

Letter of Understanding

In conjunction with an agreement to settle certain administrative litigation with respect to exports to the United States of frozen warmwater shrimp by PHILLIPS_SEAFOOD OF ECUADOR C.A. ("Phillips"), between August 4, 2004 and January 31, 2006, this Letter of Understanding is made this date (June 9, 2006) between Phillips and the Southern Shrimp Alliance ("SSA").

Phillips and SSA, having a mutual interest in assuring a safe supply of warmwater shrimp ("shrimp") to US consumers and adherence to US law, agree as follows:

- 1) Phillips will sell or ship to the United States only shrimp that is free of banned antibiotics (including but not limited to nitrofurans, phenicols, tetracyclines, and quinolones) and other banned substances;
- 2) Phillips and SSA will cooperate to enhance testing by US or foreign government authorities of shrimp imports for banned antibiotics and other banned substances;
- 3) Phillips and SSA will encourage both governmental and non-governmental entities to enhance efforts to prevent the use of banned antibiotics or other banned substances in the production of shrimp;
- 4) Phillips and SSA will cooperate to enhance compliance with food safety laws and regulations;
- 5) Phillips will take all reasonable measures to prevent the transshipment or mislabeling of its shrimp which would improperly circumvent or evade the effect of US laws;
- 6) Phillips will share information with SSA regarding efforts by shrimp producers, exporters, importers, or any other person to circumvent or evade US laws through mislabeling, transshipment, improper valuation, or other material misstatement;
- 7) Phillips and SSA will cooperate to inform and encourage their respective governments to enforce vigorously all relevant laws, regulations, and procedures regarding sale, shipment, and description of shrimp.

FOR SSA:

FOR PHILLIPS_SEAFOOD OF ECUADOR C.A.:

John Williams
Executive Director, Southern Shrimp Alliance

Juan Parra Lam,
General Manager, Phillips Seafood of Ecuador
C.A.

