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US Court Penalty Issued In San Nikunau Case

Following a trial in August 2012, the U.S. District Court in Washington, D.C. has today fined Sanford Limited \$US1.9 million in the case relating to noncompliance with MARPOL requirements aboard its Tuna fishing vessel, the San Nikunau while it operated in international waters around American Samoa.

The Court ordered that a further Community Service Payment of \$US500,000 be paid to the US National Fisheries Foundation. A probationary period of three years has been set during which time Sanford vessels cannot enter US Ports until approved audits of the Company's Environmental Compliance Plan have been completed. The first audit is scheduled in February.

At the hearing, which got underway at 9:30am in Washington, Sanford's lawyers argued that the US Justice Department's call for the maximum US\$3 million fine and a five year probation period, including a ban on Sanford boats entering US waters, was 'excessive'.

They told Judge Beryl Howell that Sanford has a proven record of sound environmental management and compliance and has moved 'aggressively to broaden and strengthen its Environmental Management System for its Pacific tuna vessels and across all of its vessel operations.'

Counsel for Sanford said that the company's fleet was no longer calling at US ports or transiting its waters.

Sanford Managing Director, Eric Barratt was in Washington for today's sentencing. He said the company respected and understood the Court's sentencing. "This case has raised serious issues for Sanford, which have required the company to make significant changes to ensure they will not be repeated. These new environmental management systems are now in place across our fleet. We are pleased the court issue is now behind us and we can concentrate our efforts on improving our overall environmental compliance."

Mr Barratt went on to say: "Historically, Sanford Vessels rarely transited through US waters, but now avoid doing so. The fleet is not presently calling at any US Ports. Our vessels no longer use Pago Pago as an unloading port with all catch now being sold and transferred to fish carriers at sea or landed in New Zealand."

In 2012, Sanford also invested in a significant capital upgrade of the San Nikunau and its equipment.

Sanford's tuna vessels are also set to be accredited to ISO 14001 by February 2013. ISO 14001 focuses on three key aspects: continual improvement; the prevention of pollution; and, the commitment to comply with all legal requirements. "All three of which support our commitment of operating in a sustainable manner," said Eric Barratt.

"All waste-management and recording systems on our tuna purse seine fleet have been upgraded to ISO 14001 certification standard and all crew fully trained on requirements to comply with MARPOL, the international treaty that guards against marine pollution, and other international safety standard systems."

"Choosing to gain accreditation for our Pacific tuna operations was voluntary, and includes a rigorous and intense accreditation process. Once accredited, ISO 14001 requires renewal every three years, with annual surveillance audits undertaken in the in-between years."

The San Nikunau's former Chief Engineer, James Pogue was found guilty in respect of two Oil Record Book related charges. He was today sentenced to one month custodial sentence, five months home detention and 18 months probation.

The San Nikunau is one of three tuna purse seiners that Sanford operates throughout the Pacific and, on occasions, in New Zealand. The vessel targets skipjack tuna, which was unloaded and sold into one of the two canneries based in Pago Pago, American Samoa.

Following a routine investigation in Pago Pago in July 2011, the San Nikunau was detained for five months, which led to criminal charges being filed in January 2012 in the United States of America alleging that Sanford was vicariously liable for the crew's failure to properly maintain the vessel's Oil Record Book, which deals with the management of oily wastes aboard the vessel, including the use of the oily water separator. ENDS

Copies of the full sentencing submissions to the Court by Sanford's legal team are available at www.sanfordfacts.com

Full background on the case including the jury verdicts and court documents are available at www.sanfordfacts.com

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