



# BOARD CHARTER

## 1. Introduction

- 1.1 This Charter sets out the structure, role, composition and responsibilities of the Board of Directors (“Board”) of Clean Seas Seafood Limited (“Clean Seas Seafood” or the “Company”).
- 1.2 The powers, duties and responsibilities of the Board are also prescribed by the Corporations Act and the Constitution of the Company.
- 1.3 The standards and conduct adopted by the Board will also reflect the standards for Corporate Governance as provided in the Australian Securities Exchange Corporate Governance Council Corporate Governance Principles and Recommendations.
- 1.4 In carrying out its responsibilities and powers as set out in this Charter for the Company, and where appropriate for it and its subsidiaries (the Group), the Board will at all times recognise its overriding responsibility; that is, to act honestly, with integrity, diligently and in accordance with the law in serving the interests of the Group, its shareholders, as well as its employees, customers and the community.
- 1.5 The Board will proactively promote a culture and maintain an environment within the Company that establishes these basic principles as guidelines for all of its employees and representatives at all times.
- 1.6 This Charter forms part of a broader corporate governance framework, consisting of the Clean Seas Seafood Constitution, Board Committee charters, Clean Seas Seafood corporate governance policies and the law.

## 2. Purpose

- 2.1 This Charter:
  - (a) outlines the strategic guidance and management oversight accountabilities of the Board;
  - (b) clarifies the respective roles and responsibilities of Directors and management in order to facilitate Board and management accountability; and
  - (c) ensures a balance of authority so that no single individual has unfettered powers.

## 3. Role and Functions of the Board

### 3.1 The Board’s role is to:

- (a) represent and serve the interests of shareholders by charting, overseeing and monitoring the

Process	Number	Version	Author	Approved	Issued	Revised	Page 1 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

effective implementation of Company’s strategies, policies and financial objectives. This includes overseeing the financial and human resources the Company has in place to meet its objectives and reviewing management performance;

- (b) protect and optimise Company performance and build sustainable value for shareholders in accordance with any duties and obligations imposed on the Board by law and the Company’s constitution and within a framework of prudent and effective controls that enable risk to be assessed and managed;
- (c) set, review and monitor compliance with the Group’s values and governance framework (including establishing and observing high ethical standards); and
- (d) adopt and oversee the management of a corporate governance framework to ensure that the Group complies with its continuous disclosure obligations, all investors have equal and timely access to material information concerning the Group and all Group announcements are presented in a clear and balanced way.

**3.2 The primary functions of the Board’s are:**

- (a) appointing the Chairman, and Deputy Chair and / or the “senior independent Director”;
- (b) selecting, appointing and evaluating from time to time the performance of, determining the remuneration of, and planning succession of, the Chief Executive Officer and the Chief Executive Officer’s direct reports;
- (c) contributing to and approving management development of corporate strategy, including setting performance objectives and approving operating budgets;
- (d) reviewing, ratifying and monitoring systems of risk management and internal control and ethical and legal compliance. This includes reviewing procedures to identify the main risks associated with the Company’s businesses and the implementation of appropriate systems to manage these risks;
- (e) determining the ethos of the Company and ensuring that it adheres to appropriate standards and values and that proper policies are developed and followed in relation to:
  - (i) compliance with laws;
  - (ii) safety, health and environmental matters; and
  - (iii) the reputation of the Company;
- (f) monitoring corporate performance and implementation of strategy and policy;
- (g) defining the powers to be reserved to the Board and those to be delegated to the Chief Executive Officer;
- (h) delegating clear responsibility and authority to the Committees of the Board, the Chief Executive Officer and Directors or groups of Directors, and monitoring and reviewing regularly the performance of its Committees and the Chief Executive Officer and others who hold delegated powers;
- (i) reviewing the Board’s structure and performance from time to time and making decisions on new

Process	Number	Version	Author	Approved	Issued	Revised	Page 2 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

appointments and re-election recommendations;

- (j) giving approval or support, as appropriate, to the most senior appointments in the Company and ensuring that adequate career development, succession and remuneration arrangements exist for them;
- (k) developing diversity strategies and measureable objectives, both for the Board and across the Clean Seas Seafood workplace;
- (l) approving major capital expenditure, acquisitions and divestitures, and monitoring capital management; and
- (m) performing such other functions as are prescribed by law or are assigned to the Board.

#### 4. Matters Reserved to the Board

4.1 In addition to matters expressly required by law to be approved by the Board, powers specifically reserved for the Board are set out in the Company’s “Matters Reserved to the Board and Delegations Policy”.

4.2 Pursuant to that Policy, the following matters are specifically reserved to the Board:

- a) appointment and termination of the Chief Executive Officer and determination of his terms and conditions (including remuneration);
- b) appointment and termination of the Company Secretary;
- c) approval of appointment and, where appropriate, the termination of direct reports to the Chief Executive Officer;
- d) approvals of each of the following:
  - i) the corporate strategy, at least annually;
  - ii) the budget or operating plan, at least annually;
  - iii) the level of remuneration and conditions of service including any financial incentives for any Executive Directors, the Company Secretary and all other direct reports to the Chief Executive Officer, at least annually;
  - iv) the balance of responsibilities between the Chairman, Chief Executive Officer and other Directors;
  - v) the acquisition, establishment, disposal or cessation of any significant business of the Clean Seas Seafood Group (subject to the powers of the shareholders under the Constitution);
  - vi) the annual and half year financial reports and any other information for disclosure to the market that contains or relates to financial projections, statements as to future financial performance or changes to the policy or strategy of Clean Seas Seafood;
  - vii) the issue of any Company shares, options, equity instruments or other securities;

Process	Number	Version	Author	Approved	Issued	Revised	Page 3 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

- viii) borrowings, other than in the ordinary course of business, and the granting of security by any member of the Clean Seas Seafood Group;
- ix) the making of any public statements which reflect significant issues of Clean Seas Seafood policy or strategy where such significant issues of policy or strategy have not been previously approved by the Board;
- x) any change to the powers delegated by the Board; and
- xi) policies of Group-wide or general application.

## 5. Roles and Responsibilities of the Chairman

- 5.1 The Chairman must be an independent Director and cannot have been Chief Executive Officer for the previous three (3) years.
- 5.2 The Board will identify an independent Non-Executive Director to act as Chairman in the event that the Chairman is unable to so act for any reason.
- 5.3 Key responsibilities of the Chairman embracing responsibilities relating to Meetings of the Board, leadership and Board direction encompass, but are not limited to:
  - (a) ensuring that relevant issues are on the agenda and that Directors receive timely, relevant information to enable them to be effective members;
  - (b) leading the Board in Board matters and briefing Directors in relation to Board issues;
  - (c) leadership of the Board, for the efficient organisation and conduct of the Board’s function, and for the briefing of all Directors in relation to issues arising at Board Meetings;
  - (d) facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the Board and Management;
  - (e) monitoring the efficient organisation and conduct of the Board’s functions;
  - (f) chairing Board Meetings and shareholder Meetings;
  - (g) overseeing membership of the Board to ensure it is skilled and appropriate for Clean Seas Seafood Group’s needs;
  - (h) ensuring that independent Directors meet separately at least annually to consider, among other things, Management’s performance;
  - (i) reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board;
  - (j) commencing the annual process of Board, Board Committee and Director evaluation, including establishing and overseeing implementation of related policies and systems;

Process	Number	Version	Author	Approved	Issued	Revised	Page 4 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

- (k) recommending to the Board for consideration the functions and membership of Committees of the Board;
- (l) mentoring the Chief Executive Officer and chairing the Chief Executive Officer evaluation process through the Remuneration and Nominations Committee;
- (m) together with the Chief Executive Officer, being the spokesperson for the Company at the Annual General Meeting on matters of Board policy, strategy and the reporting of performance and profit figures; and
- (n) promoting the interests of Clean Seas Seafood to its shareholders, governments, other public organisations, other companies and the public generally.

5.4 A more comprehensive overview of the key roles of the Chairman is contained within the Company’s statement on “The Role of the Chairman of the Board” which is publicly available on the Company’s website and may be accessed within the “Investor Information” section.

## 6. Board Composition, Size and Tenure

- 6.1 The Board should consist of members with an appropriate mix of skills, diversity, experience, expertise, gender, cultural background, ethnicity and age to enable the Board to be an effective decision making body.
- 6.2 A majority of the Board shall be Non-Executive Directors and a sufficient number of Directors should also be independent of the Company such that a majority of the Board as a whole are both Non-Executive and independent.
- 6.3 In reviewing the composition and performance of the Board, the Board’s Remuneration and Nominations Committee considers the term served by Non-Executive Directors so that, over time, new Directors are appointed to challenge existing approaches and to incorporate new ideas and energy.
- 6.4 The Board selects one of its members to be Chairman and he/she should be an independent Non-Executive Director. Where circumstances are such that this is not the case, then the Board may appoint a “Lead” Independent Non-Executive Director.
- 6.5 Directors are elected for a term of three years.
- 6.6 The Board recognises that the interests of the Company and its security holders are likely to be well served by having a mix of Directors, some with a longer tenure with a deep understanding of the entity and its business and some with a shorter tenure with fresh ideas and perspective. It also recognises that the Chairman of the Board will frequently fall into the former category rather than the latter.
- 6.7 The mere fact that a Director has served on the Board for a substantial period does not mean that he or she has become too close to management to be considered independent nor should it be perceived to materially interfere with a Director’s ability to act in the best interests of the Company. However, the Board regularly assesses whether that might be the case for any Director who has served in that position for more than 10 years The Company’s Policy on Independence of Directors further elaborates on the criteria relevant to assessing the independence of a Director..

Process	Number	Version	Author	Approved	Issued	Revised	Page 5 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

- 6.8 Directors are not entitled to any retirement or similar allowance upon ceasing to be a Director for any reason.
- 6.9 There is no maximum age limit for a Director.

## 7. Appointment and Re-appointment of Directors

### *Appointment of New Directors*

- 7.1 The process of selection and appointment of new Directors to the Board is that, when a vacancy arises, the Remuneration and Nominations Committee identifies candidates with appropriate skills, experience and expertise, and with regard to the Company's diversity objectives.
- 7.2 Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended to the Board.
- 7.3 When the Board considers that a suitable candidate has been found, that person is appointed by the Board to fill a casual vacancy in accordance with Clean Seas Seafood's Constitution, but must stand for election by shareholders at the next Annual General Meeting
- 7.4 Non-Executive Directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Directors participate in induction or orientation programs on appointment, and in any continuing education or training arranged for them.

### *Re-appointment of Incumbent Directors*

- 7.5 The Company's Constitution provides that a Director may not hold office for a continuous period in excess of 3 years or past the third Annual General Meeting following the Director's appointment without submitting for re-election.
- 7.6 Retiring Directors are subject to the selection and appointment procedures set out in the Constitution of the Company, the ASX Listing Rules and the Corporations Act.
- 7.7 Shareholders are provided with relevant background information on the retiring Director and the candidate is invited to give a short presentation to the Annual General Meeting in support of their re-election.
- 7.8 The Board examines and reviews the re-election recommendation provided by the Remuneration and Nominations Committee and:
- (a) authorises the Chairman to approach the retiring Director(s) to convey the Board's views concerning the proposed re-election of the retiring Director(s) at the next Annual General Meeting;
  - (b) authorises the Company Secretary to make the appropriate arrangements in accordance with the Constitution of the Company, the ASX Listing Rules and the Corporations Act in respect of the views expressed by the Board concerning the proposed re-election of retiring Director(s); and

Process	Number	Version	Author	Approved	Issued	Revised	
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	Page 6 of 16

- (c) if the Board does not support the re-election of the retiring Director(s) at the next Annual General Meeting, instruct the Remuneration and Nominations Committee, to initiate the “new appointment” procedure above.

7.9 A more comprehensive overview of the Company’s Director appointment and re-appointment protocols is contained within the Company’s “Policy for the Selection and Appointment of Directors”, which is publicly available on the Company’s website and may be accessed within the “Investor Information” section.

## 8. Independence of Directors

8.1 The Board must implement structures and procedures to ensure that the Board operates independently of Executive Management.

8.2 Appropriate independence measures include:

- (a) appointing an independent Director as Chairman and a “senior independent Director”;
- (b) ensuring the Board comprises a majority of independent Non-Executive Directors determined by the Board as appropriate;
- (c) ensuring the roles of the Chief Executive Officer and Chairman are exercised by different people;
- (d) requiring the Non-Executive Directors to meet at least annually for private discussion of Management issues;
- (e) conducting regular assessment of the independence of each Director in light of any interest disclosed by them;
- (f) identifying independent Directors in the corporate governance section of the Annual Report;
- (g) disclosing the period of office of each Director in the corporate governance section of the Annual Report;
- (h) developing a procedure agreed by the Board for a Director to take independent professional advice, where necessary; and
- (i) agreeing as to the formal division of responsibilities between the Chief Executive officer and Chairman.

8.3 A Director is considered independent by Clean Seas Seafood if the Director is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his or her capacity to bring an independent judgment to bear on issues before the board and to act in the best interests of the entity and its security holders generally. .

8.4 A Director who:

- (a) is a substantial shareholder of Clean Seas Seafood or an officer of, or otherwise associated directly or indirectly with, a substantial shareholder of Clean Seas Seafood;

Process	Number	Version	Author	Approved	Issued	Revised	Page 7 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

- (b) within the last 3 years has been employed in an Executive capacity by Clean Seas Seafood Group or another group member, or has been a Director after ceasing to hold any such employment;
- (c) within the last 3 years, has been a principal of a material professional adviser or material consultant to Clean Seas Seafood Group or another group member or an employee materially associated with the service provided;
- (d) is a material supplier or customer of Clean Seas Seafood Group or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has a material contractual relationship with Clean Seas Seafood Group or another group member other than as a Director or shareholder of Clean Seas Seafood Group;
- (f) has served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director’s ability to act in the best interests of Clean Seas Seafood Group; or
- (g) has any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director’s ability to act in the best interest of Clean Seas Seafood Group,

**will not be independent**, unless the Board is satisfied on reasonable grounds that the Director is independent despite the existence of one or more of these circumstances.

- 8.5 The test of whether a relationship or business is "material" will be based on the nature, circumstances and activities of the Director having regard to materiality threshold guidelines established by the Board from time to time. Materiality will be considered from the perspective of Clean Seas Seafood, the persons or organisations with which the Director has an affiliation and from the perspective of the Director on a case-by-case basis.
- 8.6 The Board or the Remuneration and Nominations Committee will regularly assess the independence of each Director. That assessment should be made at least annually at or around the time that the Board or the Remuneration and Nominations Committee considers candidates for election to the Board. In the case of a change in a Director’s interests, positions, associations or relationships, the assessment should be made as soon as practicable after the Board or the Remuneration and Nominations Committee become aware of the change. Each independent Director must provide the Board with all relevant information for this purpose. The outcome of this assessment will be reflected in the corporate governance section of the Annual Report
- 8.7 A more comprehensive overview of the Company’s Independence protocols is contained within the Company’s “Policy on Independence of Directors”, which is publicly available on the Company’s website and may be accessed within the “Investor Information” section.

## 9. Conduct of Individual Directors

- 9.1 The Board is firmly of the view that the reputation and integrity of the Company, the Board and employees will only be maintained through conducting its operating and corporate activities based on adopting the highest ethical standards
- 9.2 In recognition of the above, the Board has adopted a Directors’ Code of Conduct, which guides Directors

Process	Number	Version	Author	Approved	Issued	Revised	Page 8 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

and promotes high ethical and professional standards and responsible decision-making practices.

9.3 The Directors’ Code of Conduct addresses, amongst other things, protocols and expectations in relation to:

- (a) ethical conduct and expected behaviours based on the principles of openness, mutual respect, fairness, honesty and integrity;
- (b) personal transactions;
- (c) confidentiality of information;
- (d) identification and responsible management of conflicts of interests;
- (e) securities trading;
- (f) disclosure compliance;
- (g) abiding by the law and applicable Clean Seas Seafood policies and procedures;
- (h) improper payments, benefits or gains; and
- (i) raising concerns – whistleblowing.

9.4 Pursuant to the Directors’ Code of Conduct, Directors must:

- (a) discharge their duties in good faith and in the best interests of Clean Seas Seafood and for a proper purpose;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and with the level of skill and care expected of a Director of a major company;
- (c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act and the Constitution;
- (d) not make improper use of information gained through their position as Director;
- (e) not take improper advantage of their position as a Director;
- (f) notify other Directors of a material personal interest when a conflict arises;
- (g) make reasonable enquiries if relying on information or advice provided by others;
- (h) undertake any necessary inquiries in respect of delegates;
- (i) give Clean Seas Seafood or Australian Securities Exchange Limited all the information required by the Corporations Act, the Listing Rules and the Constitution; and
- (j) not permit Clean Seas Seafood Group to engage in insolvent trading.

Process	Number	Version	Author	Approved	Issued	Revised	Page 9 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

9.5 A more comprehensive overview of the principles guiding Director’s conduct, is contained within the Company’s “Directors’ Code of Conduct”, which is publicly available on the Company’s website and may be accessed within the “Investor Information” section.

## 10. Board Meetings and Process

### 10.1 Meetings

- (a) All Board Meetings will be conducted in accordance with Clean Seas Seafood’s Constitution and the Corporations Act.
- (b) Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the Directors. Individual Directors must utilise their particular skills, experience and knowledge when discussing matters at Board Meetings.
- (c) Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.
- (d) All Directors are expected to prepare adequately, attend and participate at each Board Meeting.
- (e) Non-Executive Directors will periodically meet without Executive Directors or Management present.

### 10.2 Frequency

- (a) Board Meetings will be held regularly throughout the year, and at least as many times as it is necessary for the Board to discharge its obligations.
- (b) Special Meetings may be convened as required.
- (c) Meetings are regularly held on-site.

### 10.3 Notice

- (a) A notice of each Meeting confirming the date, time, venue and agenda shall be distributed to each Director within a reasonable period in advance of each Meeting.
- (b) The notice of Meeting distributed to each member of the Committee will include the relevant supporting papers for the agenda items to be discussed.
- (c) A Director may at any time, and the Company Secretary must on the requisition of a Director, call a Meeting of the Directors.

### 10.4 Annual Program and Meeting Agendas

- (a) The Board shall develop and agree an annual program capable of fulfilling its responsibilities.
- (b) The Chairman, with the assistance of the Company Secretary, will develop the agenda for each Meeting on the basis of the annual program and any other matters deemed to be relevant to the particular Meeting.

Process	Number	Version	Author	Approved	Issued	Revised	Page 10 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

**10.5 Quorum**

- (a) A quorum will comprise of any two (2) Directors.
- (b) Each Director shall have one vote.
- (c) The Chairman of the Board shall not have a second or casting vote.

**10.6 Attendance**

- (a) In addition to the members of the Board, such Executives and /or external parties as the Chairman and members of the Board think fit may be invited to attend Board Meetings.

**10.7 Minutes**

- (a) The minutes of Board Meetings and Committee Meetings will be confirmed at the next Meeting and signed by the respective Chairman.

**11. Company Secretary**

11.1 The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

11.2 The Company Secretary plays an important role in supporting the effectiveness of the Board and its Committees.

11.3 The role of the Company Secretary should include:

- (a) advising the Board and its Committees on governance matters;
- (b) monitoring that Board and Committee policy and procedures are followed;
- (c) coordinating the timely completion and despatch of Board and Committee papers;
- (d) ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and
- (e) helping to organise and facilitate the induction and professional development of Directors

11.4 Each Director should be able to communicate directly with the Company Secretary and vice versa.

11.5 The decision to appoint or remove a Company Secretary should be made or approved by the Board

Process	Number	Version	Author	Approved	Issued	Revised	
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	Page 11 of 16

## 12. Access to Information and Independent Professional Advice

- 12.1 Directors need high quality information and advice on which to base their decisions and considerations. All Directors have unrestricted access to Company records and information.
- 12.2 They regularly receive detailed reports. Management prepare and present to Directors detailed financial and operating reports monthly. Directors may request other reports from Management at any time.
- 12.3 Each Director has the right to seek advice and clarification from the Company's auditors, financial and legal advisers on any matter relating to the Company or Board performance at Clean Seas Seafood's expense.
- 12.4 A Director may engage, at the Company's expense, professional advisers to advise the Director on matters pertinent to Company affairs, including the performance of the Director's duties. Before this expense can be incurred on behalf of the Company, the approval of the Chairman is necessary or, in the absence of that approval, Board approval.
- 12.5 A copy of any advice will be made available to the Board.

## 13. Director Remuneration

### 13.1 Determination of Non-Executive Remuneration

- (a) Non-Executive Directors receive annual fees determined with regard to the Company's need to maintain appropriately experienced and qualified Board members, within a maximum aggregate annual pool limit approved by shareholders and in accordance with competitive pressures in the marketplace.
- (b) The Board Remuneration and Nominations Committee reviews and recommends, for Board approval, remuneration levels and policies for Directors, including Committee membership fees, within this overall Directors' fee pool.
- (c) The Remuneration and Nominations Committee may from time to time seek independent advice in relation to the remuneration of Non-Executive Directors and may make recommendations to members in relation to any total fee increase.
- (d) The Board accepts that, given the size of the Company, Directors' fees and associated costs must not place an inappropriate burden on the Company's finances. However, the Company operates in a complex market and the duties and obligations of Directors are increasing at an increasing rate.

### 13.2 Extra Duties and Expenses

- (a) From time to time, the Board may ask individual Directors to devote extra time or to undertake extra duties.
- (b) Directors who undertake these tasks at the Board's direction may receive extra amounts.
- (c) Directors are also to be reimbursed for expenses associated with undertaking their duties.

Process	Number	Version	Author	Approved	Issued	Revised	Page 12 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

**13.3 Remuneration Review**

- (a) Each year, the Remuneration and Nominations Committee reviews and makes recommendations to the Board in relation to Non-Executive Director remuneration.
- (b) In doing so, the Committee may seek independent professional advice in relation to the remuneration of Non-Executive Directors.
- (c) From time to time, the Committee also reviews and makes recommendations to the Board with respect to amendments to the shareholder approved aggregate pool limit. Within this limit, the Board seeks to set aggregate annual Non-Executive Director remuneration at a level which provides the Company with the ability to attract and retain Non-Executive Directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

**13.4 Retirement Benefits**

- (a) The Company also pays Directors’ superannuation contributions of an amount necessary to meet the minimum level of superannuation contributions required under any applicable legislation to avoid any penalty, charge, tax or impost.
- (b) Director’s fees payments to Non-Executive Directors are determined on a basis which is fully inclusive of any legislated superannuation payment obligations.
- (c) Non-Executive Directors are not entitled to retain retirement benefits beyond the statutory obligations which are required to be met by the Company.

**14. Delegations**

**14.1 Delegation to Board Committees**

- (a) Under Clean Seas Seafood’s Constitution, the Board may delegate any of its powers (including this power to delegate) to a Committee of Directors.
- (b) A Committee must exercise the powers delegated in accordance with any directions of the Directors and may:
  - (i) investigate any activity within the terms of its specification;
  - (ii) following consultation with the Chairman and Chief Executive Officer, obtain such information as it considers necessary from Management; and
  - (iii) obtain external legal or other independent advice, as it considers necessary.
- (c) Directors are entitled to attend Committee Meetings and receive Committee papers. Committees will maintain minutes of their Meetings. The Chairman of each Committee will report back on Committee Meetings to the Board at the next full Board Meeting.
- (d) To assist the Board in fulfilling its duties, there are currently two Committees:
  - (i) Audit and Risk Committee; and

Process	Number	Version	Author	Approved	Issued	Revised	Page 13 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

- (ii) Remuneration and Nominations Committee.
- (e) Each Committee established by the Board has a formal Charter approved by the Board setting out the authority, responsibilities, membership and operation of the Committee.
- (f) Committees report to the Board at least annually on all matters relevant to the discharge by the Committee of its role and responsibilities during the period covered by the report. In addition, each Committee should report to the Board on specific issues as and when required under its Charter and on the proceedings of each Meeting of that Committee to the next following Board Meeting.
- (h) Except in cases which involve conflict of interest, the minutes of all Committee Meetings should be made available to all Directors as soon as practicable
- (i) With the exception of certain limited delegations contained in their Charters, recommendations of the Committees are to be referred to the Board for approval.

**14.2 Delegation to the Chief Executive Officer**

- (a) Under the Clean Seas Seafood Constitution, the Board may also delegate any of its powers to any other Directors, the Chief Executive Officer and Company employees.
- (b) The Board has delegated to the Chief Executive Officer the authority to manage the day to day affairs of Clean Seas Seafood Group and the authority to control the affairs of Clean Seas Seafood Group in relation to all matters other than those responsibilities reserved to the Board in this Board Charter.
- (c) The Board may impose further specific limits on the Chief Executive Officer delegations from time to time.
- (d) The Chief Executive Officer has authority to sub-delegate such authority and power to such members of the Executive Management team as he shall determine from time to time.
- (e) Guidelines have been developed and approved by the Board on Management delegated authority.

**15. Director’s Deed of Indemnity and Right of Access to Documents**

- 15.1 Clean Seas Seafood’s Constitution makes provision for the Company to indemnify each person who is or has been a Director against any liability which results directly or indirectly from facts or circumstances relating to the person serving or having served in that capacity and which does not arise out of conduct involving lack of good faith or conduct known by the person to be wrongful.
- 15.2 Clean Seas Seafood maintains Directors and Officers Insurance which in effect provides cover to the Company to enable it to meet its obligations to indemnify Directors under the Constitution. The relevant policy also provides cover for Directors individually. The extent and limit of such insurance cover is dependent upon the insurance market. Clean Seas Seafood retains the services of an insurance broking firm to provide the Board with advice in relation to this type of insurance.
- 15.3 The Board has also authorised the entering into Deeds of Indemnity between Clean Seas Seafood and individual Directors. Such Deeds oblige Clean Seas Seafood to maintain insurance cover (for so long

Process	Number	Version	Author	Approved	Issued	Revised	Page 14 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

as the Director remains a Director of Clean Seas Seafood and for a period of seven years thereafter) to enable the Company's indemnity to be met and also document the Company's indemnity as permitted under the Constitution.

## 16. Director Induction and Continuing Education

- 16.1 Clean Seas Seafood will provide an orientation program for new Directors in order to assist them in fulfilling their duties and responsibilities.
- 16.2 Clean Seas Seafood will conduct additional presentations and tutorial sessions for Directors from time to time regarding the Group, the factors impacting, or likely to impact, on its businesses, and to assist the Non- Executive Directors in gaining a broader understanding and knowledge of the Company and its affairs.
- 16.3 Directors are also encouraged to keep up to date on relevant topical issues.

## 17. Securities Trading

- 17.1 Clean Seas Seafood has adopted a Securities Trading Policy which regulates the dealing by Directors in shares issued by the Company.
- 17.2 This Policy ensures that Directors act in accordance with the Corporations Act and do not undertake any "insider trading".
- 17.3 Directors must comply with this policy at all times.
- 17.4 A comprehensive overview of the principles guiding trading in the Company's securities, is contained within the Company's "Securities trading Policy" which is publicly available on the Company's website and may be accessed within the "Investor Information" section.

## 18. Board Performance Evaluation

- 18.1 The Board is to undertake an annual performance evaluation of itself that:
- compares the performance of the Board with the requirements of this Charter;
  - sets forth the goals and objectives of the Board for the upcoming year; and
  - effects any improvement to the Charter deemed necessary or desirable.
- 18.2 The performance evaluation shall be in a manner as the Board deems appropriate.
- 18.3 The Board has approved a process for performance evaluation of its members and key Executives.

## 19. Review of this Charter

- 19.1 The Board is responsible for reviewing this Charter and the division of functions and responsibilities in Clean Seas Seafood to determine its appropriateness to the needs of the Company from time to time.

Process	Number	Version	Author	Approved	Issued	Revised	Page 15 of 16
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	

19.2 The Charter may be amended by resolution of the Board.

## 20. Disclosure

20.1 The Board will make appropriate disclosure to shareholders in Clean Seas Seafood's Annual Financial Report of the key aspects of this Charter, including explaining any departure from the best practice recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations.

20.2 This Charter is publicly available on the Company's website and may be accessed within the "Investor Information" section.

## 21. Best Practice Governance

21.1 In carrying out all of its functions the Committee will have due regard to the provisions of the Australian Securities Exchange Corporate Governance Council Corporate Governance Principles and Recommendations and to the ASX Listing Rules with a view to ensuring that Clean Seas Seafood seeks to adhere to the highest standards of corporate governance.

## 22. Who to Contact

22.1 Any questions relating to the interpretation of this Charter should be forwarded to the Company Secretary.

\* \* \* \*

This Charter was approved by the Clean Seas Seafood Board on 13<sup>th</sup> June 2014 and supersedes any terms of reference previously in force.

Process	Number	Version	Author	Approved	Issued	Revised	
Corporate Governance	1	2	NB	CST Board	16/4/2012	13/06/2014	Page 16 of 16