February 27, 2017

Dear Applicant:

**Re:** Your request for access to information under Part II of the *Access to Information and Protection of Privacy Act* [Our File #: FA/01/2017]

On December 28, 2016, the Department of Fisheries and Land Resources (formerly the Department of Fisheries, Forestry and Agrifoods) received your request for access to the following records/information:

"A copy of the original Quota Holdco Implementation Agreement between the Government of Newfoundland and Labrador and Ocean Choice International (OCI) signed in 2007. A copy of the new Quota Holdco agreement between the Government of Newfoundland and Labrador and OCI which was recently signed Compliance reports or documentation referring to OCI's compliance (or lack of) under the yellowtail and redfish agreements to date (as they don't expire til December of this year)"

Please be advised that a decision has been made by the Deputy Minister for the Department of Fisheries and Land Resources to provide partial access to the requested information. Please note that access to specific information contained within the records has been refused in accordance with Section 4(1) *Fisheries Act*, Section 7(2) Schedule A, *Conflict with other Acts*, and Section 40(1) *Disclosure harmful to personal privacy*. A full list of relevant legislation has been provided. As required by 8(2) of the Act, we have severed information that is exempt from disclosure and have provided you with as much information as possible.

Please be advised that you may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, as set out in section 42 of the Act (a copy of this section of the Act has been enclosed for your reference). A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal. The appeal may be addressed to the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner  
2 Canada Drive  
P. O. Box 13004, Stn. A
You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act (a copy of this section of the Act has been enclosed for your reference).

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Completed Access to Information Requests 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 contact me by telephone at 709-729-4797 or by email at rhondahickey@gov.nl.ca.

Sincerely,

Rhonda Hickey
ATIPP Coordinator

Enclosures

Fisheries Act

Secrecy

4. (1) The minister shall keep every return secret and, except for the purpose of a prosecution under this Act, shall not permit a person other than an employee of the department to have access to a return.

Conflict with other Acts

7. (1) Where there is a conflict between this Act or a regulation made under this Act and another Act or regulation enacted before or after the coming into force of this Act, this Act or the regulation made under it shall prevail.

(2) Notwithstanding subsection (1), where access to a record is prohibited or restricted by, or the right to access a record is provided in a provision designated in Schedule A, that provision shall prevail over this Act or a regulation made under it.
Disclosure harmful to personal privacy

40. (1) The head of a public body shall refuse to disclose personal information to an applicant where the disclosure would be an unreasonable invasion of a third party's personal privacy.

Access or correction complaint

42. (1) A person who makes a request under this Act for access to a record or for correction of personal information may file a complaint with the commissioner respecting a decision, act or failure to act of the head of the public body that relates to the request.

(2) A complaint under subsection (1) shall be filed in writing not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16 (2).

(3) A third party informed under section 19 of a decision of the head of a public body to grant access to a record or part of a record in response to a request may file a complaint with the commissioner respecting that decision.

(4) A complaint under subsection (3) shall be filed in writing not later than 15 business days after the third party is informed of the decision of the head of the public body.

(5) The commissioner may allow a longer time period for the filing of a complaint under this section.

(6) A person or third party who has appealed directly to the Trial Division under subsection 52 (1) or 53 (1) shall not file a complaint with the commissioner.

(7) The commissioner shall refuse to investigate a complaint where an appeal has been commenced in the Trial Division.

(8) A complaint shall not be filed under this section with respect to

(a) a request that is disregarded under section 21;

(b) a decision respecting an extension of time under section 23;

(c) a variation of a procedure under section 24; or

(d) an estimate of costs or a decision not to waive a cost under section 26.

(9) The commissioner shall provide a copy of the complaint to the head of the public body concerned.
52. (1) Where an applicant has made a request to a public body for access to a record or correction of personal information and has not filed a complaint with the commissioner under section 42, the applicant may appeal the decision, act or failure to act of the head of the public body that relates to the request directly to the Trial Division.

(2) An appeal shall be commenced under subsection (1) not later than 15 business days

(a) after the applicant is notified of the decision of the head of the public body, or the date of the act or failure to act; or

(b) after the date the head of the public body is considered to have refused the request under subsection 16 (2).

(3) Where an applicant has filed a complaint with the commissioner under section 42 and the commissioner has refused to investigate the complaint, the applicant may commence an appeal in the Trial Division of the decision, act or failure to act of the head of the public body that relates to the request for access to a record or for correction of personal information.

(4) An appeal shall be commenced under subsection (3) not later than 15 business days after the applicant is notified of the commissioner’s refusal under subsection 45 (2).
IMPLEMENTATION AGREEMENT

BETWEEN

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR

AND

OCEAN CHOICE INTERNATIONAL L.P.

Made as of December 19th, 2007
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THIS AGREEMENT is made as of the 19th day of December, 2007

BETWEEN:

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND
LABRADOR, as represented by The Honourable Minister of
Fisheries and Aquaculture

- and -

OCEAN CHOICE INTERNATIONAL L.P., a limited partnership
formed under the laws of Newfoundland and Labrador, by its general
partner, 55104 Newfoundland & Labrador Inc.

("Ocean Choice")

WHEREAS:

A. Ocean Choice and 2005 Inc. have entered into an agreement with FPI Limited and
Fishery Products International Limited for the purchase of, among other things,
substantially all of the fishing operations and business of FPI in the Province of
Newfoundland and Labrador;

B. as such transaction requires amendment to or repeal of the Fishery Products
International Limited Act, the Government must be satisfied such transaction is in
the public interest;

C. for such purpose, 2005 Inc. made a written presentation to the Government dated
February 23, 2007 in connection with its bid to acquire the FPI Assets and the
Government and 2005 Inc. entered into a memorandum of understanding
contemplating certain commitments of Ocean Choice to the Government in
connection with such transaction; and,

D. the parties are entering into this agreement to implement the terms of the OCI
MOU;

NOW THIS AGREEMENT WITNESSETH that for and in consideration of the
premises, the mutual covenants and agreements herein contained and other good and valuable
consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties
mutually agree one with the other as follows:
ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions. When used in this Agreement (including the recitals and the Schedules identified in Section 1.2), unless the context otherwise requires, the following terms shall have the following meanings:


"Agreement" means this agreement and all Schedules attached to this agreement, in each case as they may be amended or supplemented from time to time, and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement;

"Applicable Law" means any statute, ordinance, regulation, authorization, order, permit, approval, grant, licence, consent, policy, rule, right, franchise, privilege, determination, directive, decree, by-law, code or standard enacted, made, issued or granted by any Government Entity;

"Bank" means a bank or other financial institution;

"Best Efforts" means taking, in good faith, all reasonable steps to achieve the stated objective;

"Business Day" means any day other than a Saturday, Sunday or statutory holiday in the Province;

"Closing" means completion of the Sale Transaction and the transactions contemplated herein, including issuance of the Proclamation;

"Confidential Information" means all documentation, records and communications, in whatever form, which is communicated by one Party to another on an explicit or implicit condition of confidentiality, prior to or subsequent to the date of this Agreement, and that contains trade secrets or information of a financial, commercial, scientific or technical nature of the disclosing Party, but excludes information which:

(a) at the time of disclosure is in the public domain;

(b) subsequent to disclosure by a Party, is published or otherwise becomes part of the public domain through no fault of the Party receiving the information (but only after it is published or becomes part of the public domain); or,

(c) information which was or becomes available to the recipient on a non-confidential basis from a source other than a party to this Agreement, which disclosure is not in breach or violation of any laws or any obligation;
“Control” means, with respect to a Person, the ability, directly or indirectly through one or more intermediaries or other Persons, to direct or cause the direction of the management and policies of such Person through:

(a) the legal or beneficial ownership of voting securities, partnership interests or other similar or equivalent ownership interests in such Person;

(b) the right or ability to appoint or elect a majority of the directors, trustees, managing directors or partners (including directors of a general partner) or individuals of a comparable position of such Person; or,

(c) the right or ability to appoint the management of such Person;

and “Controlled” means, with respect to a Person, being subject to the Control of another;

“DFO” means the Department of Fisheries and Oceans, Canada, and any successor or assignee department responsible for fisheries matters;

“DFO MOU” means the Memorandum of Understanding in Respect of the Proposed Transfer of FPI Quota made May 25, 2007 between the Government of Canada, as represented by DFO, the Government as represented by the Minister of Fisheries and Aquaculture, 2005 Inc. and FFAW;

“EBITDA” means in respect of a particular Processing Facility, the annual net earnings of such Processing Facility before deduction of interest, taxes, depreciation and amortization, calculated in accordance with the provisions of Section 3.2.3;

“Enterprise Allocations” means the total level of groundfish “enterprise allocations” or “quotas”, excluding Greenland halibut, to harvest groundfish from year to year presently or formerly assigned to or for the benefit of FPI for a particular species and designated fishing zone by the Government of Canada, in areas adjacent to Newfoundland and Labrador, expressed as a percentage of the total Canadian offshore quota for that particular species and designated fishing zone, as set out in Schedule A and including related harvesting licences, vessel designations and historic rights to harvest such groundfish;

“Event of Force Majeure” has the meaning ascribed thereto in Section 6.1;

“FFAW” means the Fish, Food and Allied Workers Union, and any successor Person having bargaining rights for employees of FPI;

“Fish Inspection Act” means the Fish Inspection Act, R.S.N.L. 1990, c. F-12, as amended from time to time, and any other future Applicable Law in the Province which involves those aspects of seafood harvesting, marketing or processing, or any part thereof, which are set forth in the Fish Inspection Act;
“FPI” means FPI Limited, a corporation continued under the laws of the Province and Fishery Products International Limited, a corporation amalgamated under the laws of the Province;

“FPI Act Amendment” means Fishery Products International Limited Act Repeal Act, S.N.L. 2007, c. 24;

“FPI Assets” means all of FPI’s plants, equipment, quotas and licences (including the Enterprise Allocations), operations and businesses located in the Province to be acquired by Ocean Choice in the Sale Transaction;

“GAAP” means generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which any calculation or determination is required to be made in accordance with generally accepted accounting principles, and where the Canadian Institute of Chartered Accountants includes a recommendation in its Handbook concerning the treatment of any accounting matter, such recommendation will be regarded as the only generally accepted accounting principle applicable to the circumstances that it covers;

“General Partner” means 55104 Newfoundland & Labrador Inc., the general partner of Ocean Choice;

“Government” means the Government of the Province;

“Government Entity” means (a) any federal, provincial, state, regional, municipal, local or other government, legislative, governmental or public department, commission, board, bureau or agency, whether domestic or foreign; (b) any subdivision, agency, commission, board or authority of any of the foregoing; and (c) any quasi governmental or private body exercising any regulatory, expropriation, or taxing authority under or for the account of any of the foregoing;

“Groundfish Quotas” means those quotas for the harvest of groundfish issued by DFO to QuotaHoldco from time to time as a result of Enterprise Allocations;

“Harvesting Licence” means the harvesting licence issued to QuotaHoldco by DFO as it relates to the Enterprise Allocations;

"Landing Conditions" means those criteria for compliance provided in Appendix A of the DFO MOU respecting the requirement to land in the province of Newfoundland and Labrador and the requirement to land the product in specified identifiable form;
“Lease Agreement” means the lease agreement of even date herewith between QuotaHoldco and Ocean Choice of the Enterprise Allocations, related Groundfish Quotas, Harvesting Licence and vessel designations;

“Material Breach” has the meaning ascribed thereto in Section 7.2;

“Minister of Fisheries and Aquaculture” means the Provincial minister responsible for fisheries and aquaculture in the Province;

“Net Sales Price” means in respect of a species for which that Processing Facility is licenced, the Canadian dollar actual contract price for that species received by Ocean Choice in respect of production at that Processing Facility, less related commissions, freight, storage and duty paid by Ocean Choice, and, except in the case of groundfish, adjusted to take into consideration the relative price change in raw material prices that results from the market price decline;

“OCI Acquired Quotas” means the scallop quotas, two offshore shrimp licences and non-adjacent groundfish enterprise allocation quotas to be acquired in the Sale Transaction, all as described in Schedule B;

“OCI MOU” means the memorandum of understanding between the Government and 2005 Inc., dated June 1, 2007;

“Party” means either the Government or Ocean Choice, and “Parties” means both of them;

“Person” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, or Government Entity however designated or constituted;

“Pledge” in respect of any particular assets means to pledge, charge, mortgage, grant a security interest in or otherwise encumber such asset or an interest therein;

“Processing Facilities” means those plants and processing facilities listed in Schedule C and “Processing Facility” means any one of them;

“Proclamation” means the proclamation into force of the FPI Act Amendment;

“Province” means the Province of Newfoundland and Labrador, Canada, and where the context requires, includes the Government;

“QuotaHoldco” means Quota Holdco NL Inc., a corporation incorporated under the laws of the Province which shall hold the Enterprise Allocations, related Groundfish Quotas, Harvesting Licence and vessel designations;
"QuotaHoldco Shareholders Agreement" means the unanimous shareholders agreement of even date herewith between the Government and Ocean Choice with respect to their respective interests in QuotaHoldco;

"Sale Agreement" means the agreement of purchase and sale made as of August 24, 2007 among FPI, 2005 Inc. and Ocean Choice with respect to the FPI Assets;

"Sale Transaction" means the sale of the FPI Assets by FPI to Ocean Choice as provided for in the Sale Agreement;

"Significant Losses" has the meaning ascribed to it in Section 3.2.3;

"Term" means the period from the date of the MOU to the end of the 2011 processing season; and,

"Total Allowable Catch" means the total volume of a particular species of fish in a fishing zone in the Newfoundland and Labrador region designated as being available for harvest by the Minister of Fisheries and Oceans in a given year.

1.2 Schedules. The schedules attached hereto and identified below shall form an integral part of this Agreement:

Schedule A - Enterprise Allocations
Schedule B - OCI Acquired Quotas
Schedule C - Processing Facilities
Schedule D - Ocean Choice Business Plan
Schedule E - Dispute Resolution

1.3 Subdivisions. Unless otherwise stated, a reference herein or in a Schedule by numerical or alphabetical designation to an Article, Section, Subsection, Paragraph, Subparagraph or Schedule shall refer to the particular Article, Section, Subsection, Paragraph, Subparagraph or Schedule bearing that designation in this Agreement or in a Schedule hereto.

1.4 Headings. The division of this Agreement into Articles, Sections, Subsections, Paragraphs and Subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Number and Gender. Words importing the singular shall include the plural and vice versa, and words importing a particular gender shall include all genders. The use of the neuter singular pronoun to refer to a Party is deemed a proper reference. The necessary grammatical changes required to make the provisions of this Agreement apply shall in all instances be assumed as though in each case fully expressed.

1.6 Statutes, Regulations, Rules and Orders. Any reference in this Agreement to all or any part of any statute, regulation, rule or order shall, unless otherwise stated, be a reference to that statute, regulation, rule or order or the relevant part thereof, as amended, substituted, replaced or re-enacted from time to time.
1.7 Business Day. If the day on which any act is required to be done or made under this Agreement is a day which is not a Business Day, then such act shall be performed or made on the next following Business Day.

1.8 Governing Law. This Agreement shall be governed by and interpreted and enforced in accordance with the laws in force in the Province, including any applicable federal laws, and this Agreement shall for all purposes be treated as a Newfoundland and Labrador contract. Subject to Section 8.1 hereof, each of the Parties submits to the exclusive jurisdiction of the courts of the Province in respect of any dispute or proceedings arising under or in relation to this Agreement or the subject matter hereof.

1.9 Inconsistency or Conflict. Except where otherwise provided either expressly or by necessary implication in this Agreement or a Schedule hereto, in the event of any inconsistency or conflict between any such Schedule and any provision contained in this Agreement, the provision of this Agreement shall prevail to the extent of the inconsistency or conflict.

1.10 Severability. If any provision of this Agreement, or the application thereof to any Person or circumstance, is, to any extent, held or rendered invalid, void, illegal or unenforceable for any reason, then the particular provision shall be deemed to be independent of and severed from the remainder of this Agreement and all the other provisions of this Agreement shall nevertheless continue in full force and effect and shall continue to be applicable and enforceable to the fullest extent permitted by law in all circumstances other than those as to which it has been held or rendered invalid, void, illegal or unenforceable.

1.11 Currency. Except where indicated otherwise, all references in this Agreement to currency are to Canadian dollars.

1.12 Accounting Matters. Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributed thereto under GAAP and all financial computations shall be made in a manner consistent with GAAP.

ARTICLE 2
REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Ocean Choice. Acknowledging that the Government is relying on such representations and warranties, Ocean Choice represents and warrants to the Government that:

(a) Ocean Choice is a limited partnership duly formed and validly existing under the laws of the Province and it has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations herein;

(b) the General Partner is a corporation duly registered to carry on business in the Province and it has all necessary corporate power, authority and capacity to act as general partner of Ocean Choice. The General Partner has been duly appointed as general partner of Ocean Choice and has all necessary power, authority and
capacity under the partnership agreement governing Ocean Choice to act on its behalf including entering into this Agreement on behalf of Ocean Choice;

(c) the execution and delivery of this Agreement by the General Partner on behalf of Ocean Choice and the performance of Ocean Choice's obligations herein have been duly authorized by all necessary partnership, corporate and other action on the part of Ocean Choice and the General Partner;

(d) Ocean Choice is not a party to, bound or affected by, or subject to, any indenture, mortgage, lease, agreement, instrument or charter or by-law provision, which, with or without the giving of notice or the lapse of time or both, would be violated, contravened or breached by, or under which default would occur as a result of, the execution, delivery or performance of this Agreement or the consummation of any of the transactions provided for herein;

(e) Ocean Choice is not bound or affected by or subject to any Applicable Law which, with or without the giving of notice or the lapse of time or both, would be violated, contravened or breached by, or under which default would occur as a result of, the execution, delivery or performance of this Agreement or the consummation of any of the transactions provided for herein;

(f) no approval, authorization, consent, permit or other action by, or filing with, any Government Entity is required in connection with the execution and delivery of this Agreement by Ocean Choice or the performance of its obligations hereunder; and

(g) this Agreement constitutes a legal, valid and binding obligation of each of the General Partner and Ocean Choice, enforceable against it in accordance with its terms, except as limited by (a) applicable bankruptcy laws or laws affecting the enforcement of creditors' rights generally, and (b) the general principles of equity.

2.2 Government Acknowledgements. The Government acknowledges that neither Ocean Choice nor any Person for whom Ocean Choice may be responsible in law has made any representations or warranties with respect to this Agreement, except the representations and warranties expressly made in this Agreement.

2.3 Government's Representations and Warranties. Acknowledging that Ocean Choice is relying on such representations and warranties, the Government represents and warrants to Ocean Choice that, except as is disclosed in Schedule D:

(a) the execution and delivery of this Agreement and the consummation by the Government of the transactions contemplated herein including without limitation, the Proclamation (subject to the terms hereof), have been duly authorized by all necessary Government action;

(b) it is not a party to, bound or affected by or subject to any indenture, agreement or instrument which, with or without the giving of notice or the lapse of time or both, would be violated, contravened or breached by, or under which default
would occur as a result of the execution, delivery or performance of this Agreement by the Government or the consummation of any of the transactions provided for herein;

(c) this Agreement constitutes a legal, valid and binding obligation of the Government enforceable against it in accordance with its terms, except as they may be limited by the general principles of equity; and,

(d) no approval, authorization, consent, permit or other action by, or filing with, any Person is required in connection with the execution and delivery of this Agreement by Government or the performance of its obligations hereunder.

2.4 Ocean Choice Acknowledgements. Ocean Choice acknowledges that neither the Government nor any Person for whom the Government may be responsible in law has made any representations or warranties with respect to this Agreement, except the representations and warranties expressly made in this Agreement.

ARTICLE 3
OCEAN CHOICE UNDERTAKINGS

3.1 Ocean Choice Employment and Business Plan Commitments

3.1.1 Ocean Choice agrees that, in respect of each processing season during the Term, Ocean Choice shall use its Best Efforts to maintain employment at the following levels at each of the Processing Facilities included in the FPI Assets (subject to a permitted variation at a particular Processing Facility of not more than 10% of the specified minimum employment level for that Processing Facility) and in accordance with the provisions of the collective agreements and other agreements with the relevant unions:

<table>
<thead>
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<th>Processing Facility</th>
<th>Employment Level</th>
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<td>Marystown</td>
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<td>Port Union</td>
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<td>Triton</td>
<td>180 - 190</td>
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<td>Bonavista</td>
<td>220 - 240</td>
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<tr>
<td>South Dildo</td>
<td>30 - 40</td>
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</tbody>
</table>

* In case of Marystown, includes trawler personnel.

3.1.2 Ocean Choice further agrees that, in respect of each processing season during the Term, Ocean Choice shall comply with the elements of its business plan set forth in Schedule D.

3.1.3 Ocean Choice shall be permitted to make deviations from the commitments set forth in Sections 3.1.1 to the extent such deviations are the result of:

(a) a decrease in the raw materials available for processing at a particular Processing Facility for a species for which that particular Processing Facility is licenced
resulting from a reduction in the Total Allowable Catch or Enterprise Allocation for that species in that Processing Facility over the 2007 Total Allowable Catch or Enterprise Allocation. For each percentage point reduction over 10%, Ocean Choice will be permitted a percentage point deviation from the subject commitment in respect of the relevant Processing Facility; or,

(b) a decrease in the Net Sales Price at a particular Processing Facility for a species for which that particular Processing Facility is licenced over the average 2007 Net Sales Price. For each percentage point decrease in Net Sales Price over 10%, Ocean Choice will be permitted a percentage point deviation from the subject commitment in respect of the relevant Processing Facility; or,

(c) technological change which reduces the workforce required in Ocean Choice’s processing operations, where Ocean Choice has consulted with the applicable union and made Best Efforts to ameliorate or offset any decrease in employment resulting from such technological change, or,

(d) deviations specifically provided for in the collective agreements or other agreements with the applicable union,

provided Ocean Choice notifies the Government (i) in the case of an event referred to in Section 3.1.3(a) with respect to mackerel, or Section 3.1.3(b), in each case of the deviation and the specific reasons therefor within 30 days after implementing the deviation; and (ii) in the case of any other event referred to in this Section 3.1.3, of the proposed deviation and the specific reasons therefor not less than 30 days prior to implementing the deviation and in each such case provides the Government with supporting evidence therefor, unless the Government notifies Ocean Choice within 30 days of receipt of such documentation that it does not believe the applicable test has been met and the reason(s) in its opinion the test has not been met, in which case Section 3.3 shall apply.

3.1.4 Ocean Choice shall be entitled to continue a deviation in its commitments under Sections 3.1.1 only so long as the same is necessitated by one of the factors referred to in Section 3.1.3 (except in the case of technological changes referred to in Section 3.1.3(c), which the parties acknowledge are of a long term nature and once implemented will continue throughout the Term) and in the case of deviations resulting from the factors referred to in Section 3.1.3(a) or 3.1.3(b), Ocean Choice agrees that it will provide the Government with supporting evidence satisfactory to the Government of the continuing necessity for any such deviation not less than every 12 months after implementation thereof.

3.2 Processing Facility Operating Commitments

3.2.1 Ocean Choice shall operate and shall not permanently close any Processing Facility during the Term. As used herein, “permanent closure” means closure of a Processing Facility for greater than one processing season.

3.2.2 Notwithstanding the foregoing, permanent closure of a Processing Facility shall be permitted if one of the following occurs:
(a) Ocean Choice notifies the Government, and provides such supporting documentation as may reasonably be required by the Government for the purposes of this Section 3.2.2(a), not less than 30 days prior to the proposed closure of the Processing Facility, that:

(i) the Processing Facility has experienced Significant Losses and has no reasonable prospect of eliminating such Significant Losses in the following processing season and those Significant Losses are not the result of deliberate decisions by Ocean Choice; or,

(ii) in the next processing season, the Processing Facility has a high probability of experiencing Significant Losses and has no reasonable prospect of eliminating such Significant Losses in the following processing season, and those prospective Significant Losses are not the result of deliberate decisions by Ocean Choice and are not likely to be avoided by any alternative arrangements available to Ocean Choice;

unless Government notifies Ocean Choice within 30 days of receipt of such documentation that it does not believe the applicable test has been met and the reason(s) in its opinion the test has not been met, in which case Section 3.3 shall apply;

(b) Ocean Choice establishes to the satisfaction of the Government, and the Government receives independent confirmation, that both the community and the union affected by such permanent closure support such a closure; or,

(c) Ocean Choice notifies the Government at the earliest possible opportunity of same and pays to the Government a termination fee in an amount equal to $12,500 per worker multiplied by the total number of unionized workers that have been employed in the Processing Facility in the previous 24 months, less any severance amounts paid or payable to those workers under any collective agreement, but not less any payments required under the Labour Standards Act or other applicable legislation. This amount would be used as a worker transition fund by Government.

3.2.3 As used in Section 3.2.2, "Significant Losses" means the Processing Facility either has (in the case of Section 3.2.2(a)(i)) or is expected to have (in the case of Section 3.2.2(a)(ii)) negative EBITDA for the fiscal year which includes the relevant processing season. EBITDA shall be calculated in accordance with GAAP (except as otherwise provided herein) and in making such calculation with respect to a particular Processing Facility:

(a) overhead, administrative, head office and similar expenses of Ocean Choice shall be allocated among the various operations of Ocean Choice, including that Processing Facility based on the finished pounds produced at the Processing Facility during the fiscal year as a percentage of the total finished pounds produced by Ocean Choice in all of its operations during that fiscal year;
(b) all revenues and expenses directly relating to products produced at a Processing Facility shall be allocated to that Processing Facility; and

(c) Ocean Choice may deduct interest expenses directly relating to indebtedness (including under capital leases) incurred to finance capital expenditures made pursuant to Section 3.4 in respect of that Processing Facility.

3.2.4 If Ocean Choice permanently closes the Marystown Processing Facility in accordance with Section 3.2.2(a), it will not less frequently than every 12 months thereafter, provide the Government with supporting evidence satisfactory to the Government, establishing the continuance of the conditions giving rise to the closure and if such conditions at any time cease to exist, the requirements of Section 3.1.1 shall again apply to the Marystown Processing Facility, commencing with the following processing season.

3.2.5 The processing facility in Fortune is included in the FPI Assets, but is not a Processing Facility subject to the terms of this Agreement. Ocean Choice agrees that it will keep the Government informed with respect to its proposed activities in relation to the operation or sale of the Fortune facility and will from time to time, on request, meet with the Government to discuss the same.

3.3 Dispute Resolution. If Ocean Choice disagrees with a determination by Government as to whether the requirements in Sections 3.1.3 or 3.2.2 have been satisfied in respect of any proposed deviation or permanent closure, it may refer the issue for determination in accordance with Section 8.1 and Schedule E hereof. Pending the decision of the arbitrator, Ocean Choice agrees that it shall use its Best Efforts to continue to comply with its obligations under said Sections and not implement the proposed deviation or closure.

3.4 Capital Expenditure Commitment

3.4.1 Ocean Choice agrees that it will make not less than $8,000,000 in capital expenditures on the vessels and Processing Facilities acquired in the Sale Transaction and the Fortune plant facilities prior to the second anniversary of the Closing. Capital expenditures shall be determined in accordance with GAAP.

3.4.2 Ocean Choice may terminate the commitment to make the aggregate capital expenditures referred to in Section 3.4.1, but in such event it shall notify the Government at the earliest possible opportunity of same and will pay to the Government a termination fee equal to 15% of the amount by which $8,000,000 exceeds the aggregate amount of capital expenditures that have actually been made pursuant to Section 3.4.1. Any payment required to be made pursuant to this Section 3.4.2 shall be made within 90 days after such notice has been given.

3.4.3 Ocean Choice shall within 90 days after the end of its first and second fiscal years following the Closing and, if applicable, after giving notice under Section 3.4.2, provide a report to the Government setting forth in reasonable detail the capital expenditures made by it pursuant to Section 3.4.1 hereof, which report shall be certified as to its accuracy by the Chief Financial Officer of Ocean Choice.
3.5 Scallop, Shrimp and Other Operations

3.5.1 Ocean Choice will:

(a) operate its shrimp and turbot harvesting operations from the Province, including having its harvesting vessels based in and, to Ocean Choice's Best Efforts, crewed from the Province; and,

(b) land the shrimp and turbot harvested under Section 3.5.1(a) in the Province, except for shrimp and turbot harvested in NAFO Area 0A or 0B, which may be landed outside the Province.

3.5.2 During the Term, Ocean Choice will not sell, assign, transfer or in any way, directly or indirectly (including by a reorganization) dispose of all or any portion of the OCI Acquired Quotas without the prior consent of Government unless such sale, assignment, transfer or disposition is to an entity Controlled by Ocean Choice provided such entity agrees with the Government to be bound by the terms of this Agreement, mutatis mutandis and Ocean Choice continues to Control such entity.

3.5.3 Following the Term, Ocean Choice may only sell, assign, transfer or directly or indirectly (including by a reorganization) dispose of all or any part of the OCI Acquired Quotas without the prior consent of the Government if:

(a) Ocean Choice has received a bona fide offer ("Third Party Offer") from an arm's length purchaser for all or any part of the OCI Acquired Quotas and the associated business and assets (the "Third Party Offer Assets") for cash or cash equivalents and has forthwith provided a copy of the Third Party Offer to the Government; and,

(b) Ocean Choice shall have offered to sell the Third Party Offer Assets to the Government (or a purchaser designated by it) to the extent possible, on the same terms and conditions as are set forth in the Third Party Offer and the Government shall not have accepted such offer within a period of 30 days after it has been made.

If the conditions in subparagraphs (a) and (b) of this Section 3.5.3 have been met, Ocean Choice may sell the Third Party Offer Assets pursuant to the terms of the Third Party Offer within a period of 90 days after receipt thereof or such longer period of time as may be reasonably necessary to complete such sale.

3.5.4 If Ocean Choice disagrees with a determination by Government as to whether the requirements in Section 3.5.3 have been satisfied, it may refer the issue for determination pursuant to Section 8.1 and Schedule E hereof.

3.5.5 Ocean Choice may only Pledge all or any part of its interest in the OCI Acquired Quotas if the Pledge is to a Bank for the purpose of securing borrowings by Ocean Choice and the Bank acknowledges to the Government as a condition of such financing that if the Bank wishes to realize on the Pledge at any time upon default by Ocean Choice by sale of all or part of
the OCI Acquired Quotas and the associated business and assets, the provisions of Section 3.5.3 above shall be applicable thereto or as otherwise agreed between the Bank and Government.

3.5.6 Government agrees to provide an agreement substantially in the form of the agreement between Landsbanki Islands hf and the Government executed contemporaneously herewith, if requested, to a Bank providing financing to Ocean Choice.

3.6 Marketing. Ocean Choice shall use reasonable efforts to provide an international marketing conduit for the seafood processing industry in the Province and Ocean Choice shall provide the Government with an annual report of its activities in this regard.

3.7 Newfoundland Entities

3.7.1 Ocean Choice agrees that at all times, both during the Term and thereafter, the General Partner will continue to be a corporation incorporated under the laws of Canada or the Province with its principal executive and registered offices in the Province, that QuotaHoldco will continue to be a corporation incorporated under the laws of the Province and that Ocean Choice will continue to be a limited partnership formed under the laws of the Province with its principal executive offices in the Province.

3.7.2 Ocean Choice further agrees that Control of the General Partner and of Ocean Choice will at all times, both during the Term and thereafter, be held and exercised by Canadian citizens resident in the Province and that a majority of the limited partnership interests in Ocean Choice will be beneficially owned by Canadian citizens resident in the Province.

3.8 Adherence to Laws

Ocean Choice shall adhere at all times to such federal and provincial statutes, regulations and policies as may apply to its operations and the subject matter herein.

ARTICLE 4
QUOTA HOLDING COMPANY

4.1 Ocean Choice Commitments Concerning Enterprise Allocations

4.1.1 Ocean Choice agrees that all groundfish harvested pursuant to the Enterprise Allocations, or in areas adjacent to the Province, will be landed in the Province in specified product forms, in accordance with the conditions of the Harvesting Licence.

4.1.2 Ocean Choice will use its Best Efforts to have substantially all fish harvested in accordance with Section 4.1.1, harvested using vessels based in and, to Ocean Choice’s Best Efforts, crewed from the Province, and shall provide the Government with such particulars as the Government may reasonably request when this is not possible.

4.1.3 Nothing herein or in the Lease Agreement shall limit or reduce Ocean Choice’s obligations to comply with the same rules and regulations as apply to other processors under the laws of the Province, and specifically the Fish Inspection Act and related regulations, subject to the exemption referred to in Section 4.1.4.
4.1.4 All fish (excluding less than 380 gram yellowtail) landed in accordance with Section 4.1.1 shall be processed in the Province.

4.2 No Amendment or Disposition. Without the prior consent of the Government, neither Ocean Choice nor QuotaHoldco will (i) amend, vary, alter, surrender or revoke the Lease Agreement or waive any provision of or grant any consent under the Lease Agreement; (ii) pursue an amendment, variation, alteration, surrender or revocation of the Harvesting Licence, if, in either case, the same could in any way adversely affect Ocean Choice's ability to perform its obligations under this Agreement or the DFO MOU; or, (iii) sell, assign, transfer or in any way directly or indirectly (including by a corporate reorganization) dispose of all or part of its respective interests in the Lease Agreement or Harvesting Licence.

4.3 Pledge of Lease Agreement. Ocean Choice may only Pledge its interest in the Lease Agreement, the QuotaHoldco shares and QuotaHoldco Shareholders Agreement if the Pledge is to a Bank for the purpose of securing borrowings by Ocean Choice and the Bank acknowledges to the Government as a condition of such financing that the Bank and any Person to whom such assets are transferred on realization of the Pledge by the Bank, will at all times be bound by the obligations of Ocean Choice accruing from and after such transfer under the Lease Agreement, the QuotaHoldco Shareholders Agreement, the Harvesting Licence and this Agreement or as otherwise agreed between the Bank and Government.

4.4 Monitoring. Ocean Choice's compliance with the conditions of the Harvesting Licence will be monitored and any breach determined by procedures and mechanisms under the DFO MOU.

4.5 Default. In the event the above monitoring process results in a finding of a material breach of the Landing Conditions of the Harvesting Licence by Ocean Choice or QuotaHoldco by the Panel created under the DFO MOU, notwithstanding any other rights or privileges or the operation of the Articles of QuotaHoldco, the Government shall have the following remedies (which shall not be mutually exclusive):

(a) on notice to Ocean Choice, to elect to purchase all of the shares owned by Ocean Choice in QuotaHoldco in consideration of $1.00 and to retain the same for a period of two years and Ocean Choice hereby pledges and grants a security interest in its QuotaHoldco shares to the Province to secure such obligation;

(b) during such two year period, the Government will have absolute discretion to cause QuotaHoldco to deal with the Enterprise Allocations, related Groundfish Quota, Harvesting Licence and other assets of QuotaHoldco and to cause QuotaHoldco to terminate the Lease Agreement, all as the Government sees fit in its absolute discretion, and will not be required to act in the best interest of either QuotaHoldco or the other shareholders of QuotaHoldco; and,

(c) on notice to Ocean Choice, the Government or QuotaHoldco shall also have the option to purchase the plant and equipment at the Marystown Processing Facility at the greater of book value or value obtained by appraisal by an independent appraiser agreed upon by the Government and Ocean Choice or failing such
agreement within 15 days, appointed on application to the Supreme Court (Trial Division) of the Province.

Should the Government exercise the remedies available to it under this Section 4.5, it shall not be entitled to exercise the remedy provided for in Section 7.1(b) in respect of the Material Breach resulting from such finding of a breach of the Landing Conditions.

4.6 Continuance. The provisions of this Article 4 shall continue for so long as the Lease or any renewal thereof remains in force or Ocean Choice is otherwise utilizing or benefiting from the Enterprise Allocations.

ARTICLE 5
REPORTING AND AUDIT RIGHTS

5.1 Reporting. Within 45 days of the end of each calendar year, Ocean Choice shall provide the Government with a written report detailing, to the satisfaction of the Government, Ocean Choice’s compliance with the requirements of this Agreement, the Lease Agreement and the QuotaHoldco Shareholders Agreement and accompanied by a certificate of the Chief Executive Officer of Ocean Choice confirming that Ocean Choice has complied in all material respects with such agreements and has not taken or failed to take any action that would result in a breach of any such agreement, except, where applicable, as detailed in the report.

5.2 Audit. Government will be entitled to conduct a confidential, independent audit of the records of Ocean Choice with respect to the performance by Ocean Choice of the requirements under this Agreement, the Lease Agreement and the QuotaHoldco Shareholders Agreement where Government has a reasonable belief that a breach of the terms of any such agreement may have occurred. The Government shall provide a draft of the audit, prior to finalization, for comment by Ocean Choice to Government. The audit conducted pursuant to this Section 5.2 shall be considered Confidential Information and shall not be disclosed during the term of, or following the expiration or termination of, this Agreement unless required by law.

5.3 Disclosure. Government consents to the disclosure by Ocean Choice to its bankers on a confidential basis of the reports referred to in Section 5.1 and any draft or final audit delivered to Ocean Choice pursuant to Section 5.2.

ARTICLE 6
FORCE MAJEURE

6.1 Events of Force Majeure. For the purposes of this Article 6, each of the following shall be an “Event of Force Majeure”:

(a) acts of God or natural disasters, fires, explosions, adverse weather conditions, mechanical breakdown at sea or other similar occurrences;

(b) acts of war (declared or undeclared) or conditions arising out of or attributable to any such acts of war, revolutions, insurrections, civil strife, formal or informal hostilities or strikes, other workforce actions or similar acts, provided in any such
case that the occurrence or event is beyond the control of and not the fault of Ocean Choice;

(c) breach of a representation, warranty or undertaking of the Government, or the failure of the Government to comply in a timely fashion with the obligations, undertakings or agreements of Government set forth in the Agreement; and,

(d) a change in the statutory or regulatory framework which applies generally to the fishing industry in the Province as a whole or is specific to Ocean Choice.

6.2 Force Majeure Relief. If Ocean Choice is prevented from performing any of its obligations under this Agreement by reason of an Event of Force Majeure, it will immediately notify the Government thereof and such obligation (but only such obligation) will be suspended for a reasonable period of time that reflects the period during which Ocean Choice is prevented from performing such obligation by reason of the Event of Force Majeure.

ARTICLE 7
DEFAULT

7.1 Remedies. Notwithstanding any other remedies which may exist or be available to the Government, including those under Section 4.5, if there is a Material Breach by Ocean Choice then Government may in its sole discretion elect to:

(a) seek injunctive relief in respect of such Material Breach, Ocean Choice acknowledging that breach by Ocean Choice of the terms of this Agreement or other agreements contemplated herein would cause substantial and irreparable harm, and Ocean Choice consents to the granting of injunctions to restrain its continuing breach; and,

(b) unless it has obtained injunctive relief in respect of the particular Material Breach, require payment by Ocean Choice to the Government of a fee of $5.0 million, which Ocean Choice acknowledges and agrees represents fair compensation for the Government’s time, efforts and costs, both internal and external, in the review, analysis, negotiation and support of the Sale Transaction on the basis of Ocean Choice’s representations.

The fee referred to in Section 7.1(b) shall be payable by Ocean Choice within 45 days of demand therefor by the Government.

7.2 Material Breach. A Material Breach shall occur for the purposes of Section 7.1 if:

(a) Ocean Choice fails to comply with any of its obligations under Sections 3.1, 3.2.1, 3.2.2, 3.2.4, 3.2.5, 3.5.1, 3.5.2, 3.5.3, 3.7 or 4.1 thereof and such non-compliance is not remedied within 45 days after notice thereof by the Government to Ocean Choice; or,
(b) Ocean Choice is found to be in breach of the conditions of the Harvesting Licence as contemplated in Section 4.5 hereof; or,

(c) the Government can demonstrate a pattern of material breaches by Ocean Choice of the terms and conditions of this Agreement, the QuotaHoldco Shareholders Agreement or the Lease Agreement or the administrative or other requirements of any agreement between Government and Ocean Choice relating to the Sale Transaction, despite multiple written warnings to Ocean Choice describing such alleged breaches and of the consequences of such alleged breaches. Any Material Breach alleged by the Government to have occurred pursuant to Section 7.2(c) shall be described in sufficient detail in the notice referred to in Section 7.1 to allow Ocean Choice to investigate the alleged Material Breach.

7.3 Dispute. In the event that Ocean Choice disputes that a Material Breach has occurred, the provisions of Section 8.1 and Schedule E shall apply. Pending the decision of the arbitrator or arbitrators, the Government agrees that it will not demand payment of the fee referred to in Section 7.1(b).

ARTICLE 8
DISPUTE RESOLUTION

8.1 Dispute Resolution. Any dispute or difference between the Parties arising under, or in relation to the matters contemplated by, this Agreement, including, but not limited to: (a) as to whether a Material Breach has occurred or will occur for the purposes of Section 7.1 given a contemplated act or failure to act; and, (b) as contemplated in Sections 3.3 or 3.5.4, shall be resolved in the manner provided for in Schedule E.

ARTICLE 9
TERMINATION

9.1 Termination

9.1.1 This Agreement may be terminated at any time by written agreement of the Government and Ocean Choice on such terms and conditions as may be set out in such written agreement or by either the Government or Ocean Choice on notice to the other if the Sale Agreement terminates prior to Closing.

9.1.2 If this Agreement is terminated under this Section 9.1, this Agreement shall thereafter become null and void and have no effect and each Party shall be released from all obligations, undertakings and agreements contained in this Agreement, without liability to the other.

ARTICLE 10
GENERAL MATTERS

10.1 Confidentiality. Subject to requirements for disclosure pursuant to any legislative requirement or judicative process, including the provisions of the Access to Information and Protection of Privacy Act, S.N.L. 2002, c. A -1.1 ("ATIPPA"), each Party
agrees that any and all Confidential Information disclosed to it by another Party pursuant to, in respect of or in relation to this Agreement shall be treated as confidential by the recipient Party and not disclosed to any third party or parties by the recipient Party. The recipient Party may disclose such information (i) to employees, agents and advisors solely to the extent required for the recipient Party’s administration of this Agreement or proper conduct of its or their responsibilities and duties; or (ii) with the consent of the disclosing Party. Where a recipient Party is required to disclose Confidential Information because of a legislative requirement or judicative process, it shall provide notice of this disclosure requirement at the earliest practicable opportunity to the disclosing Party.

10.2 Enurement. This Agreement shall be binding upon and shall enure to the benefit of the Parties, the successors and assigns of the Government and the successors and permitted assigns of Ocean Choice.

10.3 Counterparts. This Agreement and the other documents referred to herein and/or otherwise required to complete the transactions contemplated hereby may be executed in two or more counterparts, including by facsimile, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

10.4 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if either delivered personally, sent by facsimile transmission or by courier service, to the relevant address or facsimile number designated below or such other address or facsimile number of a Party as may be designated in writing by that Party by notice given hereunder, and shall be effective upon personal delivery or facsimile transmission thereof with proof of transmission receipt or upon delivery by courier service:

(a) If to Ocean Choice:

Ocean Choice International L.P.
1315 Topsail Road
St. John’s, NL
A1B 3N4

Attention: President
Facsimile: (709) 368-2260
If to the Government:

Government of Newfoundland & Labrador
Department of Fisheries and Aquaculture
P.O. Box 8700
30 Strawberry Marsh Road
St. John’s, NL
A1B 4J6
Attention: Deputy Minister
Facsimile: (709) 729-4129

10.5 Payment of Fees and Expenses. Each Party shall pay its own fees, expenses and disbursements incurred in connection with this Agreement and the transactions contemplated hereby and all other costs and expenses incurred in its performance and compliance with all obligations to be performed hereunder.

10.6 Time of Essence. Time is of the essence of this Agreement.

10.7 Further Assurances. Each of the Parties shall promptly do, make, execute and deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as another Party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and the transactions contemplated hereby, and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions hereof and thereof.

10.8 Interpretation. There shall be no presumption that any ambiguity in this Agreement, and any documents contemplated hereby, be resolved in favour of one of the Parties.

10.9 Entire Agreement. This Agreement sets forth the entire agreement and all the covenants, promises, assurances, agreements, undertakings, representations, conditions, warranties, statements and understandings (collectively “Representations”) between the Parties concerning the subject matter hereof but not in respect of any other matters or issue between the Parties. No Representations are made by the Government to Ocean Choice or by Ocean Choice to the Government concerning the subject matter hereof, except as expressly set out in this Agreement. For greater certainty, the OCI MOU shall have no application to the Parties or the matters contemplated by this Agreement after the date hereof, and is replaced entirely by this Agreement.

10.10 Good Faith. Each of the Government and Ocean Choice shall at all times exercise all its rights hereunder in a manner consistent with good business practices and shall act in good faith.

10.11 Waiver. Except as expressly stated otherwise in the Agreement, the failure of a Party to insist, in any instance, upon the strict performance by another Party of its obligations hereunder, or the failure of a Party to exercise any right, option or remedy, shall not constitute a waiver or relinquishment for the future of any such obligation, right, option or remedy, nor shall it constitute a waiver of a subsequent breach. Except as expressly stated otherwise in this Agreement, no covenant or condition of this Agreement may be waived by either Party except by
the written consent of that Party, and forbearance or indulgence by that Party in any regard whatsoever for no matter how long shall not constitute a waiver of such covenant or condition and until such covenant or condition has been performed or waived in writing that Party shall be entitled to invoke any remedy available to that Party, whether under this Agreement or otherwise.

10.12 No Partnership, Joint Venture or Agency. The Government and Ocean Choice expressly disclaim any intention to create a partnership, joint venture, joint enterprise or agency relationship. It is understood, acknowledged and agreed that nothing contained in this Agreement nor any acts of the Parties shall constitute or be deemed to constitute the Government and Ocean Choice as partners, joint venturers or principal and agent in any way or for any purpose.

10.13 No Reliance. No agreement, undertaking or obligation of the Parties set forth in the Agreement may be relied on or used for any purpose by a Person which is not a party to this Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement.

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR

By:
Name:
Title:

By:
Name:
Title:

OCEAN CHOICE INTERNATIONAL L.P., by its general partner, 55104 Newfoundland & Labrador Inc.

By:
Name: [ATIPPA Sec 40(1)]
Title:

By:
Name: [ATIPPA Sec 40(1)]
Title:

EXECUTION COPY
## SCHEDULE A
ENTERPRISE ALLOCATIONS

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* The Vessel Designations have been agreed by the Parties to be transferred to and directly held by QuotaHoldco and OCI LP, 50 and 22, respectively.*
## SCHEDULE B
OCI ACQUIRED QUOTAS

### Non-Adjacent Enterprise Allocations

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<td>12.80%</td>
</tr>
<tr>
<td>COD</td>
<td>4Vn(M_O)</td>
<td>8.80%</td>
</tr>
<tr>
<td>COD</td>
<td>4VsW</td>
<td>8.18%</td>
</tr>
<tr>
<td>HADDOCK</td>
<td>4TVW</td>
<td>5.00%</td>
</tr>
<tr>
<td>HADDOCK</td>
<td>4X,5Y</td>
<td>1.35%</td>
</tr>
<tr>
<td>HADDOCK</td>
<td>5Z(j,m)</td>
<td>0.59%</td>
</tr>
<tr>
<td>POLLOCK</td>
<td>4VWX,5Zc</td>
<td>1.68%</td>
</tr>
<tr>
<td>REDFISH</td>
<td>Unit 3</td>
<td>24.97%</td>
</tr>
<tr>
<td>ATLANTIC HALIBUT</td>
<td>4VWX+5Zc</td>
<td>23.80%</td>
</tr>
<tr>
<td>FLOUNDER</td>
<td>4VW</td>
<td>8.06%</td>
</tr>
<tr>
<td></td>
<td>4X,5Y</td>
<td></td>
</tr>
</tbody>
</table>

### Scallops/Shrimp Licences/Quotas

- Shrimp Fishing License for vessel greater than 30.48 metres - Katsheshuk II (CFV# 138355)
- Shrimp Fishing License for vessel greater than 30.48 metres - Kinguk (CFV# 17786) or Newfoundland Lynx (CFV#125081)
- Scallop Fishing License for vessel 19.8 metres or more - Atlantic Destiny (VR# 105736) and Triano (VR# 1593)

FPI's 16.77% of the offshore scallop quota.
FPI's existing processing plants located in:

Bonavista, Marystown, Port au Choix, Port Union, Triton and South Dildo.

Ocean Choice's existing processing plants located in:

St Lawrence, Lawn, St Bride's and Hermitage.
## SCHEDULE D
### OCEAN CHOICE BUSINESS PLAN

<table>
<thead>
<tr>
<th>Issue</th>
<th>Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellowtail and other groundfish</td>
<td>Small yellowtail (&lt;380g) exported unprocessed</td>
</tr>
<tr>
<td></td>
<td>Remaining processed in the Province</td>
</tr>
<tr>
<td></td>
<td>This commitment if multiple year will require amendment to regulations under Fish Inspection Act</td>
</tr>
<tr>
<td>Existing Ocean Choice Plants</td>
<td></td>
</tr>
<tr>
<td>Hermitage</td>
<td>Status quo</td>
</tr>
<tr>
<td>Lawn</td>
<td>Status quo - remain saltfish and lumpfish facility</td>
</tr>
<tr>
<td>St. Bride's</td>
<td>Status quo</td>
</tr>
<tr>
<td>St. Lawrence</td>
<td>Status quo + 1,000,000 lbs of crab</td>
</tr>
</tbody>
</table>
1. Any dispute or difference between the Parties arising under, or in relation to the matters contemplated by, this Agreement, or in respect of any legal relationship associated with or derived from this Agreement, which cannot be resolved informally to the satisfaction of any Party shall be resolved in the manner set out in this Schedule.

2. The dispute resolution process shall be commenced by delivery of a notice (a "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:
   
   (a) particulars of the issue or issues which the Party wishes to resolve;
   
   (b) a summary of the facts relevant to the issue or issues, as asserted by the Party; and,
   
   (c) the Party’s suggested resolution or remedy to address the dispute.

3. Within 20 days of receipt of the Notice of Dispute, the Party or Parties receiving same shall each deliver a reply (a "Reply"). Each Reply shall contain the following:
   
   (a) a statement of those assertions of fact in the Notice of Dispute with which the Party agrees;
   
   (b) a summary of any different or additional facts relevant to the issue or issues, as asserted by the Party; and,
   
   (c) the suggested resolution or remedy to address the dispute.

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, 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 30 days (or such longer period as may be agreed) of receipt of the Reply or Replies by the Party which delivered the Notice of Dispute or if the Party or Parties to whom a Notice of Dispute is delivered fail to deliver a Reply within the above 20 day period, the issue or issues identified in the Notice of Dispute shall be referred to arbitration pursuant to the Arbitration Act, R.S.N.L. 1990, c. A-14, as amended.

5. Except to the extent modified by this Schedule, the arbitration shall be governed by the National Arbitration Rules of the ADR Institute of Canada, Inc., as amended from time to time (the "ADR Rules"). The provisions of the Arbitration Act, R.S.N.L. 1990, c. A-14, as amended, shall apply to the extent that they are not inconsistent with the ADR Rules. The law to be applied in connection with the arbitration shall be the law of Newfoundland and Labrador and the laws of Canada applicable therein.
6. Any issue or issues referred to arbitration shall be determined by a panel of three arbitrators, one appointed by each of the Parties and the third mutually appointed by the two arbitrators selected by the Parties, unless the Parties agree to proceed with a sole arbitrator mutually agreed upon by the Parties (such arbitrator or arbitrators being referred to as the "Tribunal"). All arbitrators shall be appropriately qualified to adjudicate the issues in dispute and be independent and impartial.

7. Any arbitration hereunder shall be held at St John's, Newfoundland and Labrador, unless the Parties otherwise agree.

8. 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.

9. The Tribunal shall be required to issue its award as quickly as possible and in any event within 60 days of completion of the hearing. The award shall be in writing and shall state the reasons upon which it is based. The award shall be final and binding and shall not be subject to appeal. The Parties undertake to carry out the terms of any such award without delay.

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

(a) the Parties shall bear equally the costs of the arbitrator or arbitrators mutually agreed upon or appointed under this Agreement; and,

(b) the Tribunal may make an order as to the costs of the arbitration.

11. Notwithstanding the provisions of this Schedule and the ADR Rules, any Party may, in its sole discretion, apply at any time to a court of competent jurisdiction for:

(a) any emergency or interim remedy to enforce the terms of this Agreement or to prevent any breach of this Agreement, including specific performance and injunctive relief on an interim or interlocutory basis, restraining orders, receiving orders and orders regarding the detention, preservation and inspection of property;

(b) the enforcement of an award made by the Tribunal; or

(c) the enforcement of the award made by the Tribunal where such enforcement reasonably requires access to any remedy that the Tribunal has no power to award or enforce.

12. All negotiations, mediation and arbitration conducted pursuant to this Agreement, and all information and documents (whether in tangible, electronic or digital form) exchanged by the Parties in connection therewith are confidential and subject to the relevant confidentiality provisions of the Agreement and the ADR Rules. If either Party fails to comply with such provisions before or after the completion of any arbitration, the Tribunal may enjoin further breaches by such Party of such provisions and award damages or other relief against such Party. On completion of any negotiations, mediation or arbitration conducted under this Schedule, each
Party shall return to the other all copies of such information or documents, whether in tangible, electronic or digital form.

13. The provisions of this Schedule shall survive any termination of the Agreement and shall continue in full force and effect notwithstanding any determination by a court or the Parties that one or more other provisions of this Agreement are invalid, contrary to law or unenforceable.
Mr. Martin Sullivan, Chief Executive Officer  
Ocean Choice International  
1315 Topsail Road, Stn. A.  
St. John's, NL A1B 3N4  

Dear Mr. Sullivan:  


On December 21, 2012, OCI and Department of Fisheries and Aquaculture (DFA) signed agreements for yellowtail and redfish allowing exemptions to the minimum processing requirements (MPRs) for these species and associated by-catch, in order to support the reopening of and continued operation of the OCI’s facility in Fortune. The main component of these agreements was to allow OCI the discretion to market 75% yellowtail and 100% redfish in a form the market demands, providing the company meets several commitments to opening and operating the Fortune plant, purchasing and crewing of a vessel, offering bycatch for sale within the province, and contribute to the Fish Plant Worker Employment Support Program. During May and June 2014, an audit review was conducted as a follow up to the department granting this exemption on MPRs.  

The audit reviewed the status of compliance to these Agreements, from the signing on December 21, 2012, to March 31, 2014. Based on the audit findings, OCI is in compliance with current commitments associated with the December 21, 2012 Yellowtail and Redfish agreements.  

If there is any further information required regarding the audit, please feel free to contact me.  

Yours sincerely,  

Ron Brown  
Director, Compliance and Enforcement Division  

c. Mr. David Lewis, DM – Fisheries & Aquaculture  
Ms. Krista Quinlan, ADM – Fisheries
May 21, 2015

Mr. Martin Sullivan, Chief Executive Officer
Ocean Choice International
1315 Topsail Road, Stn. A.
St. John’s, NL A1B 3N4

Dear Mr. Sullivan:


On December 21, 2012, OCI and the Department of Fisheries and Aquaculture (DFA) signed agreements for yellowtail and redfish allowing exemptions to the minimum processing requirements (MPRs) for these species and associated by-catch, in order to support the reopening of and continued operation of OCI’s facility in Fortune. The main component of these agreements was to allow OCI the discretion to market 75 percent yellowtail and 100 percent redfish in a form the market demands, providing the company meets several commitments to opening and operating the Fortune plant. The main commitments were the purchasing and crewing of a vessel, offering bycatch for sale within the province, employing 110 full time employees at the Fortune plant, and contributing to the Fish Plant Worker Employment Support Program. During March 2015, an audit review of OCI’s commitments was conducted as a follow-up to the department granting this exemption on MPRs.

The audit reviewed the status of compliance to these Agreements, from the signing on December 21, 2012, to December 31, 2014. Based on the audit findings, it was found that at least 110 full time employees were employed during the 158 production days in 2014. This equates to 32 of the 52 weeks or 61 percent full time employment. With respect to the requirement to process a minimum of 25 percent of all yellowtail and/or American plaice harvested pursuant to your quota, it was found that [redacted] pounds of the [redacted] pounds head off gutted equivalent quota weight was processed or 23.6 percent. None of the 25 percent harvested up to reopening of the Fortune plant in December 2013 have yet to be processed. Your company has until December 2015 to process these [redacted] pounds, in addition to the 25 percent harvested this year.

If there is any further information required regarding the audit, please feel free to contact me.

Yours sincerely,

[Redacted]
Director (A), Compliance and Enforcement Division

ATIPPA Sec 40(1)

Derrick Lockyer
Director (A), Compliance and Enforcement Division

Fisheries Act Sec 4(1)

Ms. Krista Quinlan, Assistant Deputy Minister (A), Fisheries

P.O. Box 8700, St. John’s, NL, Canada A1B 4J6 t 709.729.3717 f 709.729.1881
May 31, 2016

Mr. Martin Sullivan, Chief Executive Officer
Ocean Choice International
1315 Topsail Road, Station A.
St. John’s, NL A1B 3N4

Dear Mr. Sullivan:


On December 21, 2012, OCI and the Department of Fisheries and Aquaculture (DFA) signed agreements for yellowtail and redfish allowing exemptions to the minimum processing requirements (MPRs) for these species and associated by-catch, in order to support the reopening of and continued operation of OCI’s facility in Fortune. The main component of these agreements was to allow OCI the discretion to market 75 percent yellowtail and 100 percent redfish in a form the market demands, providing the company meets several commitments to opening and operating the Fortune plant. The main commitments were the purchasing and crewing of a vessel, offering by-catch for sale within the province, employing 110 full-time employees at the Fortune plant, and contributing to the Fish Plant Worker Employment Support Program. During January and March 2016, an audit review of OCI’s commitments was conducted as a follow-up to the department granting this exemption on MPRs.

The audit reviewed the status of compliance to these Agreements from the signing on December 21, 2012, to December 31, 2015. Based on the audit findings, it was found that an average of 97 full-time employees have been employed during the 92 production days in 2015. This equates to 18.5 of the 52 weeks or 35.5 percent full-time employment. Your officials did state approximately 30 employees retired and little interest from qualified workers had been shown in the vacant positions.

With respect to the requirement to process a minimum of 25 percent of all yellowtail and/or American plaice harvested pursuant to your quota, it was found that during the period January 1, 2015 to December 31, 2015, [number] pounds of the [number] pounds head off gutted equivalent quota weight was processed or 26.2 percent. Cumulatively, since January 1, 2014 to December 31, 2015, [number] pounds of the [number] pounds head off gutted equivalent quota weight had been processed or 24.8 percent. None of the 25 percent that was harvested from the signing of the contract up to the reopening of the Fortune plant in December 2013, which was due December 21, 2015, has been processed.
I would like to take this opportunity to thank you and your staff for their cooperation in the completion of the audit.

Yours sincerely,

Derrick Lockyer
Director (A), Compliance and Enforcement Division

c. Ms. Wanda Wiseman, Assistant Deputy Minister (A), Fisheries
   Mr. Ron Brown, Director (A), Eastern Region
   Mr. Ian Burford, Director, Licensing and Quality Assurance