forth in Article 5.2(a) hereof. The Parties are authorized to discuss and agree upon rules and procedures to be followed when containers are shut-out, both when due to the fault of the Vessel Provider and when not due to such fault.

(c) No Party may sub-charter slots to any third party without the prior written consent of the other Party, which sub-chartering shall be subject to the agreement filing and effectiveness provisions of the Shipping Act and implementing regulations of the FMC (to the extent such requirements are applicable). Any such third party must be a vessel operating carrier.

Notwithstanding the foregoing, a Party may always sub-charter slots to its wholly-owned vessel operating subsidiaries as may exist at any particular time. In addition, Sealand may sub-charter space to MSC Mediterranean Shipping Company S.A., and APL Co. PTE Ltd., and Hamburg Süd, and ELJSA may sub-charter space to X-Press Container Lines, Mitsui O.S.K. Lines, COSCO and YangMing. Any wholly-owned subsidiary of a Party that receives slots hereunder may not sub-charter such slots to another party without the prior written consent of the other Party. In any event, a Party sub-chartering slots as permitted hereunder shall remain fully responsible and liable to the other Party for the due performance and fulfillment of this Agreement by such sub-charterer. In the event any permitted sub-charter arrangement the sub-chartering Party shall offer slots freed by such termination and not required for its own use (including by its wholly-owned subsidiaries) to the other Party.