



HOKI FISHERIES EAST/WEST CATCH LIMIT AGREEMENT FOR 2014-15 FISHING YEAR

25 September 2014

PARTIES

Deepwater Group Limited (DWG)

The rights owners who become parties to this agreement by executing and delivering the form set out in Schedule 2 (Rights Owners)

BACKGROUND

1. The parties are entering into this agreement to enable Rights Owners:
 - 1.1 To manage their fishing operations (including ACE trading, catch reporting and balancing) on the basis of agreed East/West catch limits within HOK1 QMA; and
 - 1.2 To provide verifiable data to the parties and to the Ministry of Fisheries (Ministry), which will show whether fishing operations are being managed in accordance with the agreed East/West catch limits (both by each Rights Owner and by Rights Owners in aggregate).
2. The parties intend that management of fisheries operations and verification of data in accordance with the East/West catch limits under this agreement will overlay (but will not affect) any rights and obligations of the parties under the Fisheries Legislation.

THE PARTIES AGREE as follows:

3. ACE AREA LIMITS

- 3.1 **ACE Generation:** ACE generated for the HOK1 QMA for each Rights Owner on the first day of the Fishing Year will be partitioned (in proportion to the agreed East/West catch limits) to create HOK1E ACE and HOK1W ACE.
- 3.2 **ACE Types:**
 - (a) HOK1E ACE is an entitlement to balance catch from the Eastern Area.
 - (b) HOK1W ACE is an entitlement to balance catch from the Western Area.
 - (c) HOK1 ACE is an entitlement to balance catch from anywhere within the HOK1 QMA. This entitlement only applies to ACE which is generated for, and continues to be owned by, Non-Participants.
- 3.3 **ACE Trading:**
 - (a) The three ACE Types may be traded by Rights Owners and Non-Participants.
 - (b) The following rules apply where the three ACE Types are traded:
 - (i) If a Rights Owner sells HOK1E ACE (or HOK 1W ACE), it will retain its characteristic as HOK1E ACE (or HOK1W ACE, as the case may be) in the hands of the purchaser; and
 - (ii) If a Non-Participant sells HOK1 ACE to a Rights Owner, it will be split (in accordance with the East/West catch limits) to create HOK1E ACE and HOK1W ACE in the hands of the Rights Owner.
 - (c) All ACE trading will occur electronically and be administered by FishServe in accordance with the rules in clause 1.3(b).
 - (d) The parties will take all reasonable steps (including notifying FishServe) to ensure that trades of the three ACE Types occur (and are recorded in the register under clause 1.4(a)) in accordance with the rules in clause 1.3(b).



3.4 **Registers:**

- (a) The register which deals with the East/West catch limits will be managed by FishServe.
- (b) The ACE Register will continue in accordance with the Act, but will not deal with the East/West catch limits.

4. REPORTING CATCH

- 4.1 **Notifying Catch Area:** Rights Owners must notify FishServe whether any of their HOK1 catch is from the Eastern Area or from the Western Area via the FishServe website portal for stakeholder reporting.
- 4.2 **Timing and Manner of Notice:** The notification under Clause 2.1 will be separate from the Rights Owners' MHR, but must:
 - (a) Occur at the same time that the Rights Owners' MHR is provided to FishServe under the Fisheries Legislation;
 - (b) Be made in the same manner that the Rights Owners' MHR is provided to FishServe under the Fisheries Legislation.

5. REPORTED CATCH BALANCE INFORMATION

- 5.1 **Reported Catch Balance Information:** Each Rights Owner authorises DWG:
 - (a) To obtain from FishServe (on a monthly basis) information regarding the Rights Owner's HOK1E ACE and HOK1W ACE reported catch balances; and
 - (b) To use that information for the purposes set out in clause 3.2.
- 5.2 **Publication by DWG:** DWG will publish monthly to all Parties to the Agreement and to MPI:
 - (a) The aggregate of all Rights Owners' HOK1E ACE and HOK1W ACE reported catch balances; and
 - (b) Each Rights Owners' HOK1E ACE and HOK1W ACE reported catch balances.

6. VERIFICATION

- 6.1 **Catch Effort Information:** Each Rights Owner authorises DWG (through FishServe) to obtain from the Ministry information from the TCEPRs in the Ministry's catch effort database for the purposes of:
 - (a) Verifying the HOK1E ACE and HOK1W ACE catch balances of Rights Owners;
 - (b) Notifying a Rights Owner of any discrepancies as against that Rights Owner's HOK1E ACE and HOK1W ACE reported catch balances under clause 3; and
 - (c) Reporting to Rights Owners and the Ministry on the verification of HOK1E and HOK1W ACE catch balances.
- 6.2 **Notifying Discrepancies:** DWG (through FishServe) must give notice to a Rights Owner of any discrepancies between the Rights Owner's reported HOK1E ACE and HOK1W ACE catch balances under clause 3 and the verified catch balances under clause 4. Such notice must be given no less than 5 Working Days before DWG reports to all Rights Owners and the Ministry on the verification of HOK1E ACE and HOK1W ACE catch balances.

7. ACE CARRY FORWARDS

- 7.1 **Carry Forward Regime:** A Rights Owner's HOK1E ACE and HOK1W ACE catch balances at the end of the Fishing Year will be carried forward to the next Fishing Year in the same manner as if HOK1E ACE and HOK1W ACE were separate fish stocks under the Fisheries Legislation.
- 7.2 **Carry Forward Conditional:** The carry forward under clause 5.1 is conditional on this agreement (with terms which include clause 5.1) being extended for a further Fishing Year.



8. FEES

8.1 No transaction fees will be payable by Rights Owners under the terms of this agreement.

9. TERM

9.1 **Term:** The term of this agreement is the Fishing Year commencing on and from 1 October 2014.

9.2 **Extension of Term:** The term may be extended by written agreement of the parties.

10. ADDING PARTIES

10.1 If a Rights Owner sells HOK1E ACE or HOK1W ACE to a Non-Participant, then the Rights Owner will procure the Non-Participant to become a "Rights Owner" under this agreement before the transfer occurs.

11. INTEGRITY OF EAST/WEST CATCH LIMITS

11.1 No Rights Owner will act in a way that has the effect, or is likely to have the effect, of making this agreement apply in a manner that defeats the overall intention of the East/West catch limit regime.

12. MISCELLANEOUS

12.1 **No Partnership:** Nothing in this agreement will be deemed to constitute a partnership, joint venture, agency, fiduciary or other similar relationship between all or any of the parties.

12.2 **Severability:** If any part of this agreement is held by any court to be illegal, void or unenforceable, the remaining parts of this agreement will remain legal, valid and enforceable.

13. DEFINED TERMS

In this agreement, unless the context requires otherwise:

ACE - means annual catch entitlement (as defined in the Act);

ACE Register - means the Annual Catch Entitlement Register established under the Act;

ACE Types - means HOK1E ACE, HOK1W ACE and HOK1 ACE;

Act - means the Fisheries Act 1996, as amended or substituted;

Eastern Area - means the eastern area shown in the map annexed to this agreement;

***East/West Catch Limits* - means the partitioning of the HOK1 TACC into two separate East and West limits as decided and described by the Minister for the coming fishing year and where the context permits or requires, means corresponding proportions of ACE in the Eastern Area and the Western Area;**

HOK1 - has the same meaning as applies to that term in the Fisheries Legislation;

Western Area - means the western area shown in the map annexed to this agreement;

Fisheries Legislation - means the Act and/or any regulations made under it;

FishServe - is the trading name of Commercial Fisheries Services Limited, a wholly-owned subsidiary of The Seafood Industry Council Limited;

Fishing Year - means a period of 12 months commencing on and from 1 October;

MHR - means monthly harvest return, and has the same meaning as applies to that term in the Fisheries Legislation;

Non-Participant - means an owner of HOK1 ACE who is not a party to this agreement;



TCEPRs - means trawl, catch, effort and processing returns and has the same meaning as applies to that term in the Fisheries Legislation, and for these purposes also includes trawl catch effort returns (or TCERs) (which has the same meaning as applies to that term is in the Fisheries Legislation);

Working Day - means any day of the week (other than a Saturday, Sunday or a public holiday observed in Wellington).

Signed

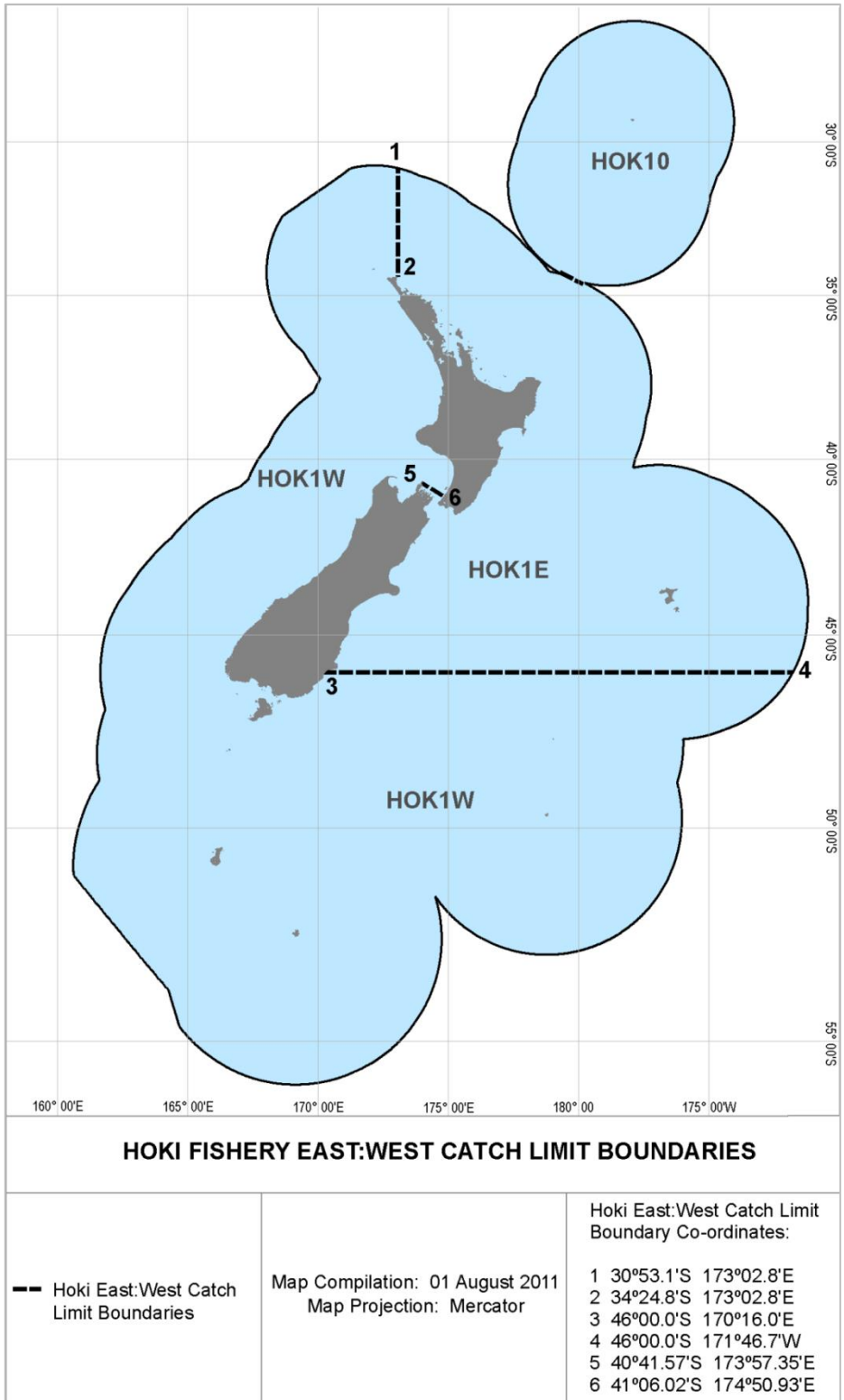
A handwritten signature in black ink, appearing to be "G. Clement", written in a cursive style.

George Clement
Chief Executive

for and on behalf of Deepwater Group Limited



SCHEDULE 1: HOKI EAST/WEST CATCH LIMIT BOUNDARIES





SCHEDULE 2: EXECUTION FORM 2014-15 FISHING YEAR

Date: _____

To: Deepwater Group Limited (*DWG*)

From: _____ (*Rights Owner*)

QRN: _____

Contact Person: _____

Address: _____

Email: _____

The Rights Owner:

1. Confirms that it has read the Hoki Fisheries East/West Catch Limit agreement;
2. Agrees to be a party to the agreement;
3. Acknowledges that it will become a party upon delivery of this executed form to DWG.

Signed by

for and on behalf of the Rights Owner