May 4, 2014

Dear [Redacted]

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [Our File #: FIN-11 2014]

On March 5, 2014, the Department of Finance received your request for access to the following:

"The 2004 lease agreement between NIDC and Icewater Seafoods Inc. and Icewater Harvesting Inc. for enterprise allocations, vessel designations and historic rights for Newfoundland and Labrador offshore fishing areas."

I am pleased to inform you that your request for access to this agreement has been granted with only a few redactions, as attached.

Access to the remaining information contained within this agreement has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

Section 27(1)(c)(i):
27. (1) The head of a public body shall refuse to disclose to an applicant information that would reveal ...
   (c) commercial, financial, labour relations, scientific or technical information the disclosure of which could reasonably be expected to
   (i) harm the competitive position of a third party or interfere with the negotiating position of the third party;

As required by subsection 7(2) of the Act, we have severed information that is excepted from disclosure and have provided you with as much information as possible.

Section 43 of the Act provides that you may ask the Information and Privacy Commissioner to review this partial refusal of access or you may appeal the refusal to the Supreme Court Trial
Division. A request to the Information and Privacy Commissioner shall be made in writing within 60 days of the date of this letter or within a longer period that may be allowed by the Commissioner.

The address and contact information of the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
34 Pippy Place
P. O. Box 13004, Stn. A
St. John’s, NL, A1B 3V8
Telephone: (709) 729-6309
Facsimile: (709) 729-6500

In the event that you choose to appeal to the Trial Division, you must do so within 30 days of the date of this letter. Section 60 of the Act sets out the process to be followed when filing such an appeal.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement's website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please feel free to contact the undersigned by telephone at 729-2907 or by e-mail at wnorman@gov.nl.ca.

Sincerely,

Walter Norman

Walter Norman
ATIPP Coordinator
THIS LEASE AGREEMENT made at the City of St. John’s, in the Province of Newfoundland and Labrador, this 15 day of October, 2004.

BETWEEN:

NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT CORPORATION, a Crown corporation of the Government of the Province of Newfoundland and Labrador, continued pursuant to the Industrial Development Corporation Act, RSNL 1990, c. 1-3, as amended.

(hereinafter referred to as the “Corporation”)

AND:

ICEWATER SEAFOODS INC., a body corporate, incorporated under the laws of the Province of Newfoundland and Labrador

(hereinafter referred to as “IS”)

OF THE FIRST PART

AND:

ICEWATER HARVESTING INC., a body corporate, incorporated under the laws of the Province of Newfoundland and Labrador

(hereinafter referred to as “IH”)

OF THE SECOND PART

AND:

HIGH LINER FOODS INCORPORATED, a body corporate, incorporated under the laws of the Province of Nova Scotia

(hereinafter referred to as “High Liner”)

OF THE FOURTH PART
RECITALS

A. The Corporation has acquired the Enterprise Allocations, quotas, vessel designations and historical rights formerly held by High Liner. A list of the Enterprise Allocations, quotas and historical rights is included in Schedule “A” and the vessel designations are noted in Schedule “B”;

B. IS and IH have acquired the property and assets of High Liner relative to the latter’s operations in Arnold’s Cove, Newfoundland and Labrador;

C. The Corporation has agreed to lease to IS and IH various rights pertaining to the Enterprise Allocations, quotas, vessel designations and historical rights subject to the terms and conditions as are herein contained; and,

D. The Corporation will reserve certain rights to High Liner in the event IS and IH should default on their obligations to the Corporation.

IN CONSIDERATION of the mutual covenants and agreements set out, the parties respectively covenant and agree as follows:

1. DEFINITIONS

Where used in this Agreement or in any amendment, the following terms shall have the following meanings respectively:

1.1 “Agreement” means this Lease Agreement and all instruments supplemental to or in amendment or confirmation of this Agreement;

1.2 “Capital Expenditures” has that meaning ascribed to it or adopted from time to time by the Canadian Institute of Chartered Accountants Handbook;

1.3 “Date of Execution” means the date on which this Agreement was executed by the Parties and is the date of commencement for the Term of this Agreement;

1.4 “Enterprise Allocations” means the total level of groundfish “enterprise allocations” or “quotas” to harvest groundfish from year to year presently or formerly assigned to or for the benefit of High Liner for a particular species and designated fishing zone by the Government of Canada expressed in a percentage of the total Canadian offshore quota for that particular species and designated fishing zone as detailed in the Schedule hereto attached and marked “A” excepting only in respect of the current quota year the “enterprise allocation” or “quota” actually harvested by High Liner
prior to its transfer to the Corporation, but expressly including all rights and privileges formerly of High Liner to harvest such groundfish after the date of execution of this Agreement and in particular in the current quota year and thereafter;

1.5 "Fiscal Year" means a financial year of the Corporation and the Province ending March 31st;

1.6 "Groundfish Fishing Licences" means all licences, including banked licences, permits, authorizations, rights and privileges to harvest groundfish and associated vessel designations, particularly as described in the Schedule hereto attached and marked "B";

1.7 "High Liner" means High Liner Foods Incorporated;

1.8 "HST" means the Harmonized Sales Tax for goods and services imposed under Part IX of the Excise Tax Act (Canada) and any provincial tax of similar application as comprised therein;

1.9 "Lessee" means IS or IH, and "Lessees" means both of them;

1.10 "Lessor" means the Corporation;

1.11 "Minister" means the Minister of Fisheries and Aquaculture, for the Province;

1.12 "Parties" means the Corporation, High Liner, IS and IH, collectively, and "Party" means any one of them, as appropriate;

1.13 "Person" means an individual, partnership, corporation, government or any department or agency thereof, a trust, any unincorporated organization, and the heirs or legal personal representatives of an individual; and words importing "person" have similar meanings;

1.14 "Province" means the Government of the Province of Newfoundland and Labrador and includes the Corporation and the Minister; and,

1.15 "Prime Rate" means that rate of interest per year, at the time interest falls due under any provision of this Agreement, which is the prime or reference interest rate then in effect for Canadian Dollar demand loans to its most favoured commercial customers of the Corporation's bank.
2. TERM OF AGREEMENT

2.1 **Subject Matter.** The subject matter of this Agreement is the lease of the Enterprise Allocations, quota and vessel designations acquired by the Corporation, or the Corporation on behalf of the Province, and access to such historic rights as may pertain to the subject matter of this Agreement as applicable, and which subject matter in accordance with the terms and conditions herein outlined are hereby assigned to the Lessees for the Term granted.

2.2 **Term.** This Agreement shall commence on the Date of Execution and continue for a Term of twenty (20) years therefrom (the "Term") subject to the terms and conditions, obligations and rights herein contained and further subject to such terms and conditions of renewal as are herein provided.

2.3 **Unused Vessel Designations.** In the event that the Lessees advise that they are in any fiscal year unable, for any reason, to utilize all vessel designations granted pursuant to this Agreement, then the Corporation may in its sole and absolute discretion make use of the unused designations and may transfer, assign or otherwise deal with those unused designations as it deems advisable at no cost to the Corporation other than any Federal Government of Canada levies as may apply. The Lessees shall advise the Corporation of their intent to utilize or not utilize vessel designations prior to March 31st for the year then following. In the event vessel designations are reserved for utilization by the Lessees, then within 60 days of the expiry of the notice period the Lessees shall provide evidence satisfactory to the Corporation that they shall in fact be using those vessel designations. In the event that vessel designations are not being utilized or will not reasonably be utilized by the Lessees then those unused vessel designations shall be available to the Corporation, in its sole and absolute discretion, and the Corporation may transfer, assign or otherwise deal with those unused designations as it deems advisable at no cost to the Corporation other than any Federal Government of Canada levies as may apply. Utilization of unused vessel designations by the Corporation shall only be for the fiscal year in question. The Lessees may not assign or transfer unused vessel designations without the prior written approval of the Corporation.

2.4 **Regulation.** Vessel Designations are subject to Federal Government regulation and guidelines. The Lessees and the Corporation shall adhere at all times to such federal, provincial or municipal legislation, by-laws, and policies as may apply to their operations and use of the subject matter herein.
3. RENEWAL

3.1 Renewal. With the expiry of the Term granted by this Agreement, the Term may be renewed on such terms and conditions and for such further term as the parties may agree. The Corporation shall not unreasonably withhold a renewal, such renewal to be on commercially viable and reasonable terms.

3.2 Notice of Renewal. The Lessees shall give written notice to the Corporation of their intention to renew at least three (3) month(s) prior to the expiration of the Term granted under this Agreement.

4. LEASE FEES AND RATES

4.1 Fees Cumulative. Three (3) fees, cumulative in total, shall function as the annual consideration for this Agreement. These payments, collectively referred to as "Lease Fees", further delineated below and herein, are: a base lease fee; access fees and other charges; and, a Surcharge Amount. Lease Fees are payable on an annual basis prior to March 31st in a given year or as they fall due to the respective authorities having jurisdiction.

4.2 Base Lease Fee. The Lessees shall cause to be paid to the Corporation, as partial consideration for their access to the Enterprise Allocations, a base fee in the amount of Fifty-Thousand Dollars ($50,000.00). This fee is payable prior to March 31st of each fiscal year. For the purposes of the commencement, the first payment is due prior to March 31st, 2006 utilizing the fiscal year then preceding. For purposes of clarity, the fee as may have been payable in respect of the current year (i.e. payable prior to March 31st, 2005) is hereby waived.

4.3 Access Fees and Other Charges. The Lessees shall be responsible for and shall pay, per species on an annual basis or lesser period as may be required by the governing authorities, all access fees, charges, levies and/or duties as pertain to the Lessee's utilization of the Enterprise Allocations and vessel designations and as are payable to the Government of Canada in respect thereof on such terms as may be most favourable to the Lessees. With respect to the balance of the current quota year, the Lessees shall be responsible for the prorated fees as relevant.

4.4 Surcharge Amount. The Lessees shall pay a Surcharge Amount to the Corporation calculated and determined as follows:
4.4.1 The aggregate Surcharge Amount shall be an amount ("Surcharge Amount") equal to the Annual Cash Flow of IS and IH exceeding.

4.4.2 For the purposes of calculating the Surcharge Amount, the Annual Cash Flow of IS and IH shall be the consolidated earnings before income taxes, depreciation and amortization of IS and IH and all of the affiliates of either, less Capital Expenditures and current income taxes paid or payable with respect to the current year, provided any Capital Expenditures that exceed the aggregate in any one year shall have been consented to by the Corporation, such consolidated financial statements and calculation to be certified by the auditors of IS and IH annually:

4.4.3 For the purposes of this section, "affiliates" shall include such related corporations and other entities whose purpose is related either directly or indirectly with the core fishing business, and/or the assets related to that business; and,

4.4.4 With respect to the fiscal year of IS and IH this shall be calculated prior to March 31st in each successive year of the Term; and,

4.4.5 Regardless of the manner of calculation, the Surcharge Amount shall not exceed an annual amount of Two Hundred Thousand Dollars ($200,000).

4.5 Other Fees. Further to the event of quota increases and as provided subject to the terms of Section 7.1, the Corporation and the Lessees may negotiate an additional fee for access to additional quotas which additional fee, as negotiated, shall become due and payable by the Lessees to the Corporation and shall become an obligation of this Agreement cumulative to such other fees as apply.

4.6 Periodic Review. The Corporation and the Lessees may, as necessary, periodically review the terms of this Section to reflect material changes in the industry. Amendments to this Section shall be effected as provided under this Agreement.

4.7 Arrears. The Lessees shall not permit the fees contemplated under this Section to go into arrears. The Corporation shall be entitled to recover interest at the Prime Rate (plus two percent) then appearing which shall constitute a debt of the Lessees to the Corporation. In the event that the fees are allowed to proceed into
arrears, the Corporation shall be entitled to recover these together with the interest as a civil debt in addition to such other rights or remedies which the Corporation may have at law or generally.

5. **AUDIT**

5.1 IS and IH shall provide the Corporation with audited consolidated annual financial statements within 90 days after each year end.

5.2 The Corporation shall be entitled to have its auditors review the books and financial documentation of the Lessees to determine and verify the amounts applicable under this Agreement.

5.3 The Lessees shall lend every assistance to the auditors and the Corporation in performing its due diligence hereunder.

6. **CORPORATION OWNERSHIP**

6.1 No provision of this Agreement shall serve to alter, sever, lessen or diminish the ownership of the Corporation, or the Corporation on behalf of the Province, of the Enterprise Allocations.

6.2 The Corporation, or the Corporation on behalf of the Province, shall remain the sole owner of the Enterprise Allocations and all historical rights associated with them including the seven vessel designations.

6.3 **No Encumbrance.** The Lessees, its sub-Lessees or assigns, shall not encumber or pledge as security the subject matter of this Agreement.

7. **QUOTA INCREASES**

7.1 In the event of the Enterprise Allocation or quota increasing beyond each or any of the stated annual thresholds, this Agreement may be re-opened subject to the terms herein contained, at the discretion of the Corporation. For greater certainty, it is intended that any reopening of terms relate only to specific species in which an annual threshold is exceeded. The annual thresholds for individual quotas are as follows:

7.1.1 Maximum of 16 of a combination of cod, pollock and haddock; **Section 27.1 (c) (i)**
Section 27.1 (c) (i)

7.1.2 Maximum of [redacted] of a combination of redfish, yellowtail flounder, American plaice, witch flounder and Greenland halibut; or,

7.1.3 Maximum of [redacted] of Atlantic halibut.

7.2 In the event of a quota in a year exceeding the annual thresholds set out above, the Corporation may provide written notice to the Lessees and High Liner that it intends to assign or transfer the excess quota available in respect of the annual thresholds established. On the provision of such notice, the Lessees and / or High Liner shall have an exclusive right for a period of sixty (60) days therefrom within which to attempt to negotiate the additional lease of these quotas. The Corporation will not unreasonably withhold the right of the Lessees to access these additional quotas provided a viable and reasonable proposal is presented for consideration.

7.3 For the purposes of this Section, a “viable and reasonable proposal” shall mean a proposal which, in the opinion of the Corporation, is viable and reasonable on commercially acceptable terms and is reflective of the fair market values for such items.

7.4 Should the Lessees fail to present a viable and reasonable proposal, then the Corporation shall consider any alternate proposal submitted by High Liner subject to the tests set forth above. In the event neither the Lessees nor High Liner present a viable and reasonable proposal, or each advise that they do not wish to acquire the additional quotas, then the Corporation shall be free to transfer or assign the additional quotas as it deems advisable. Providing that in no event shall the Corporation accept a proposal from any person other than the Lessees or High Liner on terms less favourable than those offered by the Lessees or High Liner.

8. CORPORATION’S COVENANTS

8.1 Quiet Enjoyment. The Corporation covenants with the Lessees that upon the Lessees paying the prescribed fees and performing the covenants designated herein on their part to be paid and performed, the Lessees shall and may peaceably and quietly enjoy the subject matter herein during the Term of the Agreement and any renewal thereof without molestation, hindrance, or disturbance by the Corporation or any person or persons lawfully claiming through or under it.
9. LESSEES' COVENANTS

9.1 The Lessees hereby covenant with the Corporation as follows:

9.1.1 Payment of Lease Fees. The Lessees shall pay the Lease Fees as provided in Section 4 and generally on the days and in the manner set out above.

9.1.2 Assignment and Sublet. The Lessees shall not assign, sublet or part with the possession of the subject matter herein or any part thereof without the prior written consent of the Corporation.

9.1.3 Subletting of Underutilized Quota. Notwithstanding Section 9.1.2, subletting of underutilized quota will be permitted, with the prior consent of the Corporation and in accordance with requirements as may be established by the Province, in order to promote and ensure the maximization of quota utilization.

10. TAXES, DUTIES AND OTHER CHARGES

10.1 Relevant Taxes. The Lessees shall be liable for and shall pay all relevant federal or provincial taxes and HST and all other taxes, duties or other like charges properly payable and in connection with their utilization of the subject matter of this Agreement.

10.2 Failure to Pay. Failure of the Lessees to pay relevant federal or provincial taxes and HST and all other taxes, duties or other like charges properly payable pertaining to the Lessee's utilization of the Enterprise Allocations shall constitute an Event of Default under this Agreement rendering the Agreement terminable at the discretion of the Corporation without prejudice to any other rights or remedies which the Corporation may have hereunder and subject to the terms of Section 11 herein.

11. TERMINATION OF LEASE ON DEFAULT

11.1 This Agreement may be terminated by the Corporation for any one of the following breaches:

11.1.1 If the Lessees fail to fulfill one of the material conditions or obligations incumbent under this Agreement; or

11.1.2 Upon an "Event of Default".
11.2 An “Event of Default” shall occur upon the Lessees, or either of them:

11.2.1 Being adjudged bankrupt or insolvent, or making a general assignment for the benefit of its creditors, or taking the benefit of any Act which protects bankrupt or insolvent debtors, seeking legal protection from its creditors, or if a receiver is appointed on account of its’ bankruptcy or insolvency;

11.2.2 Commencing voluntary winding up proceedings or any order is made for the winding up of the Lessees or either of them;

11.2.3 Suspending, terminating, abandoning or ceasing its operations at Arnold’s Cove, Newfoundland and Labrador, excepting in the case of any seasonal shutdown;

11.2.4 Having the subject matter of the Corporation’s lease to the Lessees becoming seized, attached or executed against by any creditor; or,

11.2.5 Persistently disregarding legislation of Canada or the Province or otherwise violating the provisions of this Agreement to a substantial degree.

11.3 The Corporation shall be able to terminate this Agreement at its sole and absolute discretion upon the occurrence of either of the events in Section 11.1 above which events remain unremedied, on the provision of written notice to the Lessees (a copy of which will be provided to High LIner), subject to High Liner’s rights as herein contained.

11.4 Where the Corporation sends notice to the Lessees and High Liner under Section 11.3 as a result of an Event of Default under Section 11.2, High Liner shall have thirty (30) days from the date of service of such notice from the Corporation that this Agreement is to be terminated to notify the Corporation in writing that its intends to rectify the default under the Agreement either on its own behalf or that of the Lessees. High Liner shall have ninety (90) days from service of the Corporation’s notice in which to rectify the default under the Agreement.

11.5 On the happening of any of the events above, the Corporation may, in addition to providing notice of termination, immediately seek or exercise any remedy available to it in law or equity and it may exercise any of the following remedies:
11.5.1 **Possession.** Without limitation of the Corporation’s rights generally, the Corporation may take possession of the subject matter of this Agreement and upon doing so the Corporation may do such things as it deems advisable in order to maintain, protect or preserve the subject matter of this Agreement, and may lease the subject matter to third parties, subject to the terms of this Agreement and the rights attendant therein, on such terms as the Corporation deems advisable; and,

11.5.2 **Judgment.** The Corporation may sue the Lessees or any person jointly liable with them or any guarantor, and recover judgment for any Lease Fees, arrears of fees, charges, levies or duties as may be payable by the Lessees and for which the Corporation may become liable or for which the Lessees are liable to the Corporation, without having exhausted the other remedies available to it and no other remedy or right of the Corporation merges in any such judgment.

11.6 In this Agreement, the term "remedies" means the remedies prescribed in this clause and such other remedies as the Corporation may have in law or equity. The remedies are cumulative; the exercise of one does not preclude the use of others. The Corporation may exercise any of the remedies against the subject matter as a whole or in parts.

11.7 Termination of this Agreement is without prejudice to any rights of either Party against the other and termination will not relieve either Party of any of its obligations to the other existing at the time of termination, including without limitation any liabilities for fees or rates owing under this Agreement, or for breach of contract arising from a default giving rise to such termination.

11.8 Nothing herein contained is intended to derogate from High Liner’s rights to remedy a default under the Agreement prior to termination thereof. Should High Liner remedy a default by the Lessees under this Agreement, then and in that event High Liner shall acquire the rights and obligations of the Lessees pursuant to this Agreement;
13. SURRENDER

13.1 The Lessees shall yield up the subject matter of this Agreement at the conclusion, expiry or termination of the Term granted or any renewal thereof.

14. ASSIGNS

14.1 This Agreement is binding upon the Corporation, the Lessees, and, High Liner, and their successors, assigns, heirs, executors and administrators according to law.

15. WAIVER

15.1 The waiver by any Party of any breach and its respective rights under any portion of this Agreement shall not be taken as a waiver of the entire Agreement, its rights thereunder or of any future breaches.

16. REPRESENTATIONS AND WARRANTIES

16.1 The Lessees represent and warrant to the Corporation that:

16.1.1 The Lessees are corporations duly incorporated and validly existing in good standing under the laws of Newfoundland and Labrador.

16.1.2 The Lessees have the corporate power, capacity and authority to own property and carry out transactions as contemplated in this Agreement.

16.1.3 The execution and delivery by the Lessees of this Agreement, the performance by them of their obligations under this Agreement and the completion by them of the transactions contemplated in this Agreement does not result in the violation of any of the terms and provisions of the constituting documents or bylaws of the Lessees or of any agreement to which they are a party, or any violation of any law or regulation of Canada or of any province or territory or any municipal bylaw or ordinance or any order or decree of any court or tribunal to which the Lessees are subject.
16.2 The Corporation represents and warrants to the Lessees:

16.2.1 The Corporation has the legal power, capacity and authority to own property and perform its obligations as contemplated in this Agreement.

16.2.2 The execution and delivery by, or on behalf of, the Corporation of this Agreement by the persons executing this Agreement, and the performance by the Corporation of its obligations under this Agreement have been duly authorized and does not result in the violation of any of the terms and provisions of any agreement to which it is a party or any violation of any law or regulation of Canada or of any province or territory or any municipal bylaw or ordinance or any order or decree of any court or tribunal to which the Corporation is subject.

17. RELATIONSHIP OF THE PARTIES

17.1 Nothing in this Agreement shall be construed as in any way creating a partnership between the Corporation and the Lessees or High Liner, or placing the Lessees or High Liner in the position of an agent of the Corporation.

17.2 IS and IH shall be jointly and severally liable for all obligations of the “Lessees” as defined under this Agreement.

18. AMENDMENTS

18.1 All amendments to this Agreement shall be agreed between the Parties and shall not be valid unless made in writing.

19. DISPUTE RESOLUTION

19.1 Except any dispute in respect of any matter to which Section 11 of this Agreement applies, all disputes between or among the Parties arising out of:

19.1.1 this Agreement; or,

19.1.2 the interpretation, application, operation or performance of this Agreement;

which cannot be resolved informally to the satisfaction of any Party shall be addressed in the manner set out in this Section.
19.2 The dispute resolution process shall be commenced by delivery of a notice, referred to as the Notice of Dispute, delivered by one Party to the other Party or Parties to which the dispute relates. The Notice of Dispute shall contain the following:

19.2.1 the issue or issues which the Party wishes to resolve;

19.2.2 a summary of the facts relevant to the issue or issues, as asserted by the Party; and,

19.2.3 the Party’s suggested resolution or remedy to address the dispute.

19.3 Within twenty (20) days of receipt of the Notice of Dispute, the Party or Parties receiving same shall each deliver a reply, referred to as the Reply. Each Reply shall contain the following:

19.3.1 a statement of those assertions of fact in the Notice of Dispute with which the Party agrees;

19.3.2 a summary of the different or additional facts relevant to the issue or issues, as asserted by the Party; and,

19.3.3 the suggested resolution or remedy to address the dispute.

19.4 Forthwith after receipt of the Reply or Replies, the Parties shall enter into negotiations in good faith to resolve the issue or issues identified in the Notice of Dispute. The Parties may, if mutually agreed upon, appoint a mediator to assist in the resolution of the issue or issues. If the Parties have not agreed in writing on a resolution or remedy for the dispute within thirty (30) days of receipt of the Reply or Replies by the Party which delivered the Notice of Dispute, the issue or issues identified in the Notice of Dispute shall be referred to arbitration pursuant to the Commercial Arbitration Act, R.S.C. 1985, Chapter 17 (2nd Supp.), as amended, except as modified by this Section.

19.5 Except for the Notice of Dispute and any Replies, all communications and documents exchanged by the Parties during the negotiations referred to above are without prejudice and may not be used as evidence in an arbitration except with the consent of the Parties to the arbitration.

19.6 An issue or issues referred to arbitration shall be determined:
19.6.1 If there are two Parties to the dispute, by a Panel of three arbitrators, one appointed by each of the Parties and the third mutually agreed upon by the Parties;

19.6.2 If there are three Parties to the dispute, by a Panel of five arbitrators, one nominated and appointed by each of the Parties to the dispute and two co-chairs selected jointly by the three nominees; and,

19.6.3 The Parties referred to in 19.6.2 shall be interpreted as the Corporation, High Liner and one of either IS or IH.

19.7 If the Parties cannot agree upon the third or fourth arbitrator within 7 days of the expiry of the negotiation period referred to above, the Parties shall request that an arbitrator be appointed pursuant to the provisions in the Commercial Arbitration Act, R.S.C. 1985, Chapter 17 (2nd Supp.), as amended.

19.8 Each Party shall bear its own costs of arbitration under this Section, except that:

19.8.1 the Parties shall bear equally the costs of the arbitrator mutually agreed on or appointed under this Agreement;

19.8.2 the arbitrators may make an order as to the costs of the arbitration.

19.9 The Parties to any dispute may amend the time limits set out in this Section upon agreement in writing.

20. CONTACT INFORMATION

20.1 Any written notice, payment, consents or other documents required or which may be given pursuant to this Agreement may be delivered or transmitted by registered mail addressed as follows, or sent by telecopier (with confirmation of transmission) to a receiver at the addresses set out below:

In the case of IS and/or IH, addressed to it at:

Icewater Seafoods Inc. and Icewater Harvesting Inc.
c/o Icewater Seafoods Inc.
Club Avenue
P.O.Box 89
Arnold’s Cove, NL A0B 1A0
Attention: Bruce Wareham
Telecopier No.: 709.463.2300

With a copy to:

Martin, Whelan, Hennebury & Stamp
Barristers & Solicitors
15 Church Hill
P.O. Box 5910
St. John's, NL
A1C 5X4
Attention: Norman Whelan, Q.C.
Telecopier No. (709) 754-0915

In the case of the Corporation, addressed to it at:

Newfoundland and Labrador Industrial Development Corporation
P.O. Box 8700
St. John's, NL
A1B 4J6
Attention: Mr. Terry Paddon, C.A. – Chairperson
Telecopier No. (709) 729-2095

In the case of High Liner, addressed to it at:

High Liner Foods Incorporated
P.O. Box 910
100 Battery Point
Lunenburg, NS
B4V 1H7
Attention: Corporate Counsel
Telecopier No. (902)634-4785

With a copy to:

Stewart McKelvey Stirling Scales
Barristers & Solicitors
P.O. Box 5038
St. John's, NL
A1C 5V3
Attention: Ian C. Wallace
Telecopier No. (709)722-4565

Any document so given shall, unless delivered, be deemed to have been received on the second business day following the date of mailing, if sent by registered mail, or on the first business day following the date of transmission, if sent by telecopier. If the postal system is disrupted by
labour strife, any payment shall be delivered by courier and any other document shall be delivered or sent by telex. Any Party may from time to time by notice given as provided above, change its address or contact for service of documents.

21. GENDER AND NUMBER

21.1 The use in this Agreement of the neuter gender includes the masculine and the feminine; the use of the plural includes the singular; the use of the singular includes the plural.

22. COSTS AND EXPENSES

22.1 All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement, the negotiation thereof and the transactions contemplated shall be paid by the Party incurring such expenses.

23. FURTHER ASSURANCES

23.1 The parties shall with reasonable diligence do all things and provide all reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide those further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and to carry out its provisions, whether before or after the commencement hereof.

24. RIGHTS

24.1 Except as specifically set forth or referred to in this Agreement, nothing herein, expressed or implied, is intended or shall be construed to confer on or give any person, other than the parties and their respective successors and assigns, any rights or remedies under or by reason of this Agreement.

25. MONEY

25.1 All dollar amounts referred to in this Agreement are in Canadian Dollars unless otherwise stated.

26. EXECUTION IN COUNTERPARTS
26.1 This Agreement may be executed in one or more counterparts, each of which so executed will constitute an original and all of which together will constitute one and the same agreement.

27. NO SET OFF

27.1 The Parties agree that the entitlement of the Corporation to any payment under this Agreement shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment of any amount due or alleged to be due by reason of any past, present or future claims against the Corporation by the Lessees, except as may be provided for in this Agreement.

28. IMPOSSIBILITY OF PERFORMANCE AND INTERRUPTIONS

28.1 No Party shall be held liable or deemed to be in default under this Agreement if the performance or observance of its obligations is prevented or delayed by any circumstances beyond its reasonable control, including but not limited to an act of God, warlike operations, riot, strike, lock-out or other industrial or trade dispute, fire, flood, tempest, failure of telecommunications facilities, unavoidable accident or act of Government, courts or regulatory authorities, or any delay in Governmental approvals required in respect of the subject matter hereunder.

29. INDEMNITY

29.1 The Lessees shall indemnify and save harmless the Corporation from all third party claims as may result from the Lessees’ operations or use of the subject matter granted herein. In particular, the Lessees shall indemnify and save harmless the Corporation from and against all claims, actions, causes of action, loss, damage, expense and costs, whatsoever, made by any person, arising out of or resulting directly or indirectly, and whether by reason of negligence or otherwise, from:

29.1.1 the performance by the Lessees of any of their covenants under this Agreement;

29.1.2 any default of the Lessees in the performance of their covenants under this Agreement, and;

29.1.3 the remedying of such default by the Lessees, by the Corporation or by any other person.

29.2 The Lessees shall further indemnify and hold the Corporation
harmless from and against and in respect of any and all loss or damage, direct or indirect, including costs, charges and expenses, based on or arising out of:

29.2.1 The incorrectness of any representation or warranty made by the Lessees in this Agreement or in any certificate, agreement or other document made or delivered pursuant to or in connection with this Agreement, whether by misstatement or omission; or

29.2.2 The failure to duly perform or observe any provision, covenant, agreement or condition under this Agreement required on the part of the Lessees to be performed or observed; or

29.2.3 Any claims, demands, or actions by any present or former director, officer or employee of the Lessees in respect of any matter or thing existing at or prior to the commencement of this Agreement.

30. RIGHTS NON-EXCLUSIVE

30.1 Rights Non-Exclusive. The rights and benefits provided to each of the parties in this Section shall be supplemental to any other rights, actions or causes of action which the Party may have or obtain in or in connection with any other provision in this Agreement or otherwise.

31. CIVIL DEBT

31.1 Civil Debt. The Lease Fees and charges contemplated under this Agreement constitute a civil debt due to the Corporation.

32. GOVERNING LAW

32.1 This Agreement shall be construed and interpreted in accordance with the laws of the Province of Newfoundland and Labrador and the Parties attorn to that jurisdiction.

33. HEADINGS

33.1 Headings are provided for ease of reference only and shall not be used to interpret any provision of this Agreement

34. SEVERANCE
34.1 No provision contained herein shall by reason of its drafting render the whole of the Agreement null and void for want of legality, form or construction and shall wherever possible be severed from the whole so as to give effect to this Agreement.

35. OTHER DOCUMENTATION

35.1 The Parties agree to execute any further documentation required to give force to this Agreement.

36. NECESSARY AUTHORIZATION

36.1 The Parties represent that they have respectively obtained all necessary authorizations to conclude the transactions contemplated by this Agreement and that the Agreement has been executed by their duly authorized representatives.

37. TIME OF THE ESSENCE

37.1 Time shall be and shall continue to be of the essence of this Contact.

38. SURVIVAL

38.1 Provisions concerning the parties' rights and obligations which by the content of the provision operate after termination or which are necessary to enforce any right will survive termination of this Agreement.

39. ENTIRE AGREEMENT

39.1 This Agreement together with the Appendices or Schedules and subsequent Amendments attached hereto and hereby made a part hereof, constitute the entire and final Agreement between the parties and rescind any other agreements, convention, representation, discussions or commitment, whether verbal or in writing, agreed upon by the parties prior to signing this Agreement.
IN WITNESS WHEREOF the Parties have executed this Agreement in accordance with their respective rules and regulations in that respect as of the day and year first before written.

THE COMMON SEAL of the Newfoundland and Labrador Industrial Development Corporation was hereunto affixed in the presence of:

[Signature]

NEWFOUNDLAND AND LABRADOR INDUSTRIAL DEVELOPMENT CORPORATION

THE COMMON SEAL of Icewater Seafoods Inc. was hereunto affixed in the presence of:

[Signature]

ICEWATER SEAFOODS INC.

THE COMMON SEAL of Icewater Harvesting Inc. was hereunto affixed in the presence of:

[Signature]

ICEWATER HARVESTING INC.

THE COMMON SEAL of High Liner Foods Incorporated was hereunto affixed in the presence of:

[Signature]

HIGH LINER FOODS INCORPORATED
### SCHEDULE “A”

#### ENTERPRISE ALLOCATIONS

<table>
<thead>
<tr>
<th>Species</th>
<th>Stock Area</th>
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<th>2004/2005 NSP EA (rd mt)</th>
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<td>2J</td>
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<tr>
<td></td>
<td>3K</td>
<td>32.34%</td>
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<tr>
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<td>3L</td>
<td>32.34%</td>
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<td>TOTAL</td>
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SCHEDULE "B"
VESSEL DESIGNATIONS

Cape Fortune
Cape Farewell
Cape Verde
Cape Smokey
Cape Fox
Cape Neddick
Cape Sambro
## SCHEDULE “C”

### FEES PAYABLE IN RELATION TO ENTERPRISE ALLOCATIONS

Reconciliation of NSP Offshore Groundfish EA Licence Fees 2004/2005

<table>
<thead>
<tr>
<th>Species</th>
<th>Stock</th>
<th>EA (t)</th>
<th>Fee ($/t)</th>
<th>Total Fee ($t)</th>
<th>Fishing Season 2004</th>
<th>Assignor’s Share (Days)</th>
<th>Assignee’s Share (Days)</th>
<th>HLF Share ($t)</th>
<th>NFLD Share ($t)</th>
<th>Per diem</th>
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<table>
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<tr>
<td>Less rebate</td>
<td>($ 1,000.00)</td>
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<tr>
<td>Assignor Paid</td>
<td>$ 131,066.25</td>
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<tr>
<td>Balance due DFO</td>
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<tr>
<td>Assignor’s share less paid</td>
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<tr>
<td>Assignee’s share</td>
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<td>Prorated shares</td>
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<td>Less rebate</td>
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<td>Net amount</td>
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<td>HLF Paid</td>
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<td>Ami due</td>
<td>($ 48,578.87)</td>
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<td>Total due DFO</td>
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G:\home\ENGLISH\Data\Real Estate - Commercial\High Liner Foods Incorporated - Sale to Phoenix Company Limited - Conveyancing Documents\Assignment of Enterprise Allocation.doc