

Circular

Number : 11/22
Subject : Long term delivery agreements for pelagic raw material for meal and oil purpose
To : Fishermen and buyers of pelagic raw material for meal & oil purposes
Place : Bergen Date : 09.02.22

According to the law on firsthand sales of wild marine resources §10 (LOV-2013-06-21-75 - fiskesalslagslova), and NSS' Business Rules §2 and §6.7, fishermen and buyers are given the opportunity to enter into an agreement on long term deliveries.

The agreement must cover the vessel's quantity for the agreed species for the total quota year. For foreign vessels, the agreement must cover the total quantity delivered to Norway for the agreed species within **the total calendar year.**

The agreed price applies to the total quantity covered by the agreement. Price in this context is a fixed price in NOK/kg. However; the fixed price can never go below the dynamic minimum price applicable at the time of delivery. Alternatively, the price can be set as the applicable minimum price plus **one** fixed addition. Bycatch is paid according to the provision in the agreement on prices between The Norwegian Seafood Federation and Norges Sildesalgslag. Agreements must be submitted to and approved by Norges Sildesalgslag **before vessels commence fishery of the species covered by the agreement.**

Other rules for long term agreements are clarified in the attached agreement form.

With best regards
NORGES SILDESALGSLAG

Knut Torgnes

Ståle Eilertsen

AGREEMENT ON DELIVERY OF PELAGIC RAW MATERIAL FOR MEAL AND OIL PURPOSES

FISHERMAN: (shipping company – settlement recipient)

Vessel: Reg.no.:

Buyer:Landing port:.....

Species Price/kg.....

The total quota of the vessel for the applicable species the current year:

The price pr kg in this agreement should be regulated for quality: YES..... NO.....

The signatories agrees to the following:

1. Delivery can not take place before the agreement is approved by Norges Sildesalgslag.
2. The agreement covers the vessel's total quota for the entire year for the applicable species. For foreign vessels, the agreement covers the total quantity the vessel will deliver to Norway of the applicable species within the same calendar year. The vessel can not enter into additional agreements for the applicable species within the year covered by the agreement.
3. If the vessel suffers a breakdown, or in case of other serious extraordinary circumstances, the sales manager can give dispensation from the agreement, provided both parties of the agreement concur, and offer the catch at auction.
4. It will be accepted that, at most two, collaborative buyers, registered according to §10 of the business rules, can share a catch provided the vessel agrees to this for the specific delivery.
5. The delivery agreement must yield to any regulatory decisions concerning directions, trip quotas, temporary catch bans, or other regulations implemented with concern to the totality of the fisheries.
6. All catches are to be reported to Sildsalgslaget in the regular way before the vessel leaves the catchment area for landing.
7. The loading turn principles on arrival to port applies in full, including any vessels covered by a delivery agreement. This implies that vessels under agreement is not allowed to move forward in the queue when other vessels bought at auction is delivering to the same port.
8. Sildsalgslaget will settle sales and invoice vessels in the regular fashion. Direct settlement from buyer to fisherman, or refunds from fisherman to buyer, is not allowed. This applies to both cash and goods/services. «Post-payment» through later sales between the parties is not allowed. Any advance payment can only be made on prior agreement with Sildsalgslaget. Upon request from Sildsalgslaget, both the fisherman

and the buyer must be able to present a declaration confirmed by auditor that there is no financial transactions between the parties of the agreement that can be associated with a settlement of the catch.

9. Sildesalgslaget's financial guarantee provisions apply in full. This includes the right to stop deliveries where the buyers financial guarantee is not sufficient. The parties have a mutual responsibility to ensure that both fishery and delivery is planned according to the buyers credit status. The agreement is considered breached if the buyer is lacking a valid guarantee of payment and the vessel holds a catch. In this situation the vessel's remaining catches will be sold at regular auction.
10. The agreed price is binding on the parties, provided it can never go below the applicable minimum price. **The agreed price can either be a fixed price or the minimum price plus a fixed addition.**
11. Where else is not covered by the agreement, Sildesalgslaget's other business rules and sales regulations apply in full.
12. In case of breach of or non-compliance of the terms in the agreement, the approval of the agreement can be withdrawn. Modifications to the agreement is not valid until approved by Norges Sildesalgslag.
13. Any dispute between the parties as a consequence of violation of the agreement is of no concern to Norges Sildesalgslag unless otherwise regulated through Sildesalgslagets business rules and regulations.

Place:

Date:

Fisherman

Buyer

Approved by **Norges Sildesalgslag**

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For NSS

Telephone: 55 54 95 00

Telephone sales dept: 55 54 95 50

E-mail

sildelaget@sildelaget.no