CLEARWATER SEAFOODS INCORPORATED

Notice of Annual Meeting of Shareholders
and
Management Information Circular

Meeting Date: Thursday, May 9, 2013 at 10:00 a.m. (Atlantic time)

Purdy's Wharf Tower II
1969 Upper Water Street, Suite 1300
Halifax, Nova Scotia

April 10, 2013

CLEARWATER SEAFOODS INCORPORATED
757 Bedford Highway
Bedford, Nova Scotia   B4A 3Z7

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT:

The annual meeting ("**Meeting**") of the shareholders of Clearwater Seafoods Incorporated ("**Corporation**") will be held at Purdy's Wharf Tower II, 1969 Upper Water Street, Suite 1300, Halifax, Nova Scotia, on Thursday, May 9, 2013 at 10:00 a.m. (Atlantic time) for the following purposes:

(a) to receive the financial statements of the Corporation for the year ended December 31, 2012, together with the report of the auditor thereon, copies of which were mailed to Shareholders on March 14, 2013;

(b) to elect directors of the Corporation for the forthcoming year;

(c) to appoint the auditor of the Corporation for the forthcoming year and to authorize the directors to fix the auditor's remuneration; and

(d) to transact such further and other business as may properly come before the Meeting or any adjournment thereof.

Details of the matters proposed to be put before the Meeting are set forth in the management information circular ("**Circular**") accompanying and forming part of this notice of meeting ("**Notice of Meeting**").

Only Shareholders of record as of the close of business on April 4, 2013 are entitled to receive notice of the Meeting and, except as noted in the attached Circular, to vote at the Meeting.

To assure your representation at the Meeting as a **Registered Shareholder**, please complete, sign, date and return the enclosed proxy, whether or not you plan to personally attend. Sending your proxy will not prevent you from voting in person at the Meeting. All proxies completed by Registered Shareholders must be received by the Corporation's transfer agent, **Computershare Investor Services Inc.**, not later than **Tuesday, May 7, 2013 at 10:00 a.m (Atlantic time).** A Registered Shareholder must return the completed proxy to Computershare Investor Services Inc., as follows:

(a) by **mail** in the enclosed envelope;

(b) by the **Internet** or **telephone** as described on the enclosed proxy; or

(c) by **registered mail**, by **hand** or by **courier** to the attention of Computershare Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

Non-Registered Shareholders whose shares are registered in the name of an intermediary should carefully follow voting instructions provided by the intermediary. A more detailed description on returning proxies by Non-Registered Shareholders can be found on page 2 of the attached Circular.

If you receive more than one proxy or voting instruction form, as the case may be, for the Meeting, it is because your shares are registered in more than one name. To ensure that all of your shares are voted, you must sign and return all proxies and voting instruction forms that you receive.

DATED at Bedford, in the Halifax Regional Municipality, Nova Scotia, this 10th day of April, 2013.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Colin MacDonald
Chairman

CLEARWATER SEAFOODS INCORPORATED

MANAGEMENT INFORMATION CIRCULAR

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CLEARWATER SEAFOODS INCORPORATED
MANAGEMENT INFORMATION CIRCULAR
(As at April 10, 2013, except as indicated)

INFORMATION REGARDING CONDUCT OF MEETING

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF CLEARWATER SEAFOODS INCORPORATED ("Corporation") for use at the annual meeting of shareholders of the Corporation ("Shareholders") to be held at Purdy's Wharf Tower II, 1969 Upper Water Street, Suite 1300, Halifax, Nova Scotia, on Thursday, May 9, 2013 at 10:00 a.m., or at any adjournment thereof ("Meeting"), for the purposes set forth in the accompanying notice of meeting ("Notice of Meeting").

Solicitation of Proxies

Solicitation of proxies will be primarily by mail, but may also be by telephone or other means of communication by the directors, officers, employees or agents of the Corporation at nominal cost. All costs of solicitation will be paid by the Corporation. The Corporation will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**").

Appointment and Revocation of Proxies

General

Shareholders may be "**Registered Shareholders**" or "**Non-Registered Shareholders**". If common shares of the Corporation ("**Common Shares**") are registered in the name of an intermediary and not registered in the Shareholder's name, they are said to be owned by a "**Non-Registered Shareholder**". An intermediary is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates. The instructions provided below set forth the different procedures for voting Common Shares at the Meeting to be followed by Registered Shareholders and Non-Registered Shareholders.

The persons named in the enclosed instrument appointing proxy are officers and directors of the Corporation. **Each Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act for him at the Meeting other than the persons designated in the enclosed form of proxy**. Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised. The right to appoint an alternate proxyholder and the right to revoke a proxy may be exercised by following the procedures set out below under "*Registered Shareholders*" or "*Non-Registered Shareholders*", as applicable.

If any Shareholder receives more that one proxy or voting instruction form, it is because that Shareholder's shares are registered in more that one form. In such cases, Shareholders should sign and submit all proxies or voting instruction forms received by them in accordance with the instructions provided.

Registered Shareholders

Registered Shareholders have two methods by which they can vote their Common Shares at the Meeting; namely in person or by proxy. To assure representation at the Meeting, Registered Shareholders are encouraged to return the proxy included with this management information circular ("**Circular**"). Sending in a proxy will not prevent a Registered Shareholder from voting in person at the Meeting. The vote will be taken and counted at the Meeting. Registered Shareholders who do not plan to attend the Meeting or do not wish to vote in person can vote by proxy.

Proxies must be received by the Corporation's transfer agent, **Computershare Investor Services Inc.**, not later than **Tuesday, May 7, 2013 at 10:00 a.m. (Atlantic time).** A Registered Shareholder must return the completed proxy to Computershare Investor Services Inc., as follows:

(a) by **mail** in the enclosed envelope; or

(b) by the **Internet** or **telephone** as described on the enclosed proxy; or

(c) by **registered mail**, by **hand** or by **courier** to the attention of Computershare Proxy Department, 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

To exercise the right to appoint a person or company to attend and act for a Registered Shareholder at the Meeting, such Shareholder must strike out the names of the persons designated on the enclosed instrument appointing a proxy and insert the name of the alternate appointee in the blank space provided for that purpose.

To exercise the right to revoke a proxy, in addition to any other manner permitted by law, a Shareholder who has given a proxy may revoke it by instrument in writing, executed by the Shareholder or his attorney authorized in writing, or if the Shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited: (i) at the registered office of the Corporation, 757 Bedford Highway, Bedford, Nova Scotia, B4A 3Z7, Attention: Chairman of the Board of Directors, at any time up to and including the last business day preceding the Meeting at which the proxy is to be used, or at any adjournment thereof, or (ii) with the chairman of the Meeting on the date of the Meeting, or at any adjournment thereof, and upon either of such deposits the proxy is revoked.

Non-Registered Shareholders

Non-Registered Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "**NOBOs**". Non-Registered Shareholders who have objected to their intermediary disclosing the ownership information about themselves to the Corporation are referred to as "**OBOs**".

In accordance with the requirements of NI 54-101, the Corporation is sending the Notice of Meeting, this Circular, a voting instruction form ("**VIF**") or a form of proxy, as applicable (collectively, the "**Meeting Materials**") directly to the NOBOs and, indirectly, through intermediaries to the OBOs. The Corporation will also pay the fees and costs of intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

Meeting Materials Received by OBOs from Intermediaries

The Corporation has distributed copies of the Meeting Materials to intermediaries for distribution to OBOs. Intermediaries are required to deliver these materials to all OBOs of the Corporation who have not waived their right to receive these materials, and to seek instructions as to how to vote Common Shares. Often, intermediaries will use a service company (such as Broadridge Financial Solutions, Inc.) to forward the Meeting Materials to OBOs.

OBOs who receive Meeting Materials will typically be given the ability to provide voting instructions in one of two ways:

(a) Usually, an OBO will be given a VIF which must be completed and signed by the OBO in accordance with the instructions provided by the intermediary. In this case, the mechanisms described above for Registered Shareholders cannot be used and the instructions provided by the intermediary must be followed.

(b) Occasionally, however, an OBO may be given a proxy that has already been signed by the intermediary. This form of proxy is restricted to the number of Common Shares owned by the OBO but is otherwise not completed. This form of proxy does not need to be signed by the OBO but must be completed by the OBO and returned to Computershare in the manner described above for Registered Shareholders.

The purpose of these procedures is to allow OBOs to direct the proxy voting of the Common Shares that they own but that are not registered in their name. Should an OBO who receives either a form of proxy or a VIF wish to attend and vote at the Meeting in person (or have another person attend and vote on their behalf), the OBO should strike out the persons named in the form of proxy as the proxy holder and insert the OBOs (or such other person's) name in the blank space provided or, in the case of a VIF, follow the corresponding instructions provided by the intermediary. **In either case, OBOs who received Meeting Materials from their intermediary should carefully follow the instructions provided by the intermediary.**

To exercise the right to revoke a proxy, an OBO who has completed a proxy (or a VIF, as applicable) should carefully follow the instructions provided by the intermediary.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the OBO with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Common Shares represented by such "non-votes" will, however, be counted in determining whether there is a quorum.

Meeting Materials Received by NOBOs from the Corporation

As permitted under NI 54-101, the Corporation has used a NOBO list to send the Meeting Materials directly to the NOBOs whose names appear on that list. If you are a NOBO and the Corporation's transfer agent, Computershare, has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained from the intermediary holding such shares on your behalf in accordance with applicable securities regulatory requirements.

As a result, any NOBO of the Corporation can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided. In addition, telephone voting and internet voting are available, as further described in the VIF. Instructions in respect of the procedure for telephone and internet voting can be found in the VIF. Computershare will tabulate the results of the VIFs received from the Corporation's NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs received by Computershare.

By choosing to send these materials to you directly, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. The intermediary holding Common Shares on your behalf has appointed you as the proxyholder of such shares, and therefore you can provide your voting instructions by completing the proxy included with this Circular in the same way as a Registered Shareholder. Please refer to the information under the heading "*Registered Shareholders*" for a description of the procedure to return a proxy, your right to appoint another person or company to attend the meeting, and your right to revoke the proxy.

Although a Non-Registered Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker, a Non-Registered Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the Common Shares in that capacity. Non-Registered Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the Registered Shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.

Notice and Access

The Corporation is not sending the Meeting Materials to Registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102, *Continuous Disclosure Obligations*.

Exercise of Proxies

Where a choice is specified, the Common Shares represented by proxy will be voted for, withheld from voting or voted against, as directed, on any poll or ballot that may be called. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to on the form of proxy. The proxy also confers discretionary authority to vote for, withhold from voting, or vote against amendments**

or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting.

Management has no present knowledge of any amendments or variations to matters identified in the Notice of Meeting or any business that will be presented at the Meeting other than that referred to in the Notice of Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the enclosed instrument appointing proxy to vote in accordance with the recommendations of management of the Corporation.

Voting Shares

The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 50,948,698 are issued and outstanding as of the date hereof.

The board of directors of the Corporation ("**Board of Directors**") has fixed the record date for the Meeting as the close of business on April 4, 2013 ("**Record Date**"). Only Shareholders as of the close of business on the Record Date will be entitled to vote at the Meeting. Shareholders entitled to vote shall have one vote each on a show of hands and one vote per Common Share on a poll.

Two or more persons present in person representing at least 25% of the Common Shares entitled to be voted at the Meeting will constitute a quorum at the Meeting.

Principal Shareholders

As of the date hereof, to the knowledge of the directors and officers of the Corporation, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attaching to all outstanding Common Shares of the Corporation, except as follows:

Name	Number of Common Shares Owned (3),(4)	Percentage of Common Shares Owned
7914091 Canada Inc (1)	29,636,076	58.17%
3268454 Nova Scotia Limited (2)	5,591,575	10.97%
	35,227,651	69.14%

(1) 7914091 Canada Inc. is owned by Clearwater Fine Foods Incorporated ("CFFI") and Mickey MacDonald

(2) On December 21, 2012, Mickey MacDonald, a director of CSI, announced that he had acquired ownership, through his company, 3268454 Nova Scotia Limited, of 5,591,575 Common Shares, which were acquired from Cooke Aquaculture. Mr. MacDonald together with persons with whom he may be acting jointly and in concert (including 7914091 Canada Inc. in which Mr. MacDonald has an interest) beneficially own and control 35,227,651 Common Shares representing 69.14% of the issued and outstanding Common Shares.

(3) Based on public filings with securities regulatory authorities in Canada on SEDAR.

(4) The information as to Common Shares beneficially owned, directly or indirectly, including by associates or affiliates, not being within the knowledge of the Corporations, has been furnished by the respective directors.

CORPORATE STRUCTURE

The Corporation is the successor to Clearwater Seafoods Income Fund (the "**Fund**") following the completion of the reorganization of the Fund from an income trust structure to a corporate structure by way of a court approved plan of arrangement under the *Canada Business Corporations Act* ("**CBCA**") effective as of October 2, 2011 (the "**Arrangement**").

The Corporation was incorporated on July 7, 2011 under the CBCA and did not carry on any active business prior to the Arrangement, other than executing the arrangement agreement pursuant to which the Arrangement was implemented.

The Fund entered into an arrangement agreement dated as of July 22, 2011, as amended and restated on July 25, 2011, with Clearwater Seafoods Holdings Trust, the Corporation, Clearwater Seafoods Limited Partnership (the "**Limited Partnership**"), CS ManPar Inc. ("**CS ManPar**") and 7914091 Canada Inc. ("**Holdco**"), providing for the implementation of a plan of arrangement which reorganized the Fund in the form of a publicly traded corporation called "Clearwater Seafoods Incorporated".

The Arrangement is more particularly described in the management information circular of the Fund dated July 25, 2011. A copy of this management information circular is available on SEDAR at www.sedar.com under the Fund's SEDAR profile.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation since January 1, 2012 nor any proposed nominee for election as a director, nor any associate of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities of the Corporation or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

BUSINESS TO BE TRANSACTED AT THE MEETING

Financial Statements

The financial statements of the Corporation, the auditor's report thereon and management's discussion and analysis for the financial year ended December 31, 2012 will be presented to the Shareholders at the Meeting.

Election of Directors

The Articles of Incorporation of the Corporation provide that the size of the Board of Directors must consist of not less than three directors and not more than ten directors to be elected annually. The Corporation's by-laws provide that the size of the Board of Directors is to be determined by the Board of Directors and it is currently fixed at nine (9) directors.

Each of the persons named in the list which follows is currently a director of the Corporation and all are, in the opinion of management, well qualified to direct the Corporation's activities for the ensuing year. They have all confirmed their willingness to serve as directors, if elected. The term of office of each director elected will be until the next annual meeting of the Shareholders or until the position is otherwise vacated.

Unless the proxy specifically instructs the proxyholder to withhold such vote, Common Shares represented by the proxies hereby solicited shall be voted for the election of the nominees whose names are set forth below. Management does not contemplate that any of these proposed nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the Common Shares represented by the properly executed proxies given in favour of nominees of management named in the enclosed form of proxy may be voted for another nominee at such proxyholder's discretion.

Name, Province and Country of Residence	Principal Occupation	Director Since	Position(s) with the Corporation	Common Shares Owned, Controlled or Directed(1)
Colin E. MacDonald, 65 Nova Scotia, Canada	Mr. MacDonald's principal occupation is that of Chairman of the Corporation. Prior to October 2, 2011, he was the Chairman of CS ManPar, the managing partner of the Limited Partnership.	October 2, 2011 (Mr. MacDonald was a Director of CS ManPar, the managing partner of the Limited Partnership from July 2002 to October 2, 2011)	Director, Chairman of the Board of Directors	29,765,176(2)(3)
John C. Risley (7), 65 Nova Scotia, Canada	Mr. Risley is the President of CFFI.	October 2, 2011 (Mr. Risley was a Director of CS ManPar, the managing partner of the Limited Partnership from July 2002 to October 2, 2011)	Director	29,636,076(3)

Name, Province and Country of Residence	Principal Occupation	Director Since	Position(s) with the Corporation	Common Shares Owned, Controlled or Directed[1]
Thomas D. Traves[4][5][6], 64 Nova Scotia, Canada	Dr. Traves is President and Vice-Chancellor of Dalhousie University.	October 2, 2011 (Mr. Traves was a Trustee of the Corporation's predecessor, the Fund, from July 2002 to October 2, 2011)	Director	8,500
Larry Hood[4][6], 65 Nova Scotia, Canada	Mr. Hood was a Partner at KPMG LLP for 24 years.	October 17, 2011	Director	50,000
Harold Giles[5], 72 Ontario, Canada	Harold Giles is a former senior executive with General Electric and Bell. Since retiring he has provided operations and leadership consulting to corporations in Canada and in Europe and to not for profit organizations.	October 2, 2011 (Mr. Giles was a Trustee of the Corporation's predecessor, the Fund, from June 2010 to October 2, 2011)	Director	4,000
Brendan Paddick[5][7], 49 Grand Bahama Island, Bahamas	Mr. Paddick is the Chief Executive Officer of Columbus International Inc.	October 2, 2011 (Mr. Paddick was a Director of CS ManPar, the managing partner of the Limited Partnership from 2006 to October 2, 2011)	Director	90,000
Mickey MacDonald[5], 61 Halifax, Nova Scotia, Canada	Mr. MacDonald is President of Micco Companies (residential land development and automotive leasing).	October 2, 2011 (Mr. MacDonald was a Director of CS ManPar, the managing partner of the Limited Partnership from June 2009 to October 2, 2011)	Director	35,245,957[8]
Stan Spavold[4][6][7][9], 54 Halifax, Nova Scotia, Canada	Mr. Spavold is the Executive Vice President of CFFI.	October 2, 2011 (Mr. Spavold was a Director of CS ManPar, the managing partner of the Limited Partnership from June 2009 to October 2, 2011)	Director	51,000
Jim Dickson[4][6][7], 55 Halifax, Nova Scotia, Canada	Mr. Dickson is a Partner with the law firm Stewart McKelvey and is also a professional engineer.	June 20, 2012	Director	5,000

Notes

(1) The information as to Common Shares beneficially owned, directly or indirectly, including by associates or affiliates, not being within the knowledge of the Corporation, has been furnished by the respective directors.

(2) Colin MacDonald controls 129,100 Common Shares directly and indirectly and 29,636,076 Common Shares indirectly through 7914091 Canada Inc.

(3) 7914091 Canada Inc, which is owned by Clearwater Fine Foods Incorporated (owned by Messrs. Colin MacDonald and John Risley) and Mickey MacDonald holds directly and indirectly 35,245,957 Common Shares.

(4) Member of Corporate Governance Committee. Jim Dickson is the Chairman of the Corporate Governance Committee.

(5) Member of the Human Resource Development and Compensation Committee. Harold Giles is the Chairman of the Human Resource Development and Compensation Committee

(6) Member of the Audit Committee. Larry Hood is the Chairman of the Audit Committee

(7) Member of the Finance Committee. Stan Spavold is the Chairman of the Finance Committee.

(8) Mickey MacDonald holds 18,306 Common Shares directly and 29,636,076 Common Shares indirectly through his investment in 7914091 Canada Inc and 5,591,575 indirectly through his investment in 3268454 Nova Scotia Limited. He also holds $234,000 of the 7.25% Debentures due in 2014 indirectly through his holding company, CJR Investments Inc.

(9) Stan Spavold also holds 97,000 of the 7.25% Debentures due in 2014.

Except as disclosed below, no proposed director, or the proposed director's associates or affiliates, beneficially owns, or controls or directs, directly or indirectly, securities carrying 10% or more of the voting rights attached to all Common Shares.

Colin E MacDonald, Stan Spavold and Mickey MacDonald are executive officers of 7914091 Canada Inc. and Colin E MacDonald, and John C. Risley are the principal shareholders of CFFI. Collectively, CFFI and Mickey MacDonald own, through 7914091 Canada Inc. and 3268454 Nova Scotia Limited, 35,227,651 Common Shares, representing approximately 69.1% of the outstanding Common Shares.

MAJORITY VOTING POLICY

The Board of Directors ("**Board**") of the Corporation believes that each of its members should carry the confidence and support of its shareholders and is committed to upholding high standards in corporate governance. The Board of Directors adopted a majority voting policy for the election of directors for non-contested meetings on March 11, 2013 (the "Policy").

Forms of proxy for the vote at a shareholders' meeting where directors are to be elected will enable the shareholder to vote in favour of, or to withhold from voting for, each nominee on an individual basis. At the meeting, the chair of the meeting will call for a vote by a ballot and the scrutineer will record, with respect to each nominee the number of Common Shares voted in his or her favour and the number of Common Shares withheld from voting. Prior to receiving the scrutineer's report on the ballot, the chair of the meeting may announce the vote result based on the number of proxies received by the Corporation. At the conclusion of the meeting, the Corporation shall issue a news release providing detailed disclosure of the voting results for the election of directors.

In an uncontested election of directors of the Corporation, each director should be elected by the vote of a majority of the Common Shares represented in person or by proxy at any shareholder's meeting for the election of directors. Accordingly, if any nominee for director receives a greater number of votes "withheld" from his or her election than votes "for" such election, that director shall promptly tender his or her resignation to the chair of the Board of Directors following the meeting. In this Policy, an "uncontested election" means an election where the number of nominees for director equals the number of directors to be elected.

The Corporation's Corporate Governance Committee (the "**CG Committee**") shall consider the offer of resignation and recommend to the Board whether or not to accept it. Any director who tenders his or her resignation may not participate in the deliberations of either the CG Committee or the Board. In its deliberations, the CG Committee will consider any stated reasons why shareholders "withheld" votes from the election of that director, the length of service and the qualifications of the director, the director's contributions to the Corporation, the effect such resignation may have on the Corporation's ability to comply with any applicable governance rules and policies and the dynamics of the Board, and any other factors that the CG Committee considers relevant.

The Board shall act on the CG Committee's recommendation within 90 days following the applicable meeting and announce its decision via news release, after considering the factors considered by the CG Committee and any other factors that the Board considers relevant. The Board expects to accept the resignation except in situations where extenuating circumstances would warrant the director to continue to serve on the Board. However, if the Board declines to accept the resignation, it should include in the news release the reasons for its decision.

If a resignation is accepted, the Board may, subject to any corporate law restrictions and the Corporation's constating documents, (i) leave any resulting vacancy unfilled until the next annual general meeting, (ii) appoint a new director to fill the vacancy created by the resignation who the Board considers will have the confidence of shareholders or (iii) call a special meeting of shareholders at which there will e presented a management slate to fill the vacant position or positions.

If a director does not tender his or her resignation in accordance with this Policy, the Board shall not re-nominate that director at the next election.

Corporate Cease Trade Orders and Bankruptcies

No proposed director of the Corporation:

(a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation), that:

(i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation and, in each case, that was in effect for a period of more than 30 consecutive days (any such order, an "**Order**") while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer, chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(b) is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any issuer (including the Corporation), that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties and Sanctions

No proposed director of the Corporation has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Appointment of Auditor

KPMG LLP, Chartered Accountants, has been the auditor of the Corporation since its incorporation and was the auditor of the Corporation's predecessor (the Fund) since completion of its initial public offering in 2002. Management recommends the re-appointment of KPMG LLP. At the Meeting, Shareholders will be asked to vote for the appointment of KPMG LLP as auditor of the Corporation until the next annual meeting of the Shareholders, at a remuneration to be fixed by the Board of Directors.

It is intended that all proxies received will be voted in favour of the appointment of KPMG LLP as auditor of the Corporation, unless a proxy contains instructions to withhold the same from voting. Greater than 50% of

the votes of Shareholders present in person or by proxy are required to approve the appointment of KPMG LLP as auditor of the Corporation.

EXECUTIVE COMPENSATION
Compensation Discussion and Analysis

Background
This section will describe how decisions are made as they relate to determining the appropriate level of executive compensation paid, payable, awarded, granted or otherwise provided, directly or indirectly, by the Corporation to each Named Executive Officer, as defined in Form 51-102F6 (each, an "**NEO**"). The Corporation's NEOs are Ian Smith, CEO, Robert Wight, Vice President, Finance and Chief Financial Officer, Greg Morency, Executive Vice President, Chief Commercial, Officer Eric Roe, Vice President and Chief Operating Officer, and Michael Pittman, Vice President Fleet.

In December 2012 the Board determined to reconstitute the Corporate Governance and Compensation Committee and it is now split into two committees as the Human Resource Development and the Compensation Committee (the "**HRDC Committee**") and the Corporate Governance Committee ("**CG Committee**"). The mandates of the HRDC Committee and the CG Committee were formalized and approved as of March 11, 2013.

The HRDC Committee has been established by the Board for the purposes of monitoring and providing guidance on the level of executive compensation. The HRDC Committee provides advice on terms and conditions of employment so as to ensure they are designed to advance the growth and profitability objectives of the Corporation and to attract senior employees for long-term organizational commitment.

The HRDC Committee currently consists of Harold Giles (Chair), Thomas D. Traves, Brendan Paddick, and Mickey MacDonald. Thomas D. Traves and Harold Giles qualify as an independent director within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*. Cumulatively the HRDC Committee has more than 30 years of experience and has been involved with implementing and reviewing compensation policies at their respective organizations.

Objectives of the Compensation Program

The Corporation's executive compensation program is designed to provide a competitive level of compensation, to reward individual performance and to provide incentives to executives to achieve and exceed performance-based goals. Performance goals are substantially based on improving the company's financial results and therefore, individual goals are aligned with shareholder interests.

Elements of Compensation, Determination of Amounts for each Element, and Rationale for Amounts of each Element
The major elements of the Corporation's executive compensation program are base salary, an annual incentive plan and beginning in 2012 share based compensation plans. Both the annual incentive and share based compensation plans are based on the performance of the individual and the Corporation.

For all NEOs other than the CEO, the compensation policies and guidelines are recommended by the CEO and approved by the HRDC Committee. The compensation for the CEO is recommended by the HRDC Committee and approved by the Board.

Personal benefits and other perquisite benefits provided to senior management are reflective of generally accepted and competitive practices in the industry.

No NEO or director of the Corporation is permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Base Salary

Base salary compensates NEOs for discharging their duties in respect of their position descriptions. Salaries are reviewed from time to time taking into consideration corporate as well as individual performance, the requirements of their position, the executive's skills and experience, job complexity and competence compared to executives in similar roles in comparable companies. Each of these factors is reviewed in accordance with the contribution expected of the individual executive officer.

Annual Incentive Plan

An annual incentive plan is a fundamental part of a compensation program. The method of determining performance based compensation for NEOs, as determined by the HRDC Committee, takes into account certain quantitative factors such as the Corporation's performance against its budget, as well as various qualitative elements. Personal achievement, including extraordinary performance beyond the normal expectations for an individual's position, is also taken into account. Bonus payments can be lower or higher based on corporate performance and individual achievement.

The annual bonus amounts are determined upon completion of the annual audited financial statements. For example, the annual bonus earned with respect to fiscal 2011 was paid to the NEO's in the first quarter of 2012.

The annual bonuses for fiscal 2011 and 2012 were based on target EBITDA levels. The NEOs, except the CEO, were eligible for a target bonus of 40% of their annual salary. The CEO was eligible for a target bonus of 60% of his annual salary. Actual annual bonus for all NEO's, except the CEO, can range from no bonus paid to 150% of target (i.e. 60% of annual salary) based on corporate performance and individual achievement. Annual bonus for the CEO can range from no bonus paid to 167% of target (i.e. 100% of annual salary) based on corporate performance and individual achievement. Bonus payments for all NEO's in 2011 were based upon hitting 132% of the corporate performance target as well as individual achievement. Bonus payments for all NEO's in 2012 were based upon hitting 100% of the corporate performance target and individual achievement.

Share Based Compensation Plans

A share based incentive plan is an integral part of a balanced compensation program.

As part of a compensation review, new long-term incentive, share based compensation plans were designed and implemented in 2011 to connect individual achievement and corporate performance. Target grants and payments can be lower or higher based on corporate performance and individual achievement. The method of determining share based compensation for NEOs, as determined by the HRDC Committee, takes into account individual achievement and Total Shareholder Return ("TSR") relative to an industry peer group. The plan aligns executive and shareholder interests in long term share value performance.

Stock Appreciation Rights ("SARS")

Upon commencement of his employment the CEO received share appreciation rights ("**SAR**") in respect of the Common Shares of the Corporation as follows:

(a) 255,000 SARs at a strike price of $0.01/Common Share;

(b) 250,000 SARs at a strike price of $0.80/Common Share; and

(c) 200,000 SARs at a strike price of $1.00/Common Share.

The SARs vest over a three year period and have no expiry. As of December 31, 2012, 555,000 of the 705,000 granted SAR's had vested (December 31, 2011 – 405,000) and were subsequently cash settled for $2.5 million in March 2013.

Long term Performance Share Unit incentive plan ("PSU")

In 2012 the NEO's were eligible to participate in a long term incentive plan that provides target grants that vary from to 30% to 50% of the NEO's annual salaries. Based on individual achievement the actual grant can range from no grant issued to 150% of target grant. The first grants were issued on May 8, 2012. This long-term incentive plan results in the issue of share appreciation rights, the number of which will be based on the amount of the grant divided by the market value of the shares for the 5 days prior to the issue of the grant and adjusted for individual achievement. The share appreciation rights vest in 3 years and will be cash settled upon vesting. The number of shares that vest will be increased or decreased from the grant date based on the relative performance of the company versus a peer group. The payment at the time of settlement will be based on the number of units vested multiplied by the market price of Clearwater's shares at that date. The first grants were issued on May 8, 2012 with the performance period beginning on January 1, 2012 through December 31, 2014. The grants will vest on December 31, 2014.

On March 21, 2013 the NEO's were eligible to participate in a long term incentive plan that provides target grants that vary from 30% to 35% of the NEO's annual salaries. Based on individual achievement, the actual grant can range from no grant issues to 150% of target grant. This long-term incentive plan results in the issue of share appreciation rights, the number of which will be based on the amount of the grant divided by the market value of the shares for the 5 days prior to the issue of the grant and adjusted for individual performance. The share appreciation rights vest in 3 years and will be cash settled upon vesting. The number of shares that vest will be increased or decreased from the grant date based on the relative performance of the company versus a peer group. The first grants were issued on March 21, 2013 with the performance period beginning on January 1, 2013 through December 31, 2015. The grants will vest on December 31, 2015.

Deferred Share Unit Plan ("DSU")

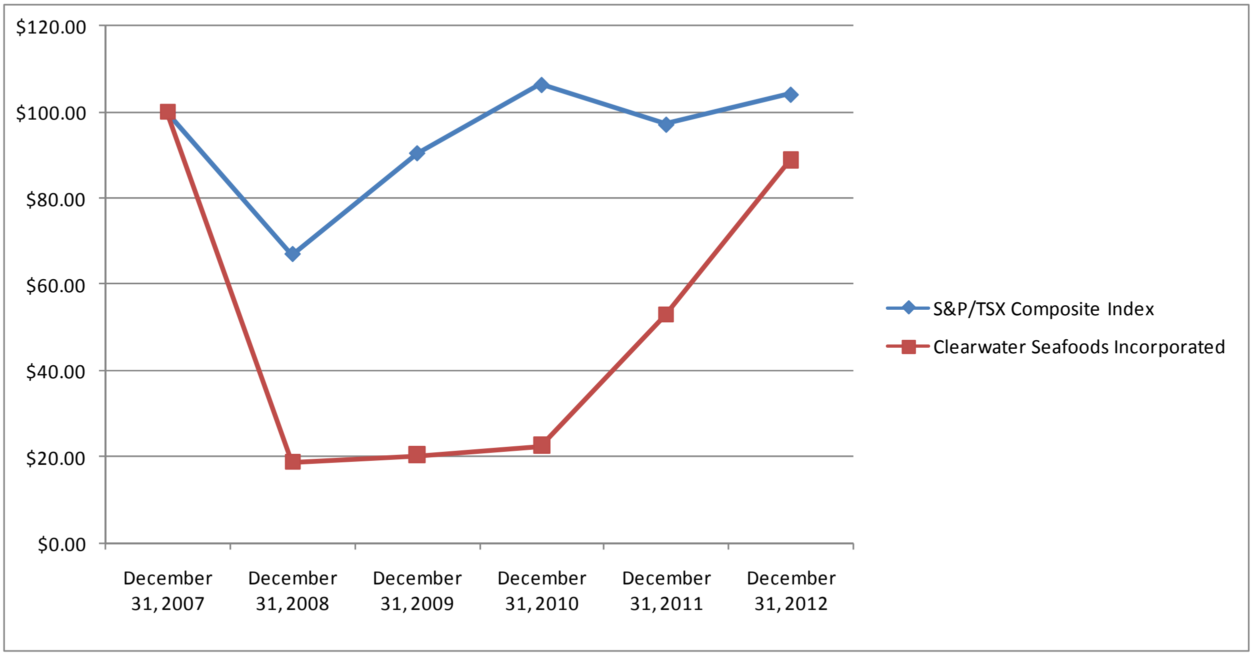
Effective September 1, 2012, the Board approved a retention deferred share unit plan ("retention DSU") in order to provide certain NEO's with compensation opportunities that are consistent with shareholder interests. The plan provides that the shares provided to each individual vest at retirement as long as the participant has reached the age of 65 (or in the event of death) with continued employment with the Corporation and will be cash settled upon vesting.

Fair Value

The fair value of each SAR and DSU is calculated using the Black-Sholes option pricing formula. The fair value of each PSU is calculated using the Monte Carlo option pricing formula. Both Black-Scholes and the Monte Carlo were used as the models are established pricing methodologies that are widely used by the financial industry and by public companies for securities valuations and is supported as an appropriate methodology under IFRS. Both pricing models include assumptions on expected volatility, expected life, expected termination rate, expected dividend yield and risk-free interest rate. The Monte Carlo option pricing formula provides the ability to estimate performance against a peer group.

Performance Graph

The following graph compares the total cumulative return, including distributions, to unitholders and, following the Arrangement, Shareholders for $100 invested in Units of the Fund on December 31, 2007 with the total cumulative return, including distributions, of the S&P/TSX Composite Index over the past five-year period ended December 31, 2012. On December 31, 2012, the closing price of the common shares on the TSX was $4.00 (2011 - $2.39).



	December 31, 2007	December 31, 2008	December 31, 2009	December 31, 2010	December 31, 2011	December 31, 2012
Clearwater Seafoods Incorporated	100	18.89	20.44	22.67	53.11	88.89
S&P/TSX Composite Index	100	67.00	90.48	106.41	97.14	104.13

The above graph and table demonstrate a continued improvement over the past several years due to improving financial results. As a result, the Corporation paid annual bonuses in respect of 2012, 2011 and 2010.

Assessment of Risks Associated with the Corporation's Compensation Policies and Practices

The HRDC Committee has assessed the Corporation's compensation plans and programs for its executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The HRDC Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation.

The HRDC Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs have generally been implemented by or at the direction of the HRDC Committee.

Summary Compensation Table

The following table sets forth all forms of executive compensation received by the NEOs for the 2012 financial year (in Canadian $).

The amounts included in the Summary Compensation Table for all share based compensation plans from 2010 to 2012 represent the fair market value at the grant date. This does *not* represent the amount expensed in each year for accounting purposes or the amount paid related to the share based compensation.

Name and Principal Position	Year	Salary ($)	Share-based awards ($) [4],[5]	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension Value ($)	All other compensation ($)	Total Compensation ($)
					Annual incentive plans ($) [6]	Long-term incentive plans ($)			
Ian Smith ,Chief Executive Officer[1],[2]	2012	441,193	396,459	-	353,000	-	-	34,918	1,225,570
	2011	441,192	-	-	441,193	-	-	14,208	896,593
	2010	275,343	479,000	-	441,193	-	-	101,356	1,296,892
Robert D. Wight, Vice President, Chief Financial Officer	2012	259,453	365,258	-	103,781	-	-	62,782	791,274
	2011	259,453	-	-	120,386	-	-	2,000	381,839
	2010	259,453	-	-	103,781	-	-	10,449	373,683
Greg Morency, Vice President, Chief Commercial Officer [3]	2012	350,000	97,849	-	140,000	-	-	25,885	613,734
	2011	238,718	-	-	110,765	-	-	58,136	407,619
	2010	-	-	-		-			-
Eric R. Roe, Chief Operating Officer	2012	259,453	388,573	-	103,781	-	-	64,000	815,807
	2011	259,453	-	-	133,359	-	-	11,600	404,412
	2010	259,453	-	-	103,781	-	-	9,600	372,834
Michael Pittman, Vice President, Fleet	2012	259,453	365,258	-	116,753	-	-	14,000	755,464
	2011	259,453	-	-	120,386	-	-	11,600	391,439
	2010	259,453	-	-	103,781	-	-	9,600	372,834

(1) Mr. Smith joined Clearwater as CEO on May 17, 2010.

(2) In 2010 Mr. Smith received 705,000 SARS with a fair market value of $0.5 million at grant date. In March 2013 Mr. Smith paid out 555,000 units settled for cash of $2.5 million.

(3) Mr. Morency joined Clearwater on April 26, 2011

(4) The following table provides the breakdown of the fair market value at grant date by share based award for 2012:

Name and Principal Position	Share Based Awards	FMV At Grant	Total Shares Granted (#)
Ian Smith ,Chief Executive Officer	PSU	396,459	143,245
	DSU	-	-
	Total	396,459	143,245
Robert D. Wight, Vice President, Chief Financial Officer	PSU	93,258	33,695
	DSU	272,000	100,000
	Total	365,258	133,695
Greg Morency, Vice President, Chief Commercial Officer	PSU	97,849	35,354
	DSU	-	
	Total	97,849	35,354
Eric R. Roe, Chief Operating Officer	PSU	116,573	42,119
	DSU	272,000	100,000
	Total	388,573	142,119
Michael Pittman, Vice President, Fleet	PSU	93,258	33,695
	DSU	272,000	100,000
	Total	365,258	133,695

[5] The fair value of each SAR and DSU included in the share based awards column is estimated on the date of grant using the Black-Sholes option pricing formula. The Black-Scholes pricing model was used as it is an established pricing methodology widely used by the financial industry and by public companies for securities valuations and is supported as an appropriate methodology under IFRS. The pricing model includes assumptions on expected volatility, expected life, expected termination rate, expected dividend yield and risk-free interest rate. **This value does not represent the actual value of the payout which will be received after the maturity date of the award.**

For financial statement purposes the fair value of the liability is remeasured at every balance sheet date and the fair value is amortized over the service period. The Corporation recorded a liability for SARs and DSU of $3.0 million at December 31, 2012 (2011 - $1.3 million).

The fair value of each PSU included in the share based awards column is estiamted on the date of the grant using the Monte Carlo option pricing formula. The Monte Carlo pricing model was used as it is an established pricing methodology widely used for securities valuations that is based upon performance relative to peer groups and is supported as an appropriate methodology under IFRS. The pricing model includes assumptions on performance relative to the peer group, expected volatility, expected life, expected termination rate, expected dividend yield and risk-free interest rate. **This value does not represent the actual value of the payout which will be received after the maturity date of the award.**

For financial statement purposes the fair value of the liability is remeasured at every balance sheet date and the fair value is amortized over the service period. The Corporation recorded a liability for the PSU of $0.6 million at December 31, 2012 (2011 - $Nil million).

Total share-based compensation expense included in the income statement for the year ended December 31, 2012 was $2.3 million (2011 - $0.9 million).

[6] The incentive plan amounts for each respective fiscal period are paid in the first quarter of the subsequent year. For instance the annual incentive plan payment for 2012 was paid in the first quarter of 2013.

Incentive plans

The following table sets out the market/payout value for the share-based awards previously granted to the NEOs, as at December 31, 2012.

	Share-Based Awards		
	Number of shares or units of shares that have not vested [(2)] (#)	Market/Payout value of Share awards not vested[(1)] ($)	Market/Payout value of vested share-based awards not paid out or distributed[(1)] ($)
Ian Smith ,Chief Executive Officer	293,245	1,347,739	2,220,000
Robert D. Wight, Vice President, Chief Financial Officer	133,695	575,888	-
Greg Morency, Vice President, Chief Commercial Officer	35,354	184,548	-
Eric R. Roe, Chief Operating Officer	142,119	619,861	-
Michael Pittman, Vice President, Fleet	33,695	175,888	400,000

[(1)] Market/payout of SARS and DSU awards is determined by multiplying the number of outstanding units held at December 31, 2012 by the closing price of Common Shares on the TSX on that date of $4.00. Market/payout of PSU awards is determined by multiplying the number of outstanding units held at December 31, 2012 by the estimated fair market value of $5.22 per the Monte Carlo Valuation

[(2)] The following table provides the breakdown of the outstanding share based awards as of December 31, 2012:

Name and Principal Position	Share Based Awards	Total Share Based Awards (#)	Not Vested (#)	Vested (#)
Ian Smith ,Chief Executive Officer	SARS	705,000	150,000	555,000
	PSU	143,245	143,245	-
	DSU	-	-	-
	Total	848,245	293,245	555,000
Robert D. Wight, Vice President, Chief Financial Officer	SARS	-	-	-
	PSU	33,695	33,695	-
	DSU	100,000	100,000	-
	Total	133,695	133,695	-
Greg Morency, Vice President, Chief Commercial Officer	SARS	-	-	-
	PSU	35,354	35,354	-
	DSU	-	-	-
	Total	35,354	35,354	-
Eric R. Roe, Chief Operating Officer	SARS	-	-	-
	PSU	42,119	42,119	-
	DSU	100,000	100,000	-
	Total	142,119	142,119	-
Michael Pittman, Vice President, Fleet	SARS	-	-	-
	PSU	33,695	33,695	-
	DSU	100,000	-	100,000
	Total	133,695	33,695	100,000

The following table set out the vested share-based awards granted to the NEO's as of December 31, 2012:

Name and Principal Position	Opion-Based awards - Value Vested during the year ($)	Share-based awards - Value vested during the year ($)[1]	Non-equity incentive plan compensation - Value earned during the year ($)
Ian Smith ,Chief Executive Officer	-	888,000	-
Robert D. Wight, Vice President, Chief Financial Officer	-	-	-
Greg Morency, Vice President, Chief Commercial Officer	-	-	-
Eric R. Roe, Chief Operating Officer	-	-	-
Michael Pittman, Vice President, Fleet	-	269,000	-

[1] The value vested for the SARS and DSU awards is determined by multiplying the number of outstanding units held at December 31, 2012 by the closing price as of the vesting date which varies based upon service period.

Pension plan benefits

There are no arrangements that provide for any form of pension plan benefits to NEOs.

Termination and Change of Control Benefits

All of the NEOs are parties to employment agreements with the Limited Partnership, which outline the terms and conditions pertaining to their employment. Each agreement provides that the NEO's employment may be terminated by the Limited Partnership by giving written notice of termination or by paying an amount in lieu thereof. There are no material contracts, agreements, plans or arrangements, other than the following, that provide for any incremental payments, payables or other benefits upon termination, resignation, retirement or a change of control of the Corporation other than compensation in lieu of notice of termination, as described in the preceding sentence. The termination payments for certain of the NEO's, except the CEO, provide for a payment of one months annual compensation for each month worked up to a limit of twenty-four (24) months. The termination payment for the CEO provides for a payment of twelve (12) months severance plus one months annual compensation for each month worked up to a limit of eighteen (18) months. In the event that the Vice President, Fleet retires by providing twelve (12) months advance notice, he is entitled to receive his base salary for twenty-four (24) months, along with continuation of his benefit plan (excluding long term disability, life insurance and automobile benefits). As of December 31, 2012 this would have resulted in a payment of $0.7 million and $0.5 million for the CEO and the Vice President, Fleet, respectively.

DIRECTOR COMPENSATION
Narrative Discussion

The CG Committee members look at general compensation surveys annually to compare the Corporation's directors' compensation to generally accepted practices for comparable public entities.

The Directors (formerly the Trustees and the directors of CS ManPar) were paid the following, as applicable, over the past fiscal year:

- A fee of $500,000[(1)] for the Chairman of the board;
- A basic payment of $33,000 for the fiscal year, ($33,000 for fiscal year 2012);
- A fee of $6,000 for chairing a committee ($3,000 for the members of each committee); and
- A fee of $1,500 per meeting of the board of directors and committee meeting of the board of directors. ($1,000 for meetings attended by phone)

(1) Mr. MacDonald is entitled to annual fees of $500,000. Of this amount, Mr. MacDonald takes a salary of $155,672 and has directed that the remaining fees that he would have otherwise earned be donated to charity by the Corporation.

The Corporation reimbursed the Directors for out-of-pocket expenses for attending these meetings and the Directors participate in the insurance and indemnification arrangements described in this Information Circular. The Corporation reimbursed its Directors for out-of-pocket expenses for attending these meetings. During the year ended December 31, 2012, the Corporation paid the directors a total of $32,972 (2011 - $70,815).

Performance Share Unit Plan ("PSU")
In 2012 the Directors were eligible to participate in a performance share units plan ("PSU") to promote a further alignment of interests between Directors and the shareholders of the Corporation, to associate a portion of the Directors compensation with the returns achieved by shareholders of the Corporation and to attract and retain Directors with the knowledge, experience, and expertise required by the Corporation to act as members of the Board.

The plan provides target grants of up to 25% of the value of the Director's retainer fees. This long-term incentive plan results in the issue of share appreciation rights, the number of which will be based on the amount of the grant divided by the market value of the shares for the 5 days prior to the issue of the grant. The share appreciation rights will vest in 3 years and will be cash-settled upon vesting. The number of shares that vest will be increased or decreased from the grant date based on the relative performance of the Corporation versus a peer group. The payment at the time of settlement will be based on the number of units vested multiplied by the market price of Clearwater's shares at that date.

The first grants were issued on May 8, 2012 with the service period beginning on January 1, 2012 through December 31, 2014. The grant will vest on December 31, 2014.

On March 21, 2013 the Directors were eligible to participate in an additional incentive plan that provides target grants that vary from 25% of the value of the Director's retainer fees. This long-term incentive plan results in the issue of share appreciation rights, the number of which will be based on the amount of the grant divided by the market value of the shares for the 5 days prior to the issue of the grant. The share appreciation rights will vest in 3 years and will be cash settled upon vesting. The number of shares that vest will be increased or decreased from the grant date based on the relative performance of the Corporation versus a peer group. The payment at the time of settlement will be based on the number of units vested multiplied by the market price of Clearwater's shares at that date. The first grants were issued on March 21, 2013 with the service period beginning on January 1, 2013 through December 31, 2015. The grant will vest on December 31, 2015.

Deferred Share Unit Plan ("DSU")
In addition, a deferred share unit plan ("**DSU**") was developed and implemented in the second quarter of 2012 to provide the Directors of Clearwater with compensation opportunities that are consistent with shareholder interests. The plan allows the Director's fees to be received in share appreciation rights with the first grants issued in the

second quarter of 2012. The grants issued under this plan will be paid to the Directors upon such time as they leave the Corporation but vest immediately upon grant.

The fair value of each DSU is calculated using the Black-Sholes option pricing formula. The fair value of each PSU is calculated using the Monte Carlo option pricing formula. Both Black-Scholes and the Monte Carlo were used as the models are established pricing methodologies that are widely used by the financial industry and by public companies for securities valuations and is supported as an appropriate methodology under IFRS. Both pricing models include assumptions on expected volatility, expected life, expected termination rate, expected dividend yield and risk-free interest rate. The Monte Carlo option pricing formula provides the ability to estimate performance against a peer group.

Director Compensation Table

The following table discloses all forms of compensation paid to the Directors of the Corporation for financial year ended December 31, 2012.

Name	Fees Earned	Share based awards(2),(3) ($)	Option based awards ($)	Non-Equity Incentive plan compensation ($)	Pension Value ($)	Other Annual Compensation ($)	Total ($)
Colin MacDonald (1)	155,672	46,630	-	-	-	47,510	249,812
Thomas D. Traves	82,500	22,819	-	-	-	-	105,319
Harold Giles	26,250	43,784	-	-	-	-	70,034
Brendan Paddick	32,500	34,270	-	-	-	-	66,770
Mickey MacDonald	55,000	9,883	-	-	-	-	64,883
Stan Spavold	65,500	9,883	-	-	-	-	75,383
John Risley	35,000	18,680	-	-	-	-	53,680
Larry Hood	71,500	11,682	-	-	-	-	83,182
Jim Dickson	12,500	21,784	-	-	-	-	34,284

(1) Mr. MacDonald is entitled to annual fees of $500,000. Of this amount, Mr. MacDonald takes a salary of $155,672 and has directed that the remaining fees that he would have otherwise earned be donated to charity by the Corporation.

(2) The following table provides the breakdown of the fair market value at grant date by share based award for 2012:

Name	Share Based Awards	FMV At Grant	Total Shares Granted (#)
Colin MacDonald	DSU	-	
	PSU	46,630	16,848
	Total	46,630	16,848
Thomas D. Traves	DSU	12,936	3,234
	PSU	9,883	3,571
	Total	22,819	6,805
Harold Giles	DSU	32,101	10,000
	PSU	11,682	4,221
	Total	43,784	14,221
Brendan Paddick	DSU	24,386	7,139
	PSU	9,883	3,571
	Total	34,270	10,710
Mickey MacDonald	DSU	-	-
	PSU	9,883	3,571
	Total	9,883	3,571
Stan Spavold	DSU	-	-
	PSU	9,883	3,571
	Total	9,883	3,571
John Risley	DSU	8,796	2,199
	PSU	9,883	3,571
	Total	18,680	5,770
Larry Hood	DSU	-	-
	PSU	11,682	4,221
	Total	11,682	4,221
Jim Dickson	DSU	11,901	2,975
	PSU	9,883	3,571
	Total	21,784	6,546

(3) The fair value of each DSU included in the share based awards column is estimated on the date of grant using the Black-Sholes option pricing formula. The Black-Scholes pricing model was used as it is an established pricing methodology widely used by the financial industry and by public companies for securities valuations and is supported as an appropriate methodology under IFRS. The pricing model includes assumptions on expected volatility, expected life, expected termination rate, expected dividend yield and risk-free interest rate. **This value does not represent the actual value of the payout which will be received after the maturity date of the award.**

The fair value of each PSU included in the share based awards column is estimated on the date of the grant using the Monte Carlo option pricing formula. The Monte Carlo pricing model was used as it is an established pricing methodology widely used for securities valuations that is based upon performance relative to peer groups and is supported as an appropriate methodology under IFRS. The pricing model includes assumptions on performance relative to the peer group, expected volatility, expected life, expected termination rate, expected dividend yield and risk-free interest rate. **This value does not represent the actual value of the payout which will be received after the maturity date of the award.**

Incentive plans

The following table sets out the outstanding share-based awards previously granted to the Directors, as at December 31, 2012.

	Share-Based Awards		
	Number of shares or units of shares that have not vested[2] (#)	Market/Payout value of Share awards not vested[1] ($)	Market/Payout value of vested share-based awards not paid out or distributed[1] ($)
Colin MacDonald	16,848	87,947	-
Thomas D. Traves	3,571	18,641	12,936
Harold Giles	4,221	22,034	40,000
Brendan Paddick	3,571	18,641	28,557
Mickey MacDonald	3,571	18,641	-
Stan Spavold	3,571	18,641	-
John Risley	3,571	18,641	8,796
Larry Hood	4,221	22,034	-
Jim Dickson	3,571	18,641	11,901

[1] Market/payout of SARS and DSU awards is determined by multiplying the number of outstanding units held at December 31, 2012 by the closing price of Common Shares on the TSX on that date of $4.00. Market/payout of PSU awards is determined by multiplying the number of outstanding units held at December 31, 2012 by the estimated fair market value of $5.22 per the Monte Carlo Valuation

[2] The following table provides the breakdown of the outstanding share based awards as of December 31, 2012:

Name	Share Based Awards	Total Share Based Awards (#)	Not Vested (#)	Vested (#)
Colin MacDonald	DSU	-	-	-
	PSU	16,848	16,848	-
	Total	16,848	16,848	-
Thomas D. Traves	DSU	3,234	-	3,234
	PSU	3,571	3,571	-
	Total	6,805	3,571	3,234
Harold Giles	DSU	10,000	-	10,000
	PSU	4,221	4,221	-
	Total	14,221	4,221	10,000
Brendan Paddick	DSU	7,139	-	7,139
	PSU	3,571	3,571	-
	Total	10,710	3,571	7,139
Mickey MacDonald	DSU	-	-	-
	PSU	3,571	3,571	-
	Total	3,571	3,571	-
Stan Spavold	DSU	-	-	-
	PSU	3,571	3,571	-
	Total	3,571	3,571	-
John Risley	DSU	2,199	-	2,199
	PSU	3,571	3,571	-
	Total	5,770	3,571	2,199
Larry Hood	DSU	-	-	-
	PSU	4,221	4,221	-
	Total	4,221	4,221	-
Jim Dickson	DSU	2,975	-	2,975
	PSU	3,571	3,571	-
	Total	6,546	3,571	2,975

The following table set out the vested share-based awards granted to the Directors as of December 31, 2012:

Name	Opion-Based awards - Value Vested during the year ($)	Share-based awards - Value vested during the year ($)[1]	Non-equity incentive plan compensation - Value earned during the year ($)
Colin MacDonald	-		-
Thomas D. Traves	-	12,936	-
Harold Giles	-	32,101	-
Brendan Paddick	-	24,386	-
Mickey MacDonald	-		-
Stan Spavold	-		-
John Risley	-	8,796	-
Larry Hood	-		-
Jim Dickson	-	11,901	-

(1) The value vested for the DSU awards is determined by multiplying the number of outstanding units held at December 31, 2012 by the closing price as of the vesting date (i.e. grant date) which varies based upon service period.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of the current or proposed directors, executive officers or principal shareholders of the Corporation, or associates or affiliates of any of these persons, had any material interest, direct or indirect, in any transaction since January 1, 2012, or in any proposed transaction which, in either case, has materially affected or would materially affect the Corporation or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the directors or executive officers of the Corporation, any proposed director or associates or affiliates of any of these persons, had any material interest, direct or indirect, in any transaction since January 1, 2012, or in any proposed transaction which, in either case, has materially affected or would materially affect the Corporation or its subsidiaries.

CORPORATE GOVERNANCE

The Corporation is required to include disclosure of its corporate governance practices in this Circular in accordance with National Instrument 58-101, *Disclosure of Corporate Governance Practices* ("**Instrument**"). The Instrument has been adopted by the securities commissions or similar regulatory authorities across Canada ("**Canadian Securities Administrators**").

The Board endorses the efforts of the Canadian Securities Administrators in continuing the evolution of good corporate governance practices. The Board is committed to adhering to the highest standards in all aspects of its activities.

The corporate governance practices described below are subject to change as the Corporation evolves. The Board shall remain sensitive to corporate governance issues and shall continuously seek to set up the necessary measures, control mechanisms and structures to ensure an effective discharge of its responsibilities without creating additional overhead costs and reducing the return on Shareholders' equity.

The Audit Committee is comprised of Larry Hood (Chair), Stan Spavold, Jim Dickson and Thomas Traves. Please refer to the section entitled "*Audit Committee*" in the Corporation’s annual information form for the financial year ended December 31, 2012 for more information on the Audit Committee.

In December 2012, the Board determined to reconstitute the Corporate Goverance and Compensation Committee and it is now split into two committees as the HRDC Committee and the CG Committee. The mandates of the

HRDC Committee and the CG Committee were formalized and approved as of March 11, 2013. The HRDC Committee is comprised of Harold Giles (Chair), Brendan Paddick, Mickey MacDonald and Tom Traves. The CG Committee is comprised of Jim Dickson (Chair), Larry Hood, Thomas Traves, and Stan Spavold.

In December 2012, the Board established the Finance Committee which is comprised of Stan Spavold (Chair), John Risley, Jim Dickson, and Brendan Paddick. The Committee reports to the Board on a regular basis. The Committee is responsible for Board oversight of management's recommendations concerning the Corporation's liquidity, capital structure and strategies, financing strategies, financial risk management and dividend policy.

The Directors from time to time meet separately and, at other times, as part of the Board and committees thereof. The Directors consider their major responsibility to be protecting the interests of the Shareholders and, in particular, protecting the public Shareholders in all respects.

The Corporation is required to include disclosure of its corporate governance practices in accordance with National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (the "**Governance Disclosure Rule**"), which has been adopted by the securities regulatory authorities in Canada. See Appendix "A" for this disclosure.

PROPOSALS BY SHAREHOLDERS

Pursuant to the CBCA, resolutions intended to be presented by Shareholders for action at the next annual meeting must comply with the provisions of the CBCA and be deposited at the Corporation's head office not later than January 31, 2014, in order to be included in the management information circular relating to the next annual meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative financial statements and management discussion & analysis ("**MD&A**") for its most recently completed financial year. To request copies of the Corporation's financial statements and MD&A, Shareholders should contact Tyrone Cotie at Clearwater Seafoods Incorporated, 757 Bedford Highway, Bedford, Nova Scotia, B4A 3Z7 , Telephone (902) 457-8181. The financial statements and MD&A are also available on SEDAR at www.sedar.com.

APPROVAL OF CIRCULAR

The contents and the sending of this Circular have been approved by the Board of Directors.

Dated at Halifax, Nova Scotia, this 10th day of April, 2013.

(signed) Colin MacDonald
Chairman

APPENDIX "A" - CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 – *Corporate Governance Guidelines* and National Instrument 58-101 – *Disclosure of Corporate Governance Practices* issued in 2005, effectively replaces the former TSX guidelines followed by the Corporation for corporate governance disclosures. References to the Corporation and the Limited Partnership are collectively referred to below as "Clearwater". These disclosures and guidelines are set out below along with the Corporation's conformity to them. The information disclosed in the form is based on information available as of April 10, 2013 (except as disclosed).

Form 58-101F1

Corporate Governance Disclosure

<table>
<tr><th colspan="2">Section 1 – Board of Directors</th></tr>
<tr><td>(a)</td><td>Disclose the identity of directors who are independent.
Directors of the Corporation that are independent are:
Thomas Traves – Director of the Corporation, member of HRDC Committee, CG Committee and member of the Audit Committee
Larry Hood – Director of the Corporation, Chair of the Audit Committee and member of the CG Committee
Harold Giles – Director of the Corporation, Chair of the HRDC Committee
Jim Dickson – Director of the Corporation, Chair of the CG Committee, member of the Audit and Finance Committees.</td></tr>
<tr><td>(b)</td><td>Disclose the identity of directors who are not independent, and describe the basis for that determination.
Directors who are not independent are:
John Risley – Director of the Corporation, a significant shareholder of 7914091 Canada Inc and a member of the Finance Committee.
Colin MacDonald – Chairman of the Corporation, a significant shareholder of 7914091 Canada Inc.
Mickey MacDonald – Director of the Corporation, brother of Colin MacDonald, a significant shareholder of 7914091 Canada Inc., member of the HRDC Committee
Stan Spavold – Director of the Corporation, Executive Vice President of CFFI, Chairman of the Finance Committee, and member of the Audit Committee and the CG Committee
Brendan Paddick – Director of the Corporation, executive of affiliated entity – Columbus International Inc, member of the HRDC Committee and the Finance Committee.</td></tr>
<tr><td>(c)</td><td>Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the board of directors (the board) does to facilitate its exercise of independent judgment in carrying out its responsibilities.
Five of the nine directors of the Corporation are not independent.
When necessary or desirable, the Board has and will establish committees consisting of a majority of members who are considered to be independent with respect to the issues to be determined. Currently, members of the Board possess sufficient public Corporation and industry experience such that the Board, in its totality is able to operate effectively. The Board encourages an atmosphere of candour and constructive dissent. Further, the directors of the Corporation are aware of the laws requiring disclosure of conflicts of interest and the fact that the Corporation will rely on such laws in respect of any conflict of interest, including the obligation of a director to abstain from voting in respect of any matter involving a conflict of interest.</td></tr>
</table>

(d)	*If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.* Thomas Traves does not serve as a director of any other reporting issuers. Larry Hood does not serve as a director of any other reporting issuers. Colin MacDonald does not serve as a director of any other reporting issuers. Harold Giles does not serve as a director of any other reporting issuers. Jim Dickson does not serve as a director of any other reporting issuers. Mickey MacDonald serves as a director for the following reporting issuers: ▪ Newfoundland Capital Corporation Limited Brendan Paddick serves as a director for the following issuers: ▪ Columbus International Inc John Risley serves as a director for the following reporting issuers: ▪ Columbus International Inc Stan Spavold serves as a director for the following reporting issuers: ▪ Columbus International Inc
(e)	*Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the board does to facilitate open and candid discussion among its independent directors.* The independent directors meet separately if required. There were no separate meetings of independent directors during 2012.
(f)	*Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the board has neither a chair that is independent nor a lead director that is independent, describe what the board does to provide leadership for its independent directors.* Colin MacDonald is the Chairman of the Corporation and is not independent. Larry Hood is the Chair of the Audit Committee and is an independent director. His role and responsibilities are outlined in the Audit Committee's Mandate. Harold Giles is the Chair of the HRDC Committee and is an independent director. His role and responsibilities are outlined in the committee's mandate. Jim Dickson is the Chair of the CG Committee and is an independent director. His role and responsibilities are outlined in the Committee's Mandate. Stan Spavold is the Chair of the Finance Committee and is not independent. His role and responsibilities are outlined in the committee's mandate. When necessary or desirable, the Board has and will establish committees consisting of a majority of members who are considered to be independent with respect to the issues to be determined such as the CG Committee. The Board encourages an atmosphere of candour and constructive dissent. In addition the Board ensures all directors are provided with presentations on the short term and long term objectives of the Corporation along with direct access to executive management for open communication and knowledge.

(g) Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.

During the year there were 4 Board meetings, 5 audit committee meetings, and 4 Corporate Governance & Compensation Committee meetings. The Board may from time to time hold informal meetings in respect of particular matters at which directors are not required to attend and no formal business is concluded. Since January 1, 2012, there were 7 such informal meetings among members of the Board.

	Board	Audit	Corporate Governance & Compensation [1]
Total number of meetings	**4**	**5**	**4**
Colin MacDonald	4	N/A	2
John Risley	4	N/A	N/A
Thomas D. Traves	4	5	4
Stan Spavold	3	5	4
Brendan Paddick	4	5	1
Mickey MacDonald	4	N/A	4
Harold Giles	4	N/A	4
Larry Hood	4	5	4
Jim Dickson [2]	2	1	1

[1] In December 2012 the Board determined to reconstitute the Corporate Governance and Compensation Committee and it is now split into two committees as the Human Resources Development and Compensation Committee and the Corporate Governance Committee. The mandates of the Human Resource Development and Compensation Committee and the Corporate Governance Committee were formalized and approved as of March 11, 2013.

[2] In June 2012 Jim Dickson was appointed to the Board of Directors and attended 2 of 2 Board meetings since then.

Section 2 – Board Mandate

Disclose the text of the board's written mandate. If the board does not have a written mandate, describe how the board delineates its role and responsibilities.

While the Board has not adopted a written board mandate, the Board of the Corporation is ultimately responsible for supervising the management of the business and affairs of the Corporation and managing the risks to the business of the Corporation and, in doing so, is required to act in the best interests of the Corporation. The Board acts in accordance with the *Canadian Business Corporations Act*, the applicable declarations of the limited partnership agreement, Clearwater's Code of Business Conduct, conflict of interest policies, corporate disclosure policy and corporate governance policy including the related charters of the board committees as well as other applicable laws. The Board approves all significant decisions that affect the company and its subsidiaries before they are implemented. The Board supervises the implementation and reviews the results.

Section 3 – Position Descriptions

(a) *Disclose whether or not the board has developed written position descriptions for the chair and the chair of each board committee. If the board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.*

Each of the Committees has mandates which outline the role and responsibilities of each Committee. While the Board has not developed a written position description for the Chairman of the Board, the Chairman is required to act in accordance with the the *Canadian Business Corporations Act*, the applicable declarations of the limited partnership agreement, Clearwater's Code of Business Conduct, conflict of interest policies, corporate disclosure policy and corporate governance policy including the related charters of the board committees as

	well as other applicable laws. The Chairman's role and responsibility is to provide leadership to the Board and facilitate appropriate and effective discharge of the Board's responsibilities.
(b)	*Disclose whether or not the board and CEO have developed a written position description for the CEO. If the board and CEO have not developed such a position description, briefly describe how the board delineates the role and responsibilities of the CEO.* There is a written position description for the CEO, which is reviewed annually to evaluate the performance of the CEO and determine his/her compensation.
Section 4 – Orientation and Continuing Education	
(a)	*Briefly describe what measures the board takes to orient new directors regarding* *(i) the role of the board, its committees and its directors, and* *(ii) the nature and operation of the issuer's business.* New directors are provided with an orientation and education program, which includes written information about the corporate policies, documents from recent Board meetings, opportunities for meeting and discussions with senior management and other Directors and invitations to attend vessel and plant tours. The details of the orientation of each new Director is tailored to that director's individual needs and areas of interest.
(b)	*Briefly describe what measures, if any, the board takes to provide continuing education for its directors. If the board does not provide continuing education, describe how the board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.* On a regular basis, Management of Clearwater provides presentations on the operations to the board to continually update them on the status of the business and to provide awareness of current issues and financial results.
Section 5 – Ethical Business Conduct	
(a)	*Disclose whether or not the board has adopted a written code for the directors, officers and employees. If the board has adopted a written code:* *(i) disclose how a person or company may obtain a copy of the code;* *(ii) describe how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board satisfies itself regarding compliance with its code; and* *(iii) provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.* Clearwater has a written "Code of Business Conduct", "Employees' Conflict of Interest Policy" and "Directors' Conflict of Interest Policy". A copy of the code is provided at the time of hire. Compliance is monitored through an "Ethics Hotline" that allows individuals to report illegal or unethical business practices, fraud, theft and financial controls and audit matters via phone or e-mail. There have been no reports filed pertaining to the conduct of a director or executive officer that constitutes a departure from the code. The Code of Business Conduct of the Corporation is available on SEDAR at www.sedar.com and on the Corporation's website. Upon request from any shareholder of the Corporation, the Corporation will promptly provide a copy of its Code of Business Conduct free of charge.
(b)	*Describe any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.* Non-members of the board may also be invited to the meetings to provide additional insight to various transactions and agreements to provide a more complete picture of the issue. Directors may also, at the expense of Clearwater, retain the services of an advisor on matters involving their responsibilities at the authorization of the CG Committee.

(c)	*Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.* The board meets regularly to ensure that a clear line of communication always remains open and reviews the policies of the company to ensure that proper processes are in place to promote ethical business conduct and makes recommendations and revisions when necessary. A statement on Corporate Governance is maintained on the Clearwater website with the Corporate policies. The CG Committee is also responsible for performing an annual assessment of the overall performance of the board, board committees, and each individual director's contribution and reporting on that assessment.
Section 6 – Nominations of Directors	
(a)	*Describe the process by which the board identifies new candidates for board nomination.* The CG Committee is responsible for assisting the board in identifying and reviewing Candidates for directorship.
(b)	*Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.* The CG Committee, is composed of four members; three of whom are independent. The Board encourages an atmosphere of candour and constructive dissent and all directors are required to act in accordance with the *Canadian Business Corporations Act*, the applicable declarations of the limited partnership agreement, Clearwater's Code of Business Conduct, conflict of interest policies, corporate disclosure policy and corporate governance policy including the related charters of the board committees as well as other applicable laws. All directors are required to act in the best interests of the Corporation.
(c)	*If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.* The CG Committee's responsibilities, powers and operation are outlined in the attached mandate.
Section 7 – Compensation	
(a)	*Describe the process by which the board determines the compensation for the issuer's directors and officers.* The CG Committee reviews the compensation of directors on a periodic basis. The CG Committee will make recommendations to the board for consideration when it believes changes in compensation are warranted.
(b)	*Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.* The HRDC Committee is composed of four members; two of whom are independent directors. The HRDC committee engages external consultants as it is deemed necessary to support the overall responsibilities of the committee. As in the past, the Committee has engaged external counsel related to the development of compensation plans.
(c)	*If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.* The CG Committee's responsibilities are outlined in the attached mandate.

Section 8 – Other Board Committees	
	If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function. In December 2012 the Board established the Finance Committee which is comprised of Stan Spavold (Chair), John Risley, Jim Dickson, and Brendan Paddick. The Committee reports to the Board of Directors on a regular basis. The Committee is responsible for Board oversight of management's recommendations concerning the Corporation's liquidity, capital structure and strategies, financing strategies, financial risk management and dividend policy. The Finance Committee, is composed of four members; one of whom is independent. The HRDC Committee has been established by the Board of Directors for the purposes of monitoring and providing guidance on the level of executive compensation. The HRDC Committee provides advice on terms and conditions of employment so as to ensure they are designed to advance the growth and profitability objectives of the Corporation and to attract senior employees for long-term organizational commitment. The HRDC Committee currently consists of Harold Giles (Chair), Thomas D. Traves, Brendan Paddick, and Mickey MacDonald. Thomas D. Traves and Harold Giles qualify as independent directors within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.
Section 9 – Assessments	
	Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the board satisfies itself that the board, its committees, and its individual directors are performing effectively. The CG Committee is responsible for making a regular assessment of the overall performance of the Board, Board Committees, and of each individual Director's contribution, and reporting on the results of that assessment. The objective of this review is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. It is expected that the result of such reviews will be to identify any areas where the Directors and/or management believe that the Board could make a better collective contribution to overseeing the affairs of Clearwater and meeting its overall responsibilities.

APPENDIX B - CLEARWATER SEAFOODS INCORPORATED - CORPORATE GOVERNANCE COMMITTEE MANDATE

A. PURPOSE

The Corporate Governance Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of Clearwater Seafoods Incorporated (the “Corporation”). The Committee’s primary function is to assist the Board in carrying out its responsibilities with respect to:

1. The development and implementation of principles and systems for the management of corporate governance;
2. Monitoring compliance with the Corporation’s overall governance system and principles;
3. Identifying qualified individuals for Board and Board committee membership, as well as chairmanships;
4. Evaluating Board, committee and individual director performance; and
5. Assess the integrity of the CEO and executive officers to ensure that the Corporation, through its policies and practices, maintains a culture of highest integrity.

B. COMPOSITION

The Committee will consist of not less than three directors all of whom shall qualify as independent directors pursuant to applicable securities regulatory requirements. The Board may also approve the appointment of a non-independent director as a Committee member, provided such appointment is recommended by the independent members of the Committee and is in accordance with applicable securities regulatory requirements. Members of the Committee and its Chair will be appointed annually at a meeting of the Board, on the recommendation of the Committee, and will be listed in the Corporation’s annual disclosure of corporate governance practices to shareholders.

Committee members may be removed or replaced at any time by the Board, and will, in any event, cease to be a member of the Committee upon ceasing to be a member of the Board. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board.

C. MEETINGS

The Corporate Governance Committee will meet at least quarterly without management present and quarterly with management. The attendance for the meetings will be recorded and any materials that are intended to be reviewed or discussed will be distributed in advance.

A majority of Committee members, present in person, by telephone, or by other permissible communication facilities will constitute a quorum.

The Committee will appoint a secretary who need not be a member of the Committee or a director of the Corporation to keep minutes of the meetings of the Committee. Minutes will be sent to all Committee members on a timely basis.

D. AUTHORITY

The Committee has the authority to engage and set the compensation of independent counsel and other advisors, at the Corporation’s expense, as it determines necessary to carry out its duties.

E. SPECIFIC DUTIES & RESPONSIBILITIES

The Committee shall:

(a) Ensure that management follows an approved planning process to establish strategies for the Corporation. Management is responsible for the development of individual business unit strategy and overall corporate strategy. The Board receives presentations from management with respect to the long-term direction of Clearwater, strategic priorities, and performance. The Board reviews and analyzes these presentations to ensure that there is congruence between strategic plans, performance, and shareholder expectations.

(b) Annually review and make recommendations to the Board on:

(i) The size of the Board and its Committees;

(ii) The independence of each director;

(iii) The conformity of Clearwater's practices to stock exchange corporate governance guidelines; and

(iv) Clearwater's guidelines on Corporate Governance.

(c) Administer the Board's relationship to management and oversee the adoption and implementation of structures and processes to assist the Board to function independently from management;

(d) Review, on a regular basis, the adequacy and form of compensation of directors (including the Board Chair) in the context of the responsibilities and risks involved in being an effective director, and make recommendations to the Board with respect to the actual remuneration (fees and retainers) and benefits provided to directors;

(e) Annually recommend to the Board the members proposed for re-election to the Board;

(f) Select and make recommendations to the Board on new candidates for directorship, after consultation with the Board Chair and the Chief Executive Officer and such other persons as the Committee may consider appropriate;

(g) Establish and maintain an orientation program for new directors, including the maintenance of a Director's Handbook by the Corporate Secretary containing pertinent information relating to the Board, Board committees and the Corporation;

(h) Annually review and make recommendations to the Board on the size, membership and chairs of committees of the Board, after consultation with the Board Chair and the Chief Executive Officer;

(i) Periodically review and make recommendations to the Board on the Board's committee structure and the powers and mandates of the committees;

(j) Oversee processes to periodically assess the effectiveness of the Board and its committees and the contribution of individual directors;

(k) Upon request, approve in appropriate circumstances the engagement by a director of an outside advisor at the Corporation's expense;

(l) Receive and consider with the Board Chair any concerns of individual directors relating to governance matters;

(m) Act in an advisory capacity to the Board;

(n) Carry out such other responsibilities as the Board may, from time to time, set forth; and

(o) The Committee is to advise and report to the Board Chair and the Board, relative to the duties and responsibilities set out above, from time to time, and in such detail as is reasonably appropriate.