

PENALTY REGULATION

Associated with the Management Plan MSC Brown Shrimp

(The Dutch version of the Penalty Regulation is leading)

Article 1

Definitions

This penalty regulation defines the following terms:

- CVO: Coöperatieve Visserij Organisatie;
- Board: The board of the CVO;
- Participant: POthe members of which participate in the Management Plan MSC Brown Shrimp;
- Member: Member of a PO that participates in the MSC Management Plan Brown Shrimp;

Article 2

Objective

1. The objective of this penalty regulation is the settlement of the violations of the rules stated in the MSC Management Plan Brown Shrimp and further legal decisions that are taken or to be taken by the CVO.
2. To accomplish this objective the Participants have decided in a general meeting to establish this Penalty Regulation on the basis of Article 12.
3. Violations of the aforementioned conditions will be discussed by the Board and will be settled by the Participants.

Article 3

The Board has the authority to settle violations based on the MSC Management Plan Brown Shrimp. The involved Participant is obliged, where the Board has decided that the Member of the Participant has violated a condition, provided that the involved member has not filed a notice of appeal against the decision of the Board, to pay the fine within a month after receiving the decision of the Board. The Member is allowed to deduct the fine from that which the CVO is indebted to the Member and in case of a time penalty to ensure appropriate compliance. The costs of the decision-taking process by the Board will be borne by the CVO.

Article 4

The Board has the authority to impose a fine on a Member of the related Participant that is in violation with the rules set out in this Regulation, within the maxima that are set therein. The Participant receives a percentage (still; to be determined) of the imposed fine.

Article 5

Violations of rules set out in the Management Plan MSC Brown Shrimp can be officially notified and be taken into consideration within four months after the date of violation. Any settlement will expire when this period is exceeded.

Article 6

Violations of rules set out in the Management Plan MSC Brown Shrimp can be notified to the Participant of which the violator is a member.

Article 7

The notification needs to include at least the following information:

- The personal information of the person that presented the notification;
- Date and place of the notified violation;
- The type of violation; and
- The number of the involved vessel.

Article 8

The chairman of the Board decides in consultation with the Board members whether a case needs to be taken into consideration. Irrespective of this authority of the chair of the Board, every Member that has been suspected of a violation has the right to be heard orally in relation to this violation.

Article 9

The length of the consideration will be at the most three months after the formal recognition of a violation.

Article 10

The secretary of the Board informs the defendant by letter about the kind of violation, the date of the violation and also the date and place when the verbal hearing will take place. The verbal hearing will not take place when the defendant decides to withdraw from the verbal hearing.

Article 11

The chairman of the Board decides on the order of business of the verbal hearing.

Article 12

1. During the verbal hearing the defendant can be assisted by an authorised counsellor. The authorized counsellor needs to show his mandate at the start of the hearing, unless he is a registered lawyer.
2. During the verbal hearing, the chairman of the Board will give the defendant the opportunity to defend himself. The defendant has the right to deliver pieces of documents in the form of witnesses, specialists and documents. Where possible supporting documents need to be sent to the secretary of the Board a week before the hearing.

Article 13

The defendant has the right to present a written defence to the Board before the verbal hearing takes place.

Article 14

1. Documents which show a legal violation and, in the case of a notification, the notification as well as the associated documents, and the request of the verbal hearing will be sent by the secretary of the Board to the defendant. These documents will be at the office of the CVO for consultation by the defendant starting from the day that the defendant has been informed about the hearing.
2. The prosecutor will be informed about the date and location of the verbal hearing by the secretary of the Board on behalf of the Board. The secretary of the Board will send a copy of the documents to the prosecutor if the prosecutor has requested these documents. The prosecutor needs to send a request by letter to the secretary of the Board if the prosecutor wishes to receive these documents. These documents will also be at the office of the CVO for consultation by the prosecutor from the day that the documents have been sent to the defendant.
3. The prosecutor can send a request by letter to the chairman of the Board to be present at the verbal hearing. The chairman of the Board will decide whether the prosecutor will be invited or will need to be present at the verbal hearing to which no notice of appeal can be given.
4. When the defendant or the prosecutor wishes to receive copies of the documents other than the notification and the associated documents, the chairman of the Board will decide whether these copies should be provided and if so, at which costs.

Article 15

The Board may decide that a further treatment is necessary.

Article 16

The chairman of the Board decides when the verbal hearing is closed.

Article 17

The secretary of the Board will make notes of what is said during the verbal hearing and of the documents that have been presented at the verbal hearing.

Article 18

After closing the verbal hearing, the Board decides within a term of four weeks. This period can be extended twice by the Chair of the Board at maximum, with a period of four weeks for each extension.

The Board decides with a majority of votes.

The decision of the Board includes the name and address of the defendant, the facts, the considerations and the decision made by the Board.

Article 19

1. The secretary of the Board sends a registered letter to the defendant with the decision of the Board and the report of the hearing.
2. The secretary of the Board informs the Participants of the decision of the Board.

Article 20

Penalties and procedures

1. The Member of the Participant who violates the conditions set in article 6.2 of the Management Plan MSC Brown Shrimp owes the CVO for each violation a fine of at the most EUR 25,000.
2. The Member of the Participant who violates the conditions set in article 7.1.1 of the Management Plan MSC Brown Shrimp receives a warning at the first infraction. For subsequent infractions within a year the defendant owes the CVO for each violation a fine that is related to the sieving percentage of EURO 0.50 per kilogramme of sieveage that is in surplus of 15%.
3. The Member of the Participant who violates the conditions set in article 7.2.2 of the Management Plan MSC Brown Shrimp owes the CVO for each violation a fine of at the most EUR 25,000.
4. The Member of the Participant who violates the conditions set in article 7.2.5 of the Management Plan MSC Brown Shrimp owes the CVO for each violation a fine of at the most EUR 25,000.
5. The Member of the Participant who violates the conditions set in article 7.2.6 of the Management Plan MSC Brown Shrimp owes the CVO for each violation a fine of at the most EUR 25,000.
6. The Member of the Participant who violates the conditions set in article 8 of the Management Plan MSC Brown Shrimp owes the CVO for each violation a fine of at the most EUR 5,000.
7. In addition to the fines defined in paragraphs 1 to 6 in this article, the Board can extend a time penalty to the violator. This time penalty will shorten the length of fishing time for the defendant.
8. The involved Member of the Participant is obliged to pay the fine within fifteen days after receiving the decision to the CVO, when the Board has decided that the involved Member of the Participant has violated a condition and when the involved Member of the Participant has not filed a notice of appeal against the decision of the Board. The

CVOs authorised to withhold the fine on what the CVO is indebted to the involved Member of the Participant. A time penalty needs to be conducted appropriately.

Article 21

Appeal

1. The prosecutor and / or defendant can file a notice of appeal to the Dutch Arbitration Institute within two weeks after the date of the registered letter that has been sent, unless the prosecutor and / or defendant have not responded to the call for the verbal hearing or when he has decided not to engage in the verbal hearing.
2. In the case of the appeal being upheld, the Board will redeposit the amount of money that has already been paid to the involved Member of the Participant within ten days after the decision of the Netherlands Arbitration Institute.

Article 22

The Board draws up an annual report that will include at least the result and the method of implementation and compliance of the penalty regulation. The Board presents by the end of January at the latest the annual report of the foregoing year.