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## SECURITIES TRADING POLICY

### RULES FOR BUYING AND SELLING OF COMPANY SHARES

#### 1 Background and Purpose

This Share Trading Policy (“STP”) regulates dealings by Restricted Persons in Clean Seas Seafood Limited’s (“CSS”) Securities.

The purpose of this STP is to:

- ensure that all Restricted Persons understand the law in relation to insider trading under the Corporations Act, and the legal and CSS imposed restrictions on trading CSS Securities whilst in possession of Inside Information; and
- develop a best practice procedure for the buying and selling of CSS Securities that assists CSS and Restricted Persons to ensure that they do not misuse, or place themselves in a position where they may be suspected of misusing, Inside Information of which they have or may be thought to have knowledge, especially in periods leading up to an announcement of CSS’s results.

This STP:

- summarises the law in relation to insider trading;
- provides guidance to Restricted Persons in respect of dealings in CSS Securities; and
- identifies CSS’s internally imposed restrictions in respect of trading in CSS Securities by Restricted Persons whilst they are in possession of Inside Information.

This is an important document that should be read in its entirety. If you do not understand it, you should consult the CSS Company Secretary or your professional advisers prior to buying or selling CSS Securities.

Failure to comply with this STP will subject a Restricted Person to internal disciplinary procedures and could lead to civil and criminal investigation and penalties.

#### 2 Definitions

In this STP the following definitions apply:

- **Affected CSS Employees** means:

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- (a) CSS Chief Executive Officer;
  - (b) CSS Company Secretary;
  - (c) all members of CSS Executive;
  - (d) all Employees who report directly to members of CSS Executive;
  - (e) any other Employee designated as a Restricted Person by the CSS Company Secretary from time to time for the purposes of this STP; and
  - (f) all Immediate Family Members of CSS Directors and Affected CSS Employees.
- **ASX** means ASX Limited ACN 008 624 691.
  - **Authorisation Officer** means the CSS Company Secretary or:
    - (a) if the CSS Company Secretary wishes to deal in CSS Securities in accordance with this STP - the Chairman of the Board of CSS; or
    - (b) if the CSS Company Secretary and the Chairman of the Board of CSS are not available - another CSS Director or officer of CSS nominated for the purpose of providing clearance to deal in CSS Securities.
  - **Corporations Act** means *Corporations Act 2001* (Cth).
  - **CSS** means Clean Seas Seafood Limited ACN 094 380 435.
  - **CSS Director** means a director of CSS.
  - **Derivatives** has the meaning given in the Corporations Act and includes options, forward contracts, futures, warrants, swaps, caps and collars.
  - **Employee** means a person who is an employee of CSS or of a subsidiary of CSS.
  - Information is **Generally Available** if it:
    - (a) consists of a readily observable matter; or
    - (b) has been made known in a manner likely to bring it to the attention of investors in Securities of corporations of that kind and a reasonable period for dissemination of that information has elapsed (that is, it has been released to the ASX, published in an Annual Report or prospectus or otherwise been made Generally Available to the investing public and a reasonable period of time has elapsed after the information has been disseminated in one of these ways); or
    - (c) it may be deduced, inferred or concluded from the above.
  - **Immediate Family Members** means a family member of a Restricted Person who may be expected to influence, or be influenced by, the Restricted Person in his or her dealings with CSS Securities. An Immediate Family Member may include:
    - (a) the Restricted Person’s partner; and

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- (b) dependants of the Restricted Person or the Restricted Person’s partner.
- **Inside Information** means information which is:
  - (a) not Generally Available; and
  - (b) if it were Generally Available, a reasonable person would expect it to have a Material Effect on the price or value of the relevant Securities.
- Information is considered by the Corporations Act to be likely to have a **Material Effect** on the price or value of Securities of a company if the information would, or would be likely to, influence persons who commonly invest in Securities in deciding whether or not to subscribe for, buy or sell those Securities.

By way of example, the following type of information would be likely to be considered to have a Material Effect on CSS’s share price:

- (a) information regarding a material increase or decrease in CSS’s financial performance from that anticipated by CSS or from previous market guidance;
- (b) actual material business or asset acquisition or sale;
- (c) a proposed dividend or a change in dividend policy;
- (d) actual or proposed takeover or merger;
- (e) the damage or destruction of a material plant or operation of CSS;
- (f) proposed material legal proceedings to be initiated by or against CSS;
- (g) regulatory action or investigations undertaken by a Government authority;
- (h) entering into or terminating a material contract;
- (i) the launch of a new business or material new product;
- (j) a proposal to undertake a new issue of shares or major change in financing; or
- (k) a significant change in senior management.
- **No Trade Period** means the periods:
  - (a) from midnight, 31 December until midday South Australian time on the next ASX trading day after the day on which CSS’s half-year results are released to ASX;
  - (b) from midnight, 30 June until midday South Australian time on the next ASX trading day after the day on which CSS’s full year results are released to ASX; and
  - (c) such other period of periods as the Board of Directors of CSS may determine from time to time and notify you.
- **Procure a Trade** in relation to Securities means:
  - (a) procuring, encouraging, inciting or inducing any other person to deal in those Securities; or

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- (b) directly or indirectly communicating the information to another person who you believe is likely to deal in, or procure another to deal in, those Securities.
- **Restricted Person** means:
  - (a) CSS Directors;
  - (b) Affected CSS Employees; and
  - (c) companies, trusts and other entities controlled by CSS Directors or Affected CSS Employees.
- **Securities** means:
  - (a) ordinary shares listed on ASX;
  - (b) preference shares;
  - (c) Derivatives;
  - (d) options; and
  - (e) other financial products covered by section 1042A of the Corporations Act.
- **STP** means this CSS Securities Trading Policy.
- **Trade** in relation to Securities, means to:
  - (a) buy or sell Securities;
  - (b) subscribe for Securities;
  - (c) enter into an agreement to subscribe for, buy or sell Securities; or
  - (d) create a derivative over those Securities or agree to do so.

**3 Scope of this STP**

This STP applies to and regulates all dealings in CSS Securities by Restricted Persons. All Restricted Persons are required to comply with this STP.

CSS employees will be advised by CSS as to whether or not they are an Affected CSS Employee for purposes of this STP.

It is the responsibility of each CSS employee to determine whether or not they are an Affected CSS Employee prior to dealing in any CSS Securities.

If an employee of CSS has not been advised by CSS as to whether or not they are they are an Affected CSS Employee for the purposes of this STP, the employee must contact the Company Secretary for such direction prior to dealing in CSS Securities.

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#### 4 Insider Trading Prohibition

Every Restricted Person is required to comply with the laws on insider trading.

If any Restricted Person has Inside Information it is unlawful for that Restricted Person to:

- 4.1 Trade or in any way deal in CSS Securities;
- 4.2 Procure a Trade or in any way encourage another person to Trade or otherwise deal in CSS Securities; and
- 4.3 directly or indirectly pass on information to another person in circumstances where the Restricted Person knows or ought to reasonably know that the person may use this information to Trade or otherwise deal in CSS Securities.

#### 5 No Trade Periods Prohibition

- 5.1 Restricted Persons may not deal in CSS Securities during No Trade Periods.
- 5.2 Clause 5.1 does not restrict participation in any CSS Employee Share and/or Option Plan but any dealing in CSS Securities issued pursuant to any such Plan may only take place subject to compliance with this STP including clause 5.1.

#### 6 Additional Prohibitions

##### 6.1 Prohibition on short-term trading

Other than in exceptional circumstances as determined by the Board of Directors of CSS in its discretion (refer section 10 of this Policy), selling CSS Securities within 12 months of purchase is prohibited. Speculating in short-term price fluctuations does not promote market and shareholder confidence in the integrity of CSS and Employees.

##### 6.2 Prohibition on hedging

Restricted Persons are not permitted to engage in hedging instruments, deal in Derivatives or enter into arrangements or other transactions which limit the economic risk related to CSS Securities (including, for example, the use of put and call options, contracts for difference and other arrangements intended to secure a profit or avoid a loss based on fluctuations in the price of CSS Securities).

This prohibition includes, without exception, engaging in hedging or other arrangements which limit the economic risk in connection with unvested Securities issued pursuant to any CSS Employee Share and / or Option Plan.

#### 7 Permitted Dealings in CSS Securities by Restricted Persons

Subject to compliance with this STP including, without limitation, clauses 4, 5 and 6, Restricted Persons are able to deal in CSS Securities.

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## 8 Immediate Family and Controlled Entities

A Restricted Person who is a CSS Director or an Employee must take all reasonable steps to ensure that their Immediate Family Members and any company, trust or other entity controlled by such Restricted Person or any such Immediate Family Members comply with this STP.

## 9 Action required to deal in CSS Securities

### 9.1 Intention to Trade Notice

- (a) Before any Restricted Person deals in CSS Securities they must:
- (i) complete an Intention to Trade Notice and lodge it with the Authorisation Officer; and
  - (ii) receive a “No Objection” advice in the CSS Response Notice section of the Intention to Trade Notice dated and signed by the Authorisation Officer.

An Intention to Trade Notice is available from the CSS Company Secretary.

- (b) Further to clause 8, Restricted Persons should submit an Intention to Trade Notice if they are aware that an Immediate Family Member or a company, trust or other entity controlled by them proposes to deal in CSS Securities and they should also take all reasonable steps to prevent the dealing from taking place unless the Authorisation Officer has issued a “No Objection” advice in the CSS Response Notice section of the Intention to Trade Notice.
- (c) The issue of such a “No Obligation” advice is not an endorsement by CSS or any other person of the proposed transaction – people remain responsible for their own investment decisions and their compliance with the law.
- (d) A response to an Intention to Trade Notice (effected via the Authorisation Officer completing the “No Objection” or “Objection” advice in the CSS Response Notice section of the Intention to Trade Notice) must be given to the relevant Restricted Person within two business days of the request being made.
- (e) If an Authorisation Officer issues an “Objection” advice in the CSS Response Notice section of the Intention to Trade Notice:
- (i) the proposed dealing in the relevant CSS Securities must not take place; and
  - (ii) neither CSS, the Authorised Officer nor any other person is required to give reasons for the “Objection” advice.
- (f) The CSS Company Secretary maintains a record of the response to any Intention to Trade Notice lodged by Restricted Persons.

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**9.2 Dealing Advice Notice**

- (a) A Restricted Person who is given a “No Objection” advice in accordance with clause 9.1 must:
  - (i) deal with the relevant CSS Securities as soon as possible and in any event within five business days of the “No Objection” advice being given; and
  - (ii) submit a Dealing Advice Notice to the Authorisation Officer as soon as the transaction has taken place and no later than two days after the transaction has taken place.

A Dealing Advice Notice is available from the CSS Company Secretary.

- (b) A Restricted Person must also use the Dealing Advice Notice to notify the Authorisation Officer if the proposed dealing referred to in clause 9.2(a) does not take place.

**10 Other Circumstances Where Dealing May Be Permitted With Approval**

Permission may be given to deal in CSS Securities during a No Trade Period if a Designated Person is not in possession of Inside Information and is experiencing severe Financial Hardship or is affected by some other Exceptional Circumstance.

**10.1 Financial Hardship**

- (a) A Designated Person may be experiencing severe Financial Hardship if they have a pressing financial commitment that cannot be satisfied other than by selling CSS Securities.
- (b) A tax liability of such a person would not normally constitute severe Financial Hardship unless the person has no other means of satisfying the liability.
- (c) A tax liability relating to Securities received under an employee incentive scheme would also not normally constitute severe Financial Hardship or otherwise be considered an Exceptional Circumstance.

**10.2 Other Exceptional Circumstances**

- (a) Examples of what may be considered Exceptional Circumstances include:
  - (i) required by a court order (such as in a bona fide family settlement) to transfer or sell CSS Securities;
  - (ii) some other overriding legal or regulatory requirement to transfer or sell CSS Securities.

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### 10.3 Determination

- (a) The determination of whether the person in question is in severe Financial Hardship or whether a particular set of circumstances falls within the range of Exceptional Circumstances identified in this Policy can only be made by the Chairman (or another CSS Director or the Chief Executive Officer where the Chairman is involved).
- (b) In recognition of the case that Exceptional Circumstances, by their nature, cannot always be specified in advance, it is envisaged that there may be other circumstances, which have not been identified in this Policy, that may be deemed Exceptional Circumstances by the Chairman (or another CSS Director or the Chief Executive Officer) and whereby prior written clearance is granted to permit trading.
- (c) The person seeking clearance to trade must satisfy the Chairman (or another CSS Director or the Chief Executive Officer) that they are experiencing severe Financial Hardship or other Exceptional Circumstance and that the proposed sale or disposal of the relevant securities is the only reasonable course of action available.
- (d) If the determining Officer is in any doubt in making such determinations on behalf of CSS, consideration should be given to the purpose of the ASX Listing Rules and the discretion should be exercised with caution.

## 11 Breach

- (a) Breach of the insider trading provisions of the Corporations Act may expose you and/or members of your family and/or other infringing persons to:
  - (i) criminal prosecution – penalties include heavy fines and imprisonment; and
  - (ii) civil liability – to a person for any loss or damage suffered by that person as a result of illegal trading activities.
- (b) Breach of the law or this STP, or both, will also be regarded by CSS as serious misconduct which may lead to disciplinary action or dismissal.
- (c) Restricted Persons should note that they also have obligations with respect to ongoing compliance with the insider trading prohibition laws after they have ceased to be an Employee or CSS Director.

## 12 Powers of Board of Directors of CSS

- 12.1 The Board may amend this STP at any time and from time to time in such manner as it deems fit.
- 12.2 Any decision by the Board as to the interpretation, effect or application of this STP will be final and binding.
- 12.3 Any dispute or difference of any nature relating to this STP will be referred to the Board and its decision will be final and binding.

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**13 Disclosure**

- 13.1 The Board will make appropriate disclosure to shareholders in Clean Seas Seafood's Annual Financial Report of the key aspects of this Policy, 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.
- 13.2 This Policy is publicly available on the Company's website and may be accessed within the "Investor Information" section.

**14 Contacts**

Any questions relating to the interpretation of this Policy should be forwarded to the Company Secretary

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**This Policy was approved by the Clean Seas Seafood Board on 22/05/2012.**

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