
CERTIFICATE SHARING AGREEMENT

10th September 2012

Icelandic Group hf.

and

Iceland Sustainable Fisheries ehf.

CERTIFICATE SHARING AGREEMENT

THIS AGREEMENT is entered into on 10 September , 2012 by and between:

1. **Icelandic Group hf.**, ID. No. . 461296-2119 Borgartúni 27, 105 Reykjavík
Borgartúni 27, 105 Reykjavík ("IGor Client") and
2. **Iceland Sustainable Fisheries ehf.**, id. no. 460912-0320 Borgartúni 27, 105
Reykjavík ("ISF or Sharing Partner");

Together IG and The Sharing Partner are hereinafter referred to as the "Parties" and each of them being a "Party".

WHEREAS:

- A. IG has acquired Marine Stewardship Council ("MSC ") Fishery Certificates for Icelandic Cod Fisheries and Icelandic Haddock Fisheries under relevant The MSC Principles and Criteria for Sustainable Fishing (hereafter referred to as "MSC Certificates") and entered into a certification agreement with Det Norske Veritas ("DNV") as Certification Body ("CB");
- B. MSC has issued guidelines ("Policy Advisory") for certificate sharing where other stakeholders in the fishery are identified and covered by a fishery assessment;
- C. IG wishes to share its rights and obligations under the MSC Certificates with The Sharing Partner for the reimbursement of the costs incurred in the process of obtaining the MSC Certificates;
- D. The Sharing Partner wishes enter into a sharing program with IG for the MSC Certification and join MSC Principles and Criteria for Sustainable Fishing and enter into a service agreement with Icelandic Services ehf. for management of said MSC Certificates and other comparable certificates eventually acquired by The Sharing Partner;
- E. The Shareholders of The Sharing Partners have on the date of this agreement entered in to a shareholders agreement to provide, in part, for the governance and future development of the business of the Partner and to govern the relationship of the shareholders among themselves (the "Shareholders Agreement");
- F. The Shareholders Agreement stipulates the terms and conditions for Certification Sharing Mechanism and constitutes individual sharing certification agreement between The Sharing Partner and its Shareholders;
- G. According to the Shareholders Agreement all Shareholders are obligated to participate equally and pay costs as further stipulated in the Shareholders Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the terms herein contained, and other good and valuable consideration, the Parties covenant and agree as follows:

1. DEFINITIONS AND INTERPRETATIONS

1.1. Words and phrases defined in the Shareholders Agreement and in the Policy Advisory issued by MSC shall have the same meaning in this Agreement unless otherwise stated herein or the context otherwise requires.

1.2. In this Agreement and the recitals hereto, unless the context otherwise requires, the following words and phrases shall have the following respective meanings:

- a. **"Agreement"** means this Certificate Transfer Agreement;
- b. **"CB"** means the Certification Body performing the certification for certification for Sustainable Fisheries;
- c. **"Certificate Sharing Mechanism"** means the agreement between the client group and other eligible fishers detailing a certificate cost sharing mechanism used and any other requirements to enable eligible fishers to join a fishery certificate;
- d. **"Client"** shall have the same meaning as in TAB Directive D-10 v 2, Appendix;
- e. **"Client Group"** shall have the same meaning as in D-10 v 2, Appendix.
- f. **"Commencement Date"** means the date of issuance of MSC Certificates;
- g. **"Other Eligible Certificate Sharing Partners"** means those operators who have been fully assessed against the MSC's Principles and Criteria for Sustainable Fishing; and are not currently part of the client group but may become eligible to join the client group under a certificate sharing arrangement. This group will be defined by the CAB;
- h. **"Sharing Partner"** The party named as contractual party to IG and Partner and which fulfils the definition of Other Eligible Fishers.
- i. **"Shareholders Agreement"** means the Agreement dated 10 September 2012 between, Partner, IG and shareholders of Partner;
- j. **"Shared Assets"** means the MSC Certificates as defined below with the exception set out in Art. 2.2. of this Agreement (products in frozen retail fish in the USA);
- k. **"Service Agreement"** means the agreement between IG and Icelandic Services ehf, concluded on the date of this Agreement for services provided to The Sharing Partner;
- l. **"MSC"** means Marine Stewardship Council;
- m. **"MCS Certificates"** means certificates granted by an accredited CB to the effect that a particular fishery complies with the MSC Principles and Criteria for Sustainable Fishing as set forth in the MSC Fishery Standard in effect ;
- n. **"Term"** means a period of 5 Years from the Commencement Date;

1.3. For the purposes of this Agreement, except as otherwise expressly provided herein:



- a. the words “**herein**”, “**hereof**” and “**hereunder**” and other words of similar import refer to this Agreement as a whole and not to any particular Part, Section, Subsection or other subdivision;
- b. the plural shall include the singular and vice versa ;the clause headings are for convenience only and shall not affect interpretation of this Agreement.

2. CERTIFICATION SHARING - LIMITATIONS

- 2.1. Pursuant to the terms and subject to the conditions set out in this Agreement, IG shares, with Partner and The Sharing Partner acquirers to share with IG’s rights, title and interest in the MSC Certificates.
- 2.2. IG is contractually bound to have exclusive rights for MSC Certificates for products in frozen retail fish in the USA for a period of twenty months from the Commencement Date. Therefore, Partner will not share rights to use MSC in frozen retail fish products for that period of time and after the expiration of the exclusivity period ends IG will continue to share the MSC Certificates with Highliner as well as The Sharing Partner.
- 2.3. IG grants to The Sharing Partner the right to enter into a Service Agreement with Icelandic Services ehf for management of the MSC Certificates, surveillance and on-going monitoring.
- 2.4. Partner undertakes and warrants to IG that he will ensure that all statutory, regulatory and other requirements relating to requirements of MSC Certificates and, marketing and other such matters are complied with in relation to standard of the MSC as well as CB.
- 2.5. The rights to share MSC may not be sold, Shared, pledged or given away without prior approval of IG. Moreover, without prior approval of IG, Partner is not authorized to grant transfer the sharing agreement to a third party.
- 2.6. The Sharing Partner has the right to use the MSC Certificates in its operations and issue rights connected to the MSC Certificates to shareholders accordance with the Shareholders Agreement
- 2.7. Save as provided in this Agreement, IG reserves all rights not expressly granted to The Sharing Partner by this Agreement.

3. PAYMENT

- 3.1. The payment by ISF for the rights granted under this Agreement shall be reimburse partt of the direct costs paid by IG as follows:
 - a. The directs costs paid by IG to CB;
 - b. The directs costs for IG to manage and facilitate the assessment;
 - c. The cost for IG’s time incurred in managing and facilitating the assessment process;
 - d. A risk premium, up to maximum of 20 % of the other assessment costs;
 - e. Legal costs incurred by IG related to establishment and management of the Certificates.

- 3.2. The Sharing Partner shall pay the consideration price to IG upon signing this Agreement by electronic transfer of immediately available fund into the nominated bank account belonging to Icelandic Group hf.

4. CONDITIONS – COVENANTS OF THE SHARING PARTNER AND USE OF CERTIFICATES

- 4.1. The Sharing Partner covenants and agrees that from the date of this Agreement The Sharing Partner shall:

- a. conduct its business in the ordinary and usual course and in accordance with the Shareholders Agreement, including payments obligations for on-going surveillance costs of the Shared Assets, and under the terms set out by MSC and the CB;
- b. comply with all laws, and all authorizations, governing or affecting it or its business and the Shared Assets;
- c. pay and discharge all its liabilities or obligations in the ordinary and usual course of business and the Shareholders Agreement;
- d. notify IG as soon as The Sharing Partner has determined that a state of facts exists which results in, or can reasonably be expected to result in the non-fulfillment of any condition for the benefit of IG set forth in this Agreement;
- e. conclude and comply with the terms and conditions of the Service Agreement.

- 4.2. The Sharing Partner may only use the Certificate and logo within the framework of the Certification Agreement and the MSC guidelines and instructions as applicable.

- 4.3. The Sharing Partner must comply with all instructions by CAB and comply with all relevant requirements related to the Certificate, the use of the Certificate and all MSC policies and guidelines as applicable.

- 4.4. If the Certificate ceases to be valid, the Sharing Partner must immediately stop all use of the Certificate and inform all relevant parties of the termination.

5. EVENT OF DEFAULT - TERMINATION

- 5.1. IG reserves the right to terminate this Agreement in the event that IG no longer is a shareholder in The Sharing Partner through no fault of IG.

- 5.2. Partner defaults and breaches Clauses 3.4. and 3.5. of the Shareholder Agreement.

- 5.3. If The Sharing Partner is in default of any part of this Agreement, which has not been corrected with 30 days from a written request thereof, IG may terminate this Agreement.

- 5.4. Upon the occurrence of any of the following events, this Agreement shall be terminated automatically if The Sharing Partner becomes insolvent or bankrupt, makes a general assignment for the benefit of creditors, admits in writing its inability to pay its debts as they mature, suffers or permits the appointment of a receiver for all or a substantial part of its business or assets, or avails itself of or becomes subject to any proceeding under any statute of any governing authority relating to insolvency or the protection of rights of creditors.

5.5. Termination of this Agreement however caused shall be without prejudice to any rights or liabilities accrued at the date of termination.

5.6. IG shall have the right to the Shared Assets upon events of default, Clauses 5.1-5.6 without payment, however IG is obligated to pay all costs relating to the Shared Assets in the future, including annual fees and surveillance costs.

6. ENFORCEMENT-INDEMNIFICATION

6.1. If an event set out in section 5 above has occurred IG has the right to enforce any and all statutory rights of The Sharing Partner to the Shared Assets under any applicable law.

6.2. Upon termination of this Agreement IG shall have the right to immediately redeem the Shared Assets without prior judgment.

6.3. The Sharing Partner covenants and agrees to indemnify IG against all proceedings, liabilities, claims, demands, damages, direct losses, costs and expenses (including legal fees on a solicitor and own client basis) suffered or incurred by IG, directly or indirectly, by reason of or arising out of a breach of any covenant or agreement on the part of The Sharing Partner made or to be observed or performed pursuant hereto.

7. MISCELLANEOUS

7.1. Any notice or other communication given or made under or in connection with the matters contemplated by this Agreement shall, unless expressly provided otherwise, be in writing.

7.2. Failure or delay by any party in exercising any right or remedy under the Agreement will not in any circumstances operate as a waiver of it, nor will any single or partial exercise of any right or remedy in any circumstances preclude any other or further exercise of it or the exercise of any other right or remedy.

7.3. Any waiver of any breach of, or any default under, any of the terms of the Agreement will not be deemed a waiver of any subsequent breach or default and will in no way affect the other terms of the Agreement.

7.4. No variation of the Agreement will be valid unless it is in writing and signed by or on behalf of each Party to the Agreement.

7.5. The Parties agree that if one or more of the provisions of this Agreement are held to be invalid, illegal or unenforceable in any respect, the other provisions will remain fully valid. The Parties hereto undertake to endeavor in good faith negotiations to replace any invalid, illegal or unenforceable provisions with such valid, legal and enforceable provisions the effect of which is as close as possible to that of the invalid, illegal or unenforceable provisions.

7.6. Each party agrees to keep confidential both during the continuance of this Agreement and after its termination or expiry all information received from the other party pursuant to this Agreement and prior to and in contemplation of it and to use such information exclusively for the purposes of this Agreement and not disclose it to any third party other than its legal advisers and its employees who need to know it for the purposes of this Agreement.

- 7.7. Each party agrees to keep confidential both during the continuance of this Agreement and after its termination or expiry all information received from the other party pursuant to this Agreement and prior to and in contemplation of it and to use such information exclusively for the purposes of this Agreement and not disclose it to any third party other than its legal advisers and its employees who need to know it for the purposes of this Agreement.
- 7.8. This Agreement shall be governed by and construed in accordance with the law of the Republic of Iceland. The District Court of Reykjavík, Iceland, shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and the Parties agree to submit to the jurisdiction of this court.
- 7.9. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument. Counterparts may be delivered either in original or faxed form or by other means of electronic delivery and the Parties adopt any signatures received by a receiving fax machine or electronic mail account.

IN WITNESS WHEREOF the parties hereto have duly executed this Agreement as of the day and year first above written.

Iceland Sustainable Fisheries ehf.

By: _____

Name: HANS A. ZINARSSON

Chairman of Bord ISF

Icelandic Group hf.

By: _____

Name: LARUS ASGEIRSSON

CEO of Icelandic Group

Reykjavík 10.9.2012

Icelandic Group hf.
Borgartún 27
IS-105 Reykjavík
Iceland
www.icelandic.is
simi/tel: +354 560 7800
fax: +354 562 1252

To the attention of: Det Norske Veritas Certification AS

Let it be known that Icelandic Group plc. has granted the following companies:

	Company registration number
Icelandic Group hf.	461296-2119
Iceland Seafood ehf.	611088-1329
Sæmark ehf.	431096-2429
Danica Seafood hf.	510193-2619
About Fish ehf.	620503-2660
Toppfiskur ehf.	491187-1749
Nastar ehf.	490999-2649
Bacco ehf.	650804-3920
Fram Foods Ísland ehf.	601299-3999
Stormur Seafood ehf.	701294-6539
Marz Sjavarafurdir ehf.	640371-0219
Akraborg ehf.	510789-3939
Fiskidjan Bylgja hf.	421188-2629
Frostfiskur ehf.	680492-2479
Íslenska Umbodssalan hf.	600970-0469
Oceanus Gourmet ehf.	470409-1180
Icemark ehf.	511099-2799
Ice-W ehf.	711095-2689
Ny-fiskur ehf.	510496-2489

certificate sharing rights in the MSC Fishery Certificates awarded Icelandic Group plc by Det Norske Veritas Certification AS – Number DNV-NOR-MSC-F-114623-2012 and DNV-NOR-MSC-F-114624-2012 respectively.

Certificate sharing will be in good faith and the certificate sharer will abide by the Public Certification Report of these fisheries, the conditions and action plans therein and the contractual commitments with DNV.

Please proceed to announce this agreement with immediate effect on the MSC webpages.

Your sincerely



LARUS ASGEIRSSON
CEO of Icelandic Group