CLEARWATER SEAFOODS INCORPORATED

Notice of Annual and Special Meeting of Shareholders
and
Management Information Circular

Meeting Date: Tuesday, May 12, 2015 at 10:00 a.m. (Atlantic time)

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

April 10, 2015

INVITATION TO SHAREHOLDERS

April 10, 2015

Dear Shareholder:

We are pleased to invite you to join our 2015 Annual and Special Meeting of Shareholders which is scheduled to take place:

Tuesday, May 12th, 2015
10:00 am (Atlantic time)
Purdy's Wharf Tower II
1969 Upper Water Street, Suite 1300
Halifax, Nova Scotia

The items of business to be considered and voted upon at this meeting are set out in the attached Notice of Annual and Special Meeting and Management Information Circular. In addition, this meeting provides you with the opportunity to meet and to ask questions of the people who are responsible for the performance of Clearwater.

Clearwater is committed to keeping all its Shareholders informed about your investment in Clearwater.

If you are unable to attend, any questions can be provided to:

Investor Relations
757 Bedford Highway
Bedford, Nova Scotia
B4A 3Z7
902-457-8181
E-mail: investorinquiries@clearwater.ca

We look forward to seeing you on May 12th, 2015.

Sincerely,

Colin MacDonald
Chairman

Ian Smith
Chief Executive Officer

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

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT:

The annual and special meeting ("**Meeting**") of the shareholders of Clearwater Seafoods Incorporated ("**Clearwater**" or the "**Corporation**") will be held at Purdy's Wharf Tower II, 1969 Upper Water Street, Suite 1300, Halifax, Nova Scotia, on Tuesday, May 12, 2015 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, 2014, together with the report of the auditor thereon, copies of which were mailed to Shareholders on April 1, 2015;

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;

d) to approve amendments to the Corporation's share-based compensation plans to permit settlement of awards in common shares of the Corporation issued from treasury; and

e) 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 7, 2015 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 **Friday, May 8, 2015 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, 8th 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, 2015.

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, 2015, 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 ("Clearwater" or the "Corporation") for use at the annual and special 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 Monday, May 12, 2015 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 than one proxy or voting instruction form, it is because that Shareholder's shares are registered in more than 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 **Friday, May 8, 2015 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, 8th 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 54,978,098 are issued and outstanding as of the date hereof.

The board of directors of the Corporation ("**Board of Directors**" or "**Board**") has fixed the record date for the Meeting as the close of business on April 7, 2015 ("**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, or exercises control or direction over, directly or indirectly, 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** [4]	**Percentage of Common Shares Owned**
7914091 Canada Inc [1]	29,636,076	53.91%
3268454 Nova Scotia Limited [2]	5,591,575	10.17%
FP Resources Limited[3]	883,600	1.61%
	36,111,251	65.68%

[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 a company under his control, 3268454 Nova Scotia Limited, of 5,591,575 Common Shares. 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 64.08% of the issued and outstanding Common Shares.

[3] In July 2014, FP Resources Limited became a wholly owned subsidiary of Clearwater Fine Foods Incorporated ("CFFI"). CFFI and Mickey MacDonald, a Director of CSI, beneficially own (through holdings of FP Resources Limited, 7914091 Canada Inc and 3268454 Nova Scotia Limited) and control 36,111,251 Common Shares representing 65.68% of the issued and outstandinc Common Shares.

[4] Based on public filings with securities regulatory authorities in Canada

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 the beginning of the Corporation's most recently completed financial year 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, except that such directors and executive officers may be eligible to receive, or may currently hold, share-based compensation awards under the share-based compensation plans proposed to be amended as described in this Circular. See "*Business to be Transacted at the Meeting – Amendments to Share-Based Compensation Plans*".

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, 2014 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.

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, the election of 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.

Board Nominees

Each of the individuals nominated in the following tables, other than Ms. Jane Craighead, are currently directors 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. Mr. Tom Traves, a current director of Clearwater, will be retiring as a director of Clearwater at the close of the Meeting and has therefore not been nominated for re-election.

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.

Colin MacDonald, Chairman
Age: 67
Nova Scotia, Canada
Director since: October 2, 2011
(Mr. MacDonald has been a Director of CS ManPar Inc, the managing partner of the Limited Partnership from July 2002 to present.)

Background. Mr. Colin MacDonald co-founded Clearwater with Mr. John Risley in 1976 and has served in various capacities within Clearwater from that time. He is currently Chairman of the Corporation as well as executive VP of Clearwater Fine Foods Incorporated ("CFFI") a company he shares equally with Mr. Risley. Prior to that Mr. MacDonald was the CEO of Clearwater Seafoods Limited Partnership ("CSLP") until May 2010 and he is the former Chairman of CSLP from January 2009 - October 2011.

He has also been active in community related associations, including his former roles as Chair of the IWK Foundation, Chair of the Prince Charities Canada Event in Halifax in 2013. He has acted as Honorary Chair of UNICEF Dinner, the Phoenix House Dinner and other served charitable fundraising efforts as well as serving as Chair of Fund Raising Campaigns for Children's Wish, Red Cross and others. In addition he has received a number of awards such as the Courage to Give Back Award, Top 50 CEO and Honorary Degrees for his charitable efforts, most notably Doctorate's from Dalhousie University, St Mary's University and University of Prince Edward Island. Colin holds a Bsc from Dalhousie and is a graduate of the Harvard University President's Program on Leadership.

Board and Committee Meeting Attendance[1]		**Compensation ($)**[1]	
Board	6 of 6	Director Fees - cash	188,000
Other[8]	6 of 10	Director Fees - DSU	-
		Share based awards	805,083
		Other[6]	387,703
Other Boards:			None

Independence: Not Independent
Significant shareholder of 7914091 Canada Inc

Securities held			
Common shares held (#)[3]		**Share based compensation units held (#)**	
Directly	143,000	DPSU	DSU
Indirectly[4,5]	30,535,676	123,921	-

John Risley Age: 66 Nova Scotia, Canada Director since: October 2, 2011 (Mr. Risley has been a Director of CS ManPar Inc., the managing partner of the Limited Partnership from July 2002 to present) Committee Member: Finance **Independence:** Not Independent Significant shareholder of 7914091 Canada Inc	**Background.** John Risley is the co –founder of Clearwater Fine Foods Inc serving as Chairman and President. Clearwater Fine Foods is an active investment/holding company with its major investments in Seafood Harvesting and Processing, through Clearwater Seafoods Limited and Telecommunications, through its investment in Cable and Wireless PLC. John serves on the Board of Directors of both these public companies. Mr. Risley was named an Officer of the Order of Canada and was inducted into the Nova Scotia Junior Achievement Business Hall of Fame in 1997. He has received numerous awards, including Atlantic Canadian Entrepreneur of the Year and a Canada Award for Business Excellence in Entrepreneurship. He is also a graduate of Harvard University's President's Program and Leadership.

Board and Committee Meeting Attendance[1]		**Compensation ($)**[1]	
Board	5 of 6	Director Fees - cash	-
Finance	3 of 6	Director Fees - DSU	74,982
Other[8]	2 of 10	Share based awards	12,808
		Other[7]	22,561

Other Boards: Columbus International Inc; Cable & Wireless Communications PLC

Securities held

Common shares held (#)[3]		**Share based compensation units held (#)**	
		DPSU	DSU
Directly	-		
Indirectly[5]	30,519,676	8,427	18,855

Jane Craighead[10] Age: 55 Ontario, Canada Director since: New Nominee **Independence:** Independent	**Background.** Jane Craighead is a Senior Vice President in Global Human Resources at Scotiabank. Her corporate experience also includes similar roles at Alcan and Rio Tinto, a large UK based mining conglomerate. Jane is a Chartered Accountant (CA) and Chartered Professional Accountant (CPA) and worked for many years in practice and in consulting. She holds a PhD in Management from McGill University. She is also on the Board of Regents at Mount Allison University where she chairs the Investment Committee. Jane has many years of experience on the HR side of mergers and acquisitions as well as post transaction integration. Jane is currently based in Toronto at Scotiabank's corporate offices, and has worked and lived globally. Jane has published research on executive compensation and corporate governance. She has also been awarded Canada's Top 100 Most Powerful Women.

Board and Committee Meeting Attendance[10]		**Compensation ($)**[10]	
		Director Fees - cash	-
		Director Fees - DSU	-
		Share based awards	-
		Other[7]	-

Other Boards: Mount Allison University

Securities held

Common shares held (#)[3]		**Share based compensation units held (#)**	
		DPSU	DSU
Directly	2,500		
In directly	-	-	-

Larry Hood Age: 67 Nova Scotia, Canada Director since: October 17, 2011 (Director of CS ManPar Inc since October 17, 2011) Chair: Audit Committee Committee Member: Audit and Corporate Governance	**Background.** Larry Hood, Chair of the Audit Committee, is a retired assurance partner, having spent his entire 35 year career, with the accounting firm KPMG. Mr. Hood holds a Bachelor of Commerce from Saint Mary's University and is a Chartered Accountant. During Larry's career he served many clients, gaining extensive experience in teh fishing industry. He has been involoved with many community projects and in 2014 he retired from the Board of Governors of Saint Mary's University having served for 17 years on the board as well as chairing and participating on various committees.			
	Board and Committee Meeting Attendance[1]		**Compensation ($)**[1]	
	Board	6 of 6	Director Fees - cash	43,500
	Audit	5 of 5	Director Fees - DSU	64,000
	Corporate Governance	4 of 4	Share based awards	14,948
	Other[8]	5 of 10	Other[7]	27,028
	Other Boards:			None
	Securities held			
Independence: Independent	**Common shares held (#)**[3]		**Share based compensation units held (#)**	
	Directly	55,000	DPSU	DSU
	In directly	-	9,915	7,882

Harold Giles Age: 73 Ontario, Canada Director since: October 2, 2011 (Mr. Giles has been a Director of CS ManPar Inc., the managing partner of the Limited Partnership from June 2010 to present) Chair: HRDCC[2] Committee Member: HRDCC, Audit[11]	**Background.** Harold Giles is a former senior executive with General Electric and Bell with extensive experience in global businesses in Operations General Management, Business Restructuring and Human Resources, in Canada, the United States and Europe. Since retiring he has provided operations and leadership consulting to Corporations in Canada and in Europe and to not-for-profit organizations.			
	Board and Committee Meeting Attendance[1]		**Compensation ($)**[1]	
	Board	6 of 6	Director Fees - cash	-
	HRDCC[2]	7 of 7	Director Fees - DSU	106,587
	Other[8]	8 of 10	Share based awards	13,884
			Other[7]	26,624
	Other Boards:			None
	Securities held			
Independence: Independent	**Common shares held (#)**[3]		**Share based compensation units held (#)**	
	Directly	4,000	DPSU	DSU
	In directly	-	9,667	31,452

Brendan Paddick
Age: 51
Grand Bahamas Island, Bahamas
Director since: October 2, 2011
(Mr. Paddick has been a Director of CS ManPar Inc., the managing partner of the Limited Partnership from June 2006 to present)
Committee Member: HRDCC[2], Audit and Finance

Independence: Independent

Background. Brendan Paddick is the founder and chief executive officer of Columbus International Inc. Columbus provides digital video, broadband internet, IP voice, wholesale capacity and IP services, as well as cloud-based corporate data solutions and data center hosting throughout 42 countries in the greater Caribbean, Central American and Andean region.

Mr. Paddick holds a Bachelor of Commerce and a Master of Business Administration from Memorial University of Newfoundland and graduated from the Advanced Management Program at Harvard University. Mr. Paddick has extensive capital market experience and was selected as one of Canada's Top 40 under 40 in 2000. He was named Ernst & Young's Atlantic Canadian Business-to-Business Entrepreneur of the Year in 2011, is a member of the Atlantic Business Hall of Fame and was honoured as Memorial University's Alumnus of the Year in 2013.

Board and Committee Meeting Attendance[1]		**Compensation ($)**[1]	
Board	4 of 6	Director Fees - cash	-
HRDCC[2]	6 of 7	Director Fees - DSU	102,382
Finance	6 of 6	Share based awards	13,884
Other[8]	3 of 10	Other[7]	22,598

Other Boards: Columbus International Inc; Cable & Wireless Communications PLC

Securities held

Common shares held (#)[3]		**Share based compensation units held (#)**	
		DPSU	DSU
Directly	90,000		
In directly	-	8,677	29,032

Mickey MacDonald
Age: 63
Nova Scotia, Canada
Director since: October 2, 2011
(Mr. MacDonald has been a Director of CS ManPar Inc., the managing partner of the Limited Partnership from June 2009 to present)
Committee Member: HRDCC[2]

Independence: Not Independent
Significant shareholder of 7914091 Canada Inc

Background. Michael (Mickey) MacDonald is considered one of Nova Scotia's most talented and successful businessmen. He is an entrepreneur who is currently President of Micco Companies and Chairman of the Nova Scotia Boxing Authority. His business interests are diversified across many industries including automotive leasing, retail, food and beverage, fitness, commercial and residential custom tile sales and residential land development. He is also recognized as being among the most generous and supportive when it comes to community involvement and has inspired many more to follow by his example.

Mr. MacDonald has an Honorary Doctorate of Commerce from Saint Mary's University and has won numerous business and personal awards including the 2008 Nova Scotia Humanitarian of the Year, 2007 Halifax Chamber of Commerce Business Person of the Year, 2006 was inducted into the Business Hall of Fame by Atlantic Business Magazine as a five time winner of the Top 50 Atlantic Canadian CEO's, 2005 Nova Scotia Philanthropist of the Year, 2004 Newfoundland Philanthropist of the Year, and Ernst and Young Entrepreneur of the Year.

Board and Committee Meeting Attendance[1]		**Compensation ($)**[1]	
Board	5 of 6	Director Fees - cash	92,250
HRDCC[2]	6 of 7	Director Fees - DSU	-
Other[8]	8 of 10	Share based awards	12,808
		Other[7]	22,561

Other Boards: Newfoundland Capital Corporation Limited

Securities held

Common shares held (#)[3]		**Share based compensation units held (#)**	
		PSU	DSU
Directly	18,306		
Indirectly[5,9]	35,227,651	8,427	-

Stan Spavold
Age: 56
California, United States
Director since: October 2, 2011
(Mr. Spavold has been a Director of CS ManPar Inc., the managing partner of the Limited Partnership from June 2009 to present)
Chair: Finance Committee
Committee Member: Finance, Audit and Corporate Governance

Independence: Not Independent
Executive Vice President of Clearwater Fine Foods Inc ("CFFI") a significant shareholder

Background. Stan Spavold, FCA, CPA (California) joined Clearwater Fine Foods Incorporated as Executive Vice-President in November of 2002. Working alongside the President of CFFI, Mr. Spavold provides a broad oversight role at Clearwater serving on the Boards of the public and private companies over which Clearwater has significant influence or control. Stan serves on the Board of Directors of Columbus International Inc., FP Resources Limited, Coastal Shellfish Limited Partnership, Norvista Capital Limited Partnership, BIOX Corporation and BIOX Canada Limited. He is active in a number of community not-for-profit organizations.

Board and Committee Meeting Attendance[1]		**Compensation ($)**[1]	
Board	6 of 6	Director Fees - cash	129,000
Finance	6 of 6	Director Fees - DSU	-
Audit	5 of 5	Share based awards	16,013
Governance	4 of 4	Other[7]	22,672
Other[8]	2 of 10		

Other Boards:[12]	Columbus International Inc, FP Resources Limited, Coastal Shellfish Limited Partnership, Norvista Capital Limited Partnership, BIOX Corporation and BIOX Canada Limited

Securities held

Common shares held (#)[3]		**Share based compensation units held (#)**	
		DPSU	DSU
Directly	51,000		
Indirectly	-	9,175	-

Jim Dickson
Age: 57
Nova Scotia, Canada
Director since: June 20, 2012
(Director of CS ManPar Inc. since June 20, 2012)
Chair: Corporate Governance Committee
Committee Member: Finance, Audit[11] and Corporate Governance

Independence: Independent

Background. Jim M. Dickson, Q.C., P.Eng. – Mr. Dickson is a Partner with the law firm Stewart McKelvey practicing primarily in the areas of mergers & acquisitions and corporate finance and securities. In addition to practicing law, he is a professional engineer and a Registered Trade-mark Agent. Mr. Dickson is a member of the CBA, NSBS and the Association of Professional Engineers of Nova Scotia. He is the Chair of the Board of Regents Mount Allison University and past Chair of the IWK Health Centre Foundation.

Board and Committee Meeting Attendance[1]		**Compensation ($)**[1]	
Board	6 of 6	Director Fees - cash	-
Audit	4 of 5	Director Fees - DSU	124,154
Finance	5 of 6	Share based awards	16,013
Governance	4 of 4	Other[7]	22,673
Other[8]	3 of 10		

Other Boards:	None

Securities held

Common shares held (#)[3]		**Share based compensation units held (#)**	
		DPSU	DSU
Directly	7,500		
Indirectly		9,175	27,946

Notes:
(1) Represents director attendance as committee members (excludes guest attendance). However compensation includes all meetings that the director was in attendance. As a guest, Mr. Colin MacDonald attended 4 of 7 HRDCC meetings, and 3 of 6 Finance Meetings. As a guest, Mr. Spavold attended 3 of 7 HRDCC meetings and Mr. Jim Dickson attended 1 of 7 HRDCC meetings.

(2) Human Resource Development and Compensation Committee ("HRDCC").

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

(4) Mr. MacDonald controls 143,000 Common Shares directly and indirectly 30,519,676 Common Shares indirectly through his investment in Clearwater Fine Foods Incorporated, which owns with Mickey MacDonald 7914091 Canada Inc and 16,000 through family holdings.

(5) 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 29,636,076 Common Shares of Clearwater. FP Resources Limited, which is owned by Clearwater Fine Foods Incorporated hold directly 883,600 Common Shares of Clearwater.

(6) Other compensation for Mr. MacDonald includes RRSP contributions, dividends resulting from share based compensation and the additional PSU vested as of December 31, 2014 based upon results of the performance period January 1, 2012 through December 31, 2014. Refer to the the director compensation table for further information.

(7) Other compensation includes dividends declared on share based compensation during 2014 and the additional PSU vested as of December 31, 2014 based upon results of the performance period January 1, 2012 through December 31, 2014. Refer to the the director compensation table for further information.

(8) Other meetings include attendance of the annual general meeting and presentation of the annual operating plan, meetings to recruit the Vice President of Supply Gain, annual enterprise risk management workshop and a director's education session..

(9) 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 Common Shares through his investment in 3268454 Nova Scotia Limited.

On December 21, 2012, Mickey MacDonald, a director of the Corporation, announced that he had acquired ownership, through a company under his control, 3268454 Nova Scotia Limited, of 5,591,575 Common Shares representing 11% of the issued and outstanding Common Shares, which Common Shares were acquired from Cooke Aquaculture Inc. 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 64.08% of the issued and outstanding Common Shares.

(10) Ms. Craighead is a new nominee to the board of directors of Clearwater Seafoods Incorporated. Assuming her election to the Board of Directors, in May 2015, Ms. Craighead will join the audit Committee and the HRDCC.

(11) As a result of a change in independence, Mr. Dickson resigned from the audit committee effective February, 2015, at that time Mr. Paddick was promoted to the audit committee.

Board Independence

Four of the nine proposed directors of the Corporation are not considered by the Board to be independent, including Messrs. Colin and Mickey MacDonald, John Risley and Stan Spavold. Colin and Mickey MacDonald and John Risley are significant shareholders of 7914091 Canada Inc. and Stan Spavold is the Executive Vice President of CFFI.

Jim Dickson is deemed for audit committee purposes to have a material relationship with the Corporation as a result of the acceptance of a fee for legal services by a firm at which Mr. Dickson is a partner. This relationship does not deem Mr. Dickson to be non-independent for corporate governance disclosure purposes within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*. The Board has reviewed Mr. Dickson's relationships with the Corporation and has concluded that they are not material, such that Mr. Dickson remains an independent director for purposes other than the audit committee.

Brendan Paddick is an executive of Columbus International Inc which prior to March 31, 2015 was an affiliated entity to the Corporation. Accordingly, prior to March 31 2015 Mr. Paddick was not independent for audit committee purposes. The Board has reviewed Mr. Paddick's relationships with the Corporation and has concluded that they are not material, such that Mr. Paddick is now an independent director for corporate governance and audit committee purposes.

Mr. Tom Traves will cease to be a director at the close of the Meeting. Four of the nine proposed nominees for election at the Meeting are considered not to be independent (Messrs. Colin and Mickey MacDonald, John Risley and Stan Spavold) and the remaining five nominees (Ms. Craighead and Messrs. Hood, Giles, Dickson and Paddick) are considered independent.

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 MacDonald, Stan Spavold and Mickey MacDonald are executive officers of 7914091 Canada Inc. and Colin MacDonald, and John C. Risley are the principal shareholders of CFFI. Collectively, CFFI and Mickey MacDonald own, through 7914091 Canada Inc., 3268454 Nova Scotia Limited and other companies controlled by them, 36,111,251 Common Shares, representing approximately 65.68% of the outstanding Common Shares as of the date thereof.

To facilitate its exercise of independent judgment in carrying out its responsibilities the Board has and will, when considered necessary, 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. The independent directors did not meet separately in 2013 as circumstances did not require additional meetings.

Meeting Attendance

During the year the following board and committee meetings were held:

- 6 Board;
- 5 Audit;
- 7 HRDCC;
- 4 Corporate Governance
- 6 Finance; and
- 10 Other (Annual Meeting, Annual Operating Plan presentation, meetings to recruit the Vice President Supply Chain, an annual Enterprise Risk Management Workshop and a Director's Education session)

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. There were no informal meetings held in 2014.

Attendance of the committee meetings was as follows during 2014:

	Board	Audit	HRDCC	Corporate Governance	Finance	Other[6]
Total # of Meetings[7]	**6**	**5**	**7**	**4**	**6**	**10**
Colin MacDonald[1]	6	n/a	4	n/a	3	6
John Risley	5	n/a	n/a	n/a	3	2
Thomas D. Traves	5	5	7	4	n/a	4
Larry Hood[2]	6	5	n/a	4	n/a	5
Harold Giles[3]	6	n/a	7	n/a	n/a	8
Brendan Paddick	4	n/a	6	n/a	6	3
Mickey MacDonald	5	n/a	6	n/a	n/a	8
Stan Spavold[4]	6	5	4	4	6	2
Jim Dickson[5]	6	4	1	4	5	3

Notes:
(1) Colin MacDonald is the Chairman of the Board

(2) Larry Hood is the chair of the audit committee

(3) Harold Giles is the chair of the HRDCC

(4) Stan Spavold is the chair of the Finance committee

(5) Jim Dickson is the chair of the Corporate Governance Committee

(6) Other meetings include attendance of the annual general meeting and presentation of the annual operating plan, meetings to recruit the Vice President of Supply Gain, annual enterprise risk management workshop and a director's education session. Attendance is based on invitation. All directors attended the meetings to which they were invited.

(7) Meeting attendance excludes any Director attendance as a guest.

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.

Amendments to Share based Compensation Plans

The TSX Company Manual requires shareholder approval of security based compensation arrangements in respect of arrangements that involve the issuance from treasury or potential issuance from treasury of securities of the issuer. The Corporation’s existing compensation plans did not require approval from Shareholders as they do not provide for the issuance or potential issuance of securities of the Corporation from treasury. The proposed amendments to the Corporation’s Long-Term Incentive Plan (“LTIP”), Directors’ Performance Share Unit Plan (“DPSU Plan”) and Deferred Stock Unit Plan (“DSU Plan” and collectively with the LTIP and DPSU Plan, the “Plans”) provide for the potential issuance from treasury of common shares of the Corporation at the discretion of the Board or a committee of the Board, which will administer the LTIP and DSU Plan, and the Board, which will administer the DPSU Plan.

An aggregate amount of 2,500,000 Common Shares of the Corporation are issuable under the Plans, which is equal to approximately 4.55% of the outstanding Common Shares as of the date of the Circular. For a description of the material provisions and amendments to the Plans, see the “*Securities Authorized for Issuance Under Equity Compensation Plans – Security Based Compensation Arrangements for the Corporation*” section below.

In connection with the Plans, Shareholders will be asked to vote for or against the following resolutions at the Meeting:

“**BE IT RESOLVED THAT**:

1) the amendments to the Long-Term Incentive Plan of the Corporation (“LTIP”), the material terms and conditions of which are described in the management information circular of the Corporation dated April 10, 2015 (the “Circular”), are hereby approved;

2) the amendments to the Directors’ Performance Share Unit Plan of the Corporation (“DPSU Plan”), the material terms and conditions of which are described in the Circular, are hereby approved;

3) the amendments to the Deferred Stock Unit Plan of the Corporation (“DSU Plan” and collectively with the LTIP and DPSU Plan, the “Plans”), the material terms and conditions of which are described in the Circular, are hereby approved;

4) the 935,223 unsettled Share Units, as defined in the Circular, granted under the Plans prior to the foregoing amendments, the particulars of which are disclosed in the Circular, are hereby ratified; and

5) an aggregate amount of 2,500,000 common shares of the Corporation are issuable under the Plans.”

The Board has determined that the Plans are in the best interests of the Corporation and its Shareholders. The Board recommends that Shareholders vote FOR the foregoing resolutions approving the Plans.

It is intended that all proxies received will be voted in favour of the approval of the Plans, unless a proxy contains instructions to vote against approval of the Plans or withhold the same from voting. Greater than 50% of the votes of Shareholders present in person or by proxy are required to approve the Plans.

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 of the Corporation (formerly the Trustees of the Fund) (the "Directors") were paid the following, as applicable, over the past fiscal year:

- A fee of $150,000 for the Chairman of the Board;
- A basic payment of $45,000 for the fiscal year, ($33,000 for fiscal year 2013); for directors other than the Chairman of the Board
- A fee of $15,000 for chairing a committee ($7,500 for the members of each committee); and
- A fee of $2,000 per meeting of the board of directors and committee meeting of the board of directors. ($2,000 for meetings attended by phone)

The Corporation reimbursed the Directors for out-of-pocket expenses for attending these meetings. During the year ended December 31, 2014, the Corporation paid the directors a total of $26,253 (2013 - $32,471).

Long – term incentive plans

*Director Performance Share Unit Plan ("**DPSU**")*

In 2012 the Directors were eligible to participate in a performance share units plan ("**DPSU**") 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 DPSU Plan provides target grants of up to 25% of the value of the Director's retainer fees. The number of Share Units that vest may be increased or decreased from the number originally granted on the grant date based on the relative performance of the Corporation versus a peer group. See "*Securities Authorized for Issuance Under Equity Compensation Plans – Security Based Compensation Arrangements of the Corporation*" for more information on the DPSU Plan, including information on the methodology for determining market value, treatment of dividends, vesting and settlement.

The associated peer group by grant periods is as follows:

Date Granted	Peer Group
May 2012	Havfisk ASA
-	Marine Harvest
March 2013	Morpol ASA
	Sanford Ltd
	Pesca Nova SA
March 2014	Havfisk ASA
	Marine Harvest ASA
	Sanford Ltd
	Pesca Nova SA
	Thai Union
	Pacific Andes
	Austevoll

The following table provides information on the number of units granted under the plan and the related vesting periods:

Name and Principal Position	Date Granted[(2)]	Units Awarded	Vesting Period
Colin MacDonald[(1)]	May 8, 2012	54,110	January 1, 2012 - December 31, 2014
	March 21, 2013	25,457	January 1, 2013 - December 31, 2015
	March 14, 2014	15,547	January 1, 2014 - December 31, 2016
	April 7, 2015	2,673	January 1, 2015 - December 31, 2017
Harold Giles	May 8, 2012	4,221	January 1, 2012 - December 31, 2014
	March 21, 2013	1,986	January 1, 2013 - December 31, 2015
	March 14, 2014	1,213	January 1, 2014 - December 31, 2016
	April 7, 2015	1,069	January 1, 2015 - December 31, 2017
Brendan Paddick	May 8, 2012	3,571	January 1, 2012 - December 31, 2014
	March 21, 2013	1,986	January 1, 2013 - December 31, 2015
	March 14, 2014	1,213	January 1, 2014 - December 31, 2016
	April 7, 2015	1,069	January 1, 2015 - December 31, 2017
Mickey MacDonald	May 8, 2012	3,571	January 1, 2012 - December 31, 2014
	March 21, 2013	1,833	January 1, 2013 - December 31, 2015
	March 14, 2014	1,119	January 1, 2014 - December 31, 2016
	April 7, 2015	935	January 1, 2015 - December 31, 2017
Stan Spavold	May 8, 2012	3,571	January 1, 2012 - December 31, 2014
	March 21, 2013	2,291	January 1, 2013 - December 31, 2015
	March 14, 2014	1,399	January 1, 2014 - December 31, 2016
	April 7, 2015	1,336	January 1, 2015 - December 31, 2017
John Risley	May 8, 2012	3,571	January 1, 2012 - December 31, 2014
	March 21, 2013	1,833	January 1, 2013 - December 31, 2015
	March 14, 2014	1,119	January 1, 2014 - December 31, 2016
	April 7, 2015	935	January 1, 2015 - December 31, 2017
Larry Hood	May 8, 2012	4,221	January 1, 2012 - December 31, 2014
	March 21, 2013	2,138	January 1, 2013 - December 31, 2015
	March 14, 2014	1,306	January 1, 2014 - December 31, 2016
	April 7, 2015	1,203	January 1, 2015 - December 31, 2017
Jim Dickson	May 8, 2012	3,571	January 1, 2012 - December 31, 2014
	March 21, 2013	2,291	January 1, 2013 - December 31, 2015
	March 14, 2014	1,399	January 1, 2014 - December 31, 2016
	April 7, 2015	1,336	January 1, 2015 - December 31, 2017

(1) In 2014, Mr. MacDonald received an adjustment to his 2014 DPSU grant to adjust his DPSU's for 2012, 2013 and 2014, to be based on his previous annual salary of $500,000 (which was adjusted to $150,000 in 2014). This increased the grants for the vesting period ending December 31, 2014 from 16,848 to 54,110 and for the vesting period ending December 31, 2015 from 7,926 to 25,457. In 2015, Mr. MacDonald's annual fee has been reduced to $150,000. Refer to the Director compensation table on page 19.

(2) The DPSU's granted May 8, 2012 vested December 31, 2014, accumulating dividends and a performance multiple of 1.5. The DPSU's were cash settled in March 2015. Refer to incentive plans for further information starting on page 22.

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 with compensation opportunities that are consistent with shareholder interests. The plan allows Director's fees to be received in DSUs and/or retention deferred share units ("RDSU") with the first grants issued in the second quarter of 2012. See "*Securities Authorized for Issuance Under Equity Compensation Plans – Security Based Compensation Arrangements of the Corporation*" for more information on the DSU Plan, including information on the methodology for determining market value, treatment of dividends, vesting, settlement and the proposed amendments to the DSU plan.

Fair Value

The fair value of each DSU and RDSU is calculated using the Black-Sholes option pricing formula. The fair value of each DPSU 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 International Financial Reporting Standards ("**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. Refer to the 2014 annual financial statements for further information.

Director Compensation Table

The following table discloses all forms of compensation paid to the Directors of the Corporation for financial year ended December 31, 2014.

Name	Fees Earned	Share based awards[8] ($)	Option based awards ($)	Non-Equity Incentive plan compensation ($)	Pension Value ($)	Other Annual Compensation ($)[9]	Total ($)
Colin MacDonald [1]	188,000	805,083	-	-	-	387,703	1,380,786
Thomas D. Traves[2]	117,500	15,414	-	-	-	22,635	155,550
Harold Giles[3]	102,000	13,884	-	-	-	31,211	147,095
Brendan Paddick[4]	98,000	13,884	-	-	-	26,981	138,864
Mickey MacDonald[2]	92,250	12,808	-	-	-	22,561	127,619
Stan Spavold[2]	129,000	16,013	-	-	-	22,672	167,685
John Risley[5]	72,500	12,808	-	-	-	25,043	110,351
Larry Hood[6]	107,500	14,948	-	-	-	27,028	149,476
Jim Dickson[7]	121,000	16,013	-	-	-	25,826	162,839

(1) In 2014, Mr. MacDonald received a grant for a retroactive adjustment to his 2014 PSU to represent his annual fee of $500,000 for the years 2012-2014. The fair market value of the additional grant was $750,000. In addition Mr. MacDonald received a 2014 DPSU grant with a fair value of $55,400 for a total of $805,000. In 2015, Mr. MacDonald's annual fee has been reduced to $150,000.

(2) Mr. Traves will retired from board of directors effective May 12, 2015. Mr. Traves, Mr. Mickey MacDonald and Mr. Spavold did not elect to defer their fees and receive DSU's. As a result the fair market value for share based awards for each individual represents their 2014 DPSU grant.

(3) Mr. Giles received $102,000 in director and meeting fees during 2014. Mr. Giles elected to defer his fees and receive DSU's. The fair value of the DSU's including dividends was $106,587. Share based awards includs a 2014 grant of DPSU's with a fair value of $13,884.

(4) Mr. Paddick received $98,000 in director and meeting fees during 2014. Mr. Paddick elected to defer his fees and receive DSU's. The fair value of the DSU's including dividends was $102,382. Share based awards includes a 2014 grant of DPSU's with a fair value of $13,884.

(5) Mr. Risley received $72,500 in director fees during 2014. Mr. Risley elected to defer his fees and receive DSU's. The fair value of the DSU's including dividends was $74,982. Share based awards includes a 2014 grant of DPSU's with a fair value of $12,808.

(6) Mr. Hood received $107,500 in director and meeting fees during 2014. Mr. Hood elected to defer his fees and receive DSU's in March 2014. The fair value of the DSU's including dividends of $64,367. Share based awards includes a 2014 grant of DPSU's with a fair value of $14,948.

(7) Mr. Dickson received $121,000 in director and meeting fees during 2014. Mr. Dickson elected to defer his fees and receive DSU's. The fair value of the DSU's including dividends was $124,154. Share based awards includes a 2014 grant of DPSU's of $16,013.

(8) 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 DPSU 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.

(9) For all directors other compensation includes the additional DPSU vested as of December 31, 2014 based upon results of the performance period January 1, 2012 through December 31, 2014 and dividends declared on stock based compensation during 2014. Other compensation for Mr. MacDonald also includes RRSP contributions and a car allowance. Refer to the following table for further information on the fair market value and the additional units vested for the DPSU's as of December 31, 2014, fair market value of dividends granted and other compensation::

Name	**Share Based Awards**	**Total Share units granted (Based on performance) (#)**	**FV At Grant ($)**	**Fair value of Dividends paid as additional share units**	**Other Compensation (non share based awards)**	**Total All Other Compensation per table above**
Colin MacDonald	DPSU	27,465	325,733	15,560	46,410	387,703
Thomas D. Traves	DPSU	1,813	21,497	1,138	-	22,635
Harold Giles	DPSU	2,142	25,410	5,801	-	31,211
Brendan Paddick	DPSU	1,813	21,497	5,484	-	26,981
Mickey MacDonald	DPSU	1,813	21,497	1,064	-	22,561
Stan Spavold	DPSU	1,813	21,497	1,175	-	22,672
John Risley	DPSU	1,813	21,497	3,546	-	25,043
Larry Hood	DPSU	2,142	25,410	1,618	-	27,028
Jim Dickson	DPSU	1,813	21,497	4,329	-	25,826

Incentive plans

The following table sets out the estimated fair value of outstanding share-based awards granted to the Directors, as at December 31, 2014.

	Share-Based Awards		
	Number of shares or units of shares that have not vested[2] (#)	**Market/Payout value of Share awards not vested[1] ($)**	**Market/Payout value of vested share-based awards not paid out or distributed[1],[3] ($)**
Colin MacDonald	41,527	716,291	977,199
Thomas D. Traves	3,488	60,164	112,297
Harold Giles	3,240	55,884	449,252
Brendan Paddick	3,240	55,884	408,815
Mickey MacDonald	2,990	51,569	64,491
Stan Spavold	3,737	64,461	64,491
John Risley	2,990	51,569	288,113
Larry Hood	3,488	60,164	169,705
Jim Dickson	3,737	64,461	395,932

[1] Market/payout of awards is determined by multiplying the number of outstanding units held at December 31, 2014 by the closing price of Common Shares on the TSX on that date of $11.86.

(2) The following table provides the breakdown of the outstanding share based awards as of December 31, 2014:

Name	Share Based Awards	Total Share Based Awards (#)	Not Vested (#)	Vested (#)(1)
Colin MacDonald	DSU	-	-	-
	DPSU	123,921	41,527	82,395
	Total	123,921	41,527	82,395
Thomas D. Traves	DSU	4,031	-	4,031
	DPSU	8,926	3,488	5,438
	Total	12,956	3,488	9,469
Harold Giles	DSU	31,452	-	31,452
	DPSU	9,667	3,240	6,427
	Total	41,119	3,240	37,880
Brendan Paddick	DSU	29,032	-	29,032
	DPSU	8,677	3,240	5,438
	Total	37,710	3,240	34,470
Mickey MacDonald	DSU	-	-	-
	DPSU	8,427	2,990	5,438
	Total	8,427	2,990	5,438
Stan Spavold	DSU	-	-	-
	DPSU	9,175	3,737	5,438
	Total	9,175	3,737	5,438
John Risley	DSU	18,855	-	18,855
	DPSU	8,427	2,990	5,438
	Total	27,282	2,990	24,293
Larry Hood	DSU	7,882	-	7,882
	DPSU	9,915	3,488	6,427
	Total	17,797	3,488	14,309
Jim Dickson	DSU	27,946	-	27,946
	DPSU	9,175	3,737	5,438
	Total	37,121	3,737	33,384

(1) The vested DPSU awards were cash settled in March 2015 for $14.03 per award. Refer to footnote (3) of the share based awards market/payout table for further information (the table below).

(3) In March 2015 the DPSU's vested as of Decemer 31, 2014 were settled. The cash settlement for the vested DPSU awards is determined by multiplying the number of outstanding vested units held at December 31, 2014 by the weighted average of the trading volume for the five days preceeding the fourth quarter of 2014 blackout period of $14.03 per share.

Name	Share Based Awards	Total Share based awards	Payout Value December 31, 2014 Price: 11.86/share	Actual Payout Value ($) 14.03/share
Colin MacDonald	DPSU	82,395	977,199	1,155,995
Thomas D. Traves	DPSU	5,438	112,297	76,290
Harold Giles	DPSU	6,427	449,252	90,177
Brendan Paddick	DPSU	5,438	408,815	76,290
Mickey MacDonald	DPSU	5,438	64,491	76,290
Stan Spavold	DPSU	5,438	64,491	76,290
John Risley	DPSU	5,438	288,113	76,290
Larry Hood	DPSU	6,427	169,705	90,177
Jim Dickson	DPSU	5,438	395,932	76,291

The following table set out the amount of Director share-based awards that vested during the year:

Name	Option-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	-	977,199	-
Thomas D. Traves	-	64,957	-
Harold Giles	-	182,817	-
Brendan Paddick	-	166,873	-
Mickey MacDonald	-	64,491	-
Stan Spavold	-	64,491	-
John Risley	-	139,472	-
Larry Hood	-	148,594	-
Jim Dickson	-	188,645	-

[1] The value vested during the year for the DPSU awards is determined by multiplying the number of outstanding vested units on the vesting date (December 31, 2014) by the trading close price on the vesting date (December 31, 2014 - $11.86/share). Amounts for the DPSU awards were cash settled as of March 2015. Refer to footnote (3) of the share based awards market/payout table for further information. The value vested for the DSU awards is determined by multiplying the number of outstanding units on the vested date by the closing price as of the vesting date (i.e. grant date) which varies based upon service period.

BOARD COMMITTEE REPORTS

AUDIT COMMITTEE REPORT

Current Members:
Larry Hood (Chair)
Thomas Traves (retires in May 2015)
Stan Spavold
Jim Dickson (retired from Committee in February 2015)
Brendan Paddick (appointed to the Committee February 2015)

The Audit Committee is responsible to the Board for the policies and practices relating to the integrity of financial and regulatory reporting as well as internal controls to achieve the objectives of reliability of information and compliance with policies and laws. In addition the Audit Committee is responsible to undertake a process to identify the principal risks for Clearwater and ensure appropriate risk management techniques are used.

All members of the Audit Committee are financially literate and the Committee is chaired by Mr. Larry Hood, CA a retired partner from the accounting firm KPMG LLP.

In 2014 the committee's focus continued to be on investing time to understand and ensure the key risks and opportunities are clearly communicated to investors in disclosure documents.

Additional information about the Audit Committee including its charter can be found in Clearwater's Annual Information Form.

To comply with its mandate, the Audit Committee met five times during fiscal 2014 and undertook the following:

Financial Management and Reporting:

- Reviewed and recommended to the Board for approval all of Clearwater's 2014 interim and annual financial statements and Management Discussion and Analysis ("MD&A"), quarterly financial statements, material press releases and the Annual Information Form.

- Reviewed and discussed the interim and annual audited financial statements with management and as applicable, the external auditors, including discussion of material transactions with related parties, significant accounting policies, and the external auditor's written communications to the Committee and to management.

- Monitored the controls, procedures and design of internal controls on financial reporting.

- Reviewed the minutes of the quarterly Disclosure Committee meetings. The disclosure committee consists of management that are financially literate and have regulatory reporting experience. The disclosure committee's objective is to review quarterly disclosure requirements.

- Reviewed the receipt, retention and treatment of complaints received by the Company regarding fraud, accounting, internal accounting controls or auditing matters.

- Finally, they received and reviewed regular reports on key estimates and areas of judgment and finance resources**.**

Independence:

During 2014 the Committee determined that three of the four members were considered to be independent. Mr. Stan Spavold, FCA is not considered independent as he serves as Executive Vice-President of Clearwater Fine Foods Incorporated (“CFFI”) a shareholder of 7914091 Canada Inc., a controlling shareholder of Clearwater. The Board has determined that Mr. Spavold can serve on the Audit Committee and that he is exempt from the independence requirement set forth in Section 3.1(3) of National Instrument 52-110 – *Audit Committees* (“NI 52-110”), in accordance with Sections 3.3(2) and 3.7 of NI 52-110. In reaching this conclusion, the Board considered that: (i) Mr. Spavold would be independent but for his role with CFFI, (ii) the Board is satisfied that he is able to exercise the impartial judgment necessary for him to fulfill his responsibilities as an Audit Committee member, (iii) his appointment is in the best interests of Clearwater and its shareholders, and (iv) all other conditions set forth on Sections 3.3(2) and 3.7 of NI 52-110 are met.

Mr. Dickson resigned from the Audit Committee in February 2015 following an eligibility review at his request. See “Board Independence”. At that time Mr. Paddick was appointed to the audit committee.

Assuming her election to the Board of Directors in May 2015, Ms. Craighead will join the Committee. As Ms. Craighead, Mr. Hood and Mr. Paddick are considered to be independent, three of the four Committee members will be considered to be independent as of May 2015.

External Auditors:

- Ensured that the external auditors are in good standing with the Canadian Public Accountability Board and that the lead partner and other partners fulfill the rotation requirements.
- Reviewed and confirmed that the relationship between the external auditors and the Corporation is independent.
- Reviewed the annual audit plan from the external auditors
- Annually reviewed the hiring policy of external auditors
- Recommended to the Board the appointment of the external auditors.
- Recommended to the Board the compensation of the external auditors
- Pre-approved all non-audit services by the Corporation’s external auditors, where appropriate.
- Reviewed, with the external auditors and management, all significant account policies and practices adopted, significant risks and uncertainties, and key estimates and judgments.

KPMG LLP, Chartered Accountants, has been the auditor of the Corporation since its incorporation (October 2, 2011) 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.

Type of Work	Fees – Fiscal 2014	Fees – Fiscal 2013
Audit fees	$ 657,475	$ 488,579
Tax fees	188,001	136,793
All other fees	69,646	-
Total	**$915,122**	**$625,372**

Audit fees relate to professional services rendered by the auditors for the audit of the Corporation and Clearwater’s annual financial statements as well as services provided in connection with statutory and regulatory filings, prospectuses, periodic reports and other documents filed with securities regulatory bodies or other documents issued in connection with securities offerings. Tax fees were paid for the review of tax returns, the review of proposed reorganizations of certain subsidiaries, assistance with review of foreign tax filings and assistance in completing routine tax schedules and calculations. All other fees" were paid for services other than the audit fees and tax fees described above. These services consisted of assistance with filings of foreign subsidiaries and completion of reports associated with security over foreign assets required as part of our banking arrangements.

Any non-audit services to be provided by the external auditors are required to be reviewed and approved in advance by the Chair of the Audit Committee. In addition, on a quarterly basis all fees paid to the external auditors, audit and non-audit, are reviewed in detail by the Audit Committee.

In 2014, there were additional fees relating to the equity prospectus review, tax review of SR&ED claims and bills related to work done in quarterly reporting periods.

Risk Management

- Reviewed and discussed with the Chair of the Enterprise Risk Management ("ERM") committee ongoing risk management including analyzing principal risks, current and proposed risk mitigation techniques, and the effectiveness of these strategies. The ERM committee consists of management with experience in both the operations of the Corporation and the related risks.

- The chair of the audit committee attended the annual ERM risk workshop.

- Reviewed and discussed status of compliance with laws and regulations and procedures designed to ensure compliance, and reviewed quarterly reports from management and legal counsel.

Administrative

- Reviewed the Charter of the Audit Committee

- Used a self assessment tool to ensure focus on continuous improvement

- Organized Board education sessions that included business reviews, securities laws, certification and certain technical accounting issues.

In 2015 the Committee will continue to focus on ensuring that our investors get a full and balanced view of the financial results, risks, opportunities and future prospects of the business in each and every disclosure document.

HUMAN RESOURCE DEVELOPMENT AND COMPENSATION COMMITTEE ("HRDCC") REPORT

Current Members:
Harold Giles (Chair)
Thomas Traves (retires in May 2015)
Mickey MacDonald
Brendan Paddick

The mandate of the Human Resource Development and Compensation Committee ("HRDCC") is to ensure that the Corporation's Human Resources, and in particular the CEO and the executive officers are of the highest quality in order to meet the operational and strategic requirements of the Corporation.

The mandate also includes ensuring Clearwater's compensation practices continue to be aligned with shareholder interests through linking annual and long-term incentive plans to individual performance and the creation of shareholder value.

To comply with its mandate the HRDCC met seven times during fiscal 2014 and undertook the following:

- Reviewed succession and individual development plans for the CEO and each officer as well as the effectiveness of the organization structures. This included reviewing all leaders who have demonstrated the potential to advance
- Reviewed and provided input to management's plans for talent management and the development plans for key positions.
- This committee spent a considerable amount of time over the past year working with the CEO on proposed changes to the executive leadership team to ensure the company's growth and efficiency initiatives are adequately resourced, including the addition of a newly created position – President Global Supply Chain.
- Reviewed the performance of the CEO and each officer both on achieving corporate performance requirements as well as individual leadership initiatives. These performance reviews form an integral part of succession planning as well as forming the basis for the individual's compensation determination.
- Reviewed, and recommended the Board approve, the incentive compensation granted to the CEO and the CEO's recommendation of the Incentive Compensation granted to the Company Officers.

The Committee is comprised of four members who have a combined experience of 100 years in senior executive and leadership positions. Harold Giles, chair of HRDCC, has over 35 years experience in manufacturing, business general management and senior human resource executive positions with General Electric in Canada, United States and Europe.

Assuming her election to the Board of Directors in May 2015, Ms. Craighead will join the Committee. As Ms. Craighead is considered to be independent, three of the four Committee members will be considered to be independent as of May 2015.

CORPORATE GOVERNANCE REPORT

Current Members:
Jim Dickson (Chair)
Thomas Traves (retires in May 2015)
Larry Hood
Stan Spavold

The Corporate Governance Committee's primary function is to assist the Board in carrying out its responsibilities with respect to the development and implementation of the highest standars of governance and ethics across our entire business. This includes :

- The development and implementation of principles and systems for the management of corporate governance;
- Monitoring compliance with the Corporation's overall governance system and principles;
- Identifying qualified individuals for Board and Board committee membership, as well as chairmanships;
- Evaluating Board, committee and individual director performance; and
- 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.

The Committee is comprised of four members who have combined experience of more than 50 years in senior executive and leadership positions. Mr. Jim Dickson, chair of the Corporate Governance Committee, is a Partner with the law firm Stewart McKelvey practicing primarily in the areas of mergers and acquisitions and corporate finance and securities.

To comply with its mandate the Corporate Governance Committee met four times during fiscal 2014 and undertook the following:

- Ensured that management follows an approved planning process to establish strategies for the Corporation.
- Assessed the overall effectiveness of the Board and its Committees, including director independence, Clearwater guidelines and conformity of Clearwater's practices to stock exchange corporate governance requirements
- Reviewed the adequacy and form of compensation of directors in the context of the responsibilities and risks involved in being an effective director and made recommendations to the Board with respect to the actual remuneration and benefits provided to directors
- Recommended to the Board the members proposed for re-election to the Board as well as recruiting and making recommendations to the Board with respect to the nomination of new Directors.
- Conducted a survey of Board members so as to promote best practices in Board effectiveness.
- Identified external and internal education opportunities for Board members,
- Reviewed and reported on TSX rules on majority voting,
- Reviewed the adequacy of director competencies,
- Reviewed the mandates of the various Board committees and formalized the process by which the satisfaction of the mandates is evidenced,
- Reviewed compliance with rules regarding Disclosure of Corporate Governance Practices
- Drafted and recommended for approval a diversity policy.

- Updated the company's Director share ownership policy and reviewed compliance with the same

This Report is submitted by the Members of the Corporate Governance Committee.

FINANCE COMMITTEE REPORT

Current Members:
Stan Spavold (Chair)
John Risley
Jim Dickson
Brendan Paddick

The Finance Committee's mandate is to work closely with management and provide recommendations to the Board on the Corporation's capital structure (debt and equity), corporate development activity, hedging foreign exchange and interest rate risks and reviewing capital expenditures in excess of management authority levels, financial risk management and dividend policy. This includes working with Management to develop short, medium and long term capital structure to ensure that the Corporation can execute the strategic plan at an appropriate cost of capital.

The Committee meets at least five times during the year before each regularly scheduled quarterly board meeting and at the time of the presentation of the Annual Operating Plan. The committee also meets on an ad hoc basis to approve transactions in excess of management authority limits and other items on an as required basis.

During 2014 the committee met six times in person or by telephone and had excellent board and management participation with robust and constructive discussions that resulted in the completion of the following work:

- Completed quarterly reviews of treasury updates prepared by management.

- Received and reviewed reports on foreign exchange management, interest rate management, liquidity targets, rating agencies, debriefs of the returns on capital projects as well as regular updates on debt and equity market conditions.

- Reviewed with management the performance on capital projects against budget.

- Received updates from the Vice President Fleet on the quality and status of the vessels in the fleet.

- Reviewed proposals for a number of significant investments that are very important to the future growth of the Company including a new clam vessel, a replacement vessel for our Argentina operations, a new information system and several other return investment opportunities for our plants and vessels.

- Received presentations from management and engaged in active discussions on a number of promising external development opportunities.

- Worked with management in developing free cash flow targets, reviewing and setting dividend levels and reviewing the cost of capital of the organization.

- One final highlight was the work of this Committee with management to improve the Corporation's liquidity and float by executing a very successful equity offering in early 2014.

The Committee is comprised of four members who have more than a combined experience of 50 years in senior executive and leadership positions. Mr. Stan Spavold, chair of the Finance Committee, is the Executive Vice President of Clearwater Fine Foods since 2002.

The Committee plan to continue its work hard in 2015 to ensure Clearwater has a sound capital structure and policies that help to position the company for further growth.

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, President and Chief Commercial Officer, Michael Pittman, Vice President Fleet and David Kavanagh, Vice President, General Counsel.

The Human Resource Development and the Compensation Committee (the "**HRDCC**") was established by the Board for the purposes of monitoring and providing guidance and recommendations on the level of executive compensation. The HRDCC 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 HRDCC currently consists of Harold Giles (Chair), Thomas D. Traves (retiring effective May 12, 2015), Brendan Paddick, and Mickey MacDonald. Thomas D. Traves, Harold Giles and Brendan Paddick (as of March 31, 2015) qualify as an independent director within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*. Cumulatively the HRDCC has more than 100 years of experience in senior executive and leadership positions and has been involved with implementing and reviewing compensation policies at their respective organizations. Refer to the HRDCC report for further information.

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 Corporation'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 HRDCC. The compensation for the CEO is recommended by the HRDCC 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 HRDCC, 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 through annual audited financial statements. For example, the annual bonus earned with respect to fiscal 2014 was paid to the NEO's in the first quarter of 2015. Refer to summary compensation table.

The annual bonuses for fiscal 2012 were based on target adjusted 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.

For 2012 actual annual bonus for all NEO's, except the CEO, could have ranged 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.

For 2013 and 2014 annual bonuses were based on target adjusted EBITDA, Free cash flow levels and individual achievement. The NEOs, except the CEO, were eligible for a target bonus of 40-45% of their annual salary. The CEO was eligible for a target bonus of 75% of his annual salary.

For 2013 and 2014 actual bonuses for all NEO's (including the CEO) could have ranged from no bonus paid to 150% of target based on corporate performance an individual achievement. Bonus payments for all NEO's in 2013 were based upon hitting 114% of the corporate performance target for adjusted EBITDA, 100% of the corporate performance for free cash flow, as well as individual achievement. Bonus payments for all NEO's in 2014 were based upon hitting 104% of the corporate performance target for adjusted EBITDA, 100% of the corporate performance for free cash flow, as well as individual achievement. Refer to the Annual Management Discussion and Analysis for further information on the calculation for free cash flow and adjusted EBITDA.

Corporate Performance 2012:		
	Adjusted EBITDA % of Target	
	Eligible Range (%)	Actual 2012 (%)
CEO	0 - 167	100
Executive (excluding CEO)	0 - 150	100

Corporate Performance 2013:						
	Adjusted EBITDA % of Target			Free Cash Flow % of Target		
	Eligible Range (%)	Actual 2013 (%)	Actual 2014 (%)	Eligible Range (%)	Actual 2013 (%)	Actual 2014 (%)
All Executive (Including CEO)	0 - 150	114	104	0 - 150	100	100

Long- term Incentive Plans

Share Based Compensation Plans

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

As part of a compensation review, long-term incentive, share based compensation plans were designed and implemented in 2012 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 HRDCC, 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.

Share 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. As of December 31, 2013 the 150,000 outstanding granted SAR's vested and continue to remain outstanding as of December 31, 2014.

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

Beginning in 2012 the NEO's were eligible to participate in a long term performance incentive plan ('PSU") that provides annual target grants that vary from to 30% to 50% of the NEO's annual salaries. Based on individual achievement, the number of performance share units ("PSUs") and/or retention share units ("RSUs") actually granted can range from zero to 150% of the target grant. The number of PSUs or RSUs that vest may be increased or decreased from the number of PSUs or RSUs originally granted on the grant date based on the relative performance of the Corporation versus a peer group. See "*Securities Authorized for Issuance Under Equity Compensation Plans – Security Based Compensation Arrangements of the Corporation*" for more information on the PSU, including information on the methodology for determining market value, treatment of dividends, vesting, settlement.

The associated peer group by grant periods is as follows:

Date Granted	Peer Group
May 2012	Havfisk ASA
-	Marine Harvest
March 2013	Morpol ASA
	Sanford Ltd
	Pesca Nova SA
March 2014	Havfisk ASA
	Marine Harvest ASA
	Sanford Ltd
	Pesca Nova SA
	Thai Union
	Pacific Andes
	Austevoll

The following table provides information on the number of PSU's granted under the plan and the related vesting periods:

Name and Principal Position	Date Granted[1]	Units Awarded	Vesting Period
Ian Smith, Chief Executive Officer	May 8, 2012	143,245	January 1, 2012 - December 31, 2014
	March 21, 2013	57,026	January 1, 2013 - December 31, 2015
	March 14, 2014	43,657	January 1, 2014 - December 31, 2016
	April 7, 2015	22,492	January 1, 2015 - December 31, 2017
Greg Morency, President, Chief Commerical Officer	May 8, 2012	35,354	January 1, 2012 - December 31, 2014
	March 21, 2013	24,949	January 1, 2013 - December 31, 2015
	March 14, 2014	20,000	January 1, 2014 - December 31, 2016
	April 7, 2015	12,830	January 1, 2015 - December 31, 2017
Robert D. Wight, Vice President, Chief Financial Officer	May 8, 2012	33,695	January 1, 2012 - December 31, 2014
	March 21, 2013	15,852	January 1, 2013 - December 31, 2015
	March 14, 2014	14,459	January 1, 2014 - December 31, 2016
	April 7, 2015	5,966	January 1, 2015 - December 31, 2017
David Kavanagh, Vice President, General Counsel	May 8, 2012	33,636	January 1, 2012 - December 31, 2014
	March 21, 2013	15,825	January 1, 2013 - December 31, 2015
	March 14, 2014	10,149	January 1, 2014 - December 31, 2016
	April 7, 2015	5,235	January 1, 2015 - December 31, 2017
Michael Pittman, Vice President, Fleet	May 8, 2012	33,695	January 1, 2012 - December 31, 2014
	March 21, 2013	19,816	January 1, 2013 - December 31, 2015
	March 14, 2014	10,261	January 1, 2014 - December 31, 2016
	April 7, 2015	6,615	January 1, 2015 - December 31, 2017

(1) The PSU's granted May 8, 2012 vested December 31, 2014, accumulating dividends and a performance multiple of 1.5. The PSU's were cash settled in March 2015. Refer to incentive plans for further information starting on page 22.

Deferred Share Unit Plan ("RDSU")

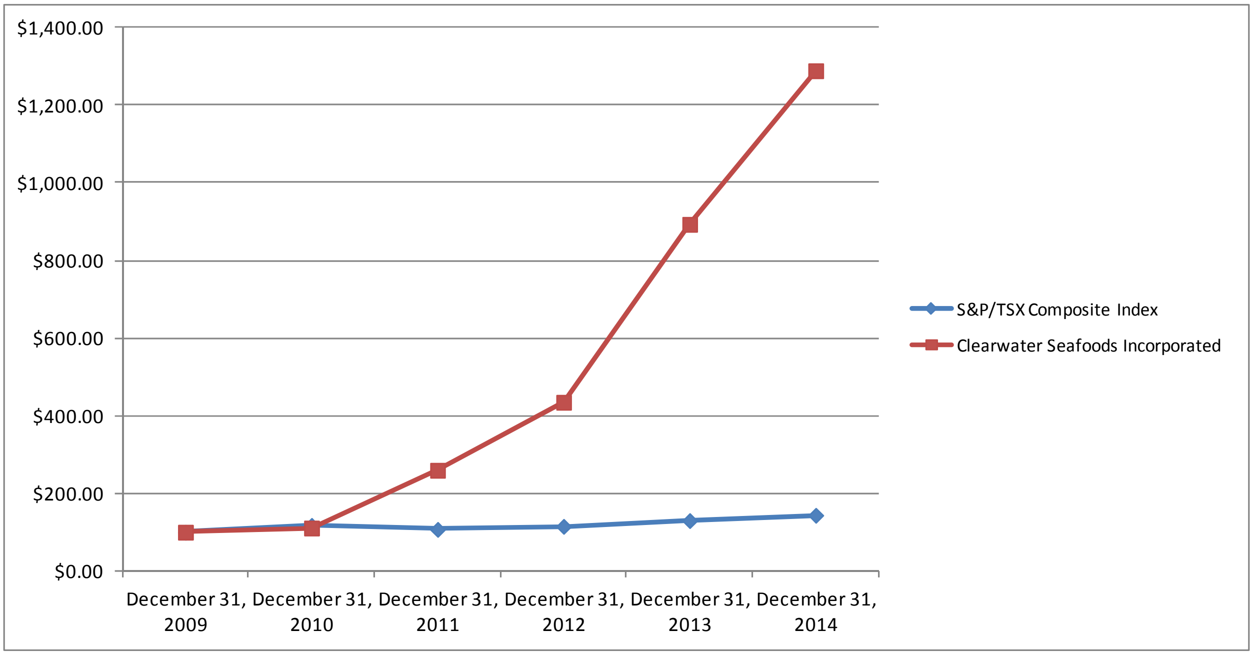
Participation in the DSU Plan, as described in the section entitled "*Director Compensation – Long Term Incentive Plans*", also extends to certain NEO's in order to provide them with compensation opportunities that are consistent with shareholder interests. See "*Securities Authorized for Issuance Under Equity Compensation Plans – Security Based Compensation Arrangements of the Corporation*" for more information on the DSU Plan, including information on the methodology for determining market value, treatment of dividends, vesting, settlement and proposed amendments to the DSU plan.

Fair Value

The fair value of each SAR, DSU and RDSU 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. Refer to the 2013 annual financials for further information.

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, 2009 with the total cumulative return, including distributions, of the S&P/TSX Composite Index over the past five-year period ended December 31, 2014. On December 31, 2014, the closing price of the common shares on the TSX was $11.86.



	Dec-09	Dec-10	Dec-11	Dec-12	Dec-13	Dec-14
Clearwater Seafoods Incorporated	100	$110.87	$259.78	$434.78	$893.48	$1,289.13
S&P/TSX Composite Index	100	$117.61	$107.36	$115.08	$130.03	$143.75

The above graph and table demonstrate a continued improvement over the past several years due to improving financial results including free cash flow and adjusted EBITDA, the Corporation's performance targets for compensation. As a result, the Corporation paid annual bonuses in respect of the annual periods 2011-2014 based upon actual financial performance either achieving performance targets or surpassing them. Overall compensation components including salary, grants of share-based awards and annual incentive programs are not measured against Clearwater's trading price as other methods of evaluation are completed including peer group assessments. Refer to corporate performance tables within executive compensation for further information.

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

The HRDCC 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 HRDCC 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 HRDCC 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 HRDCC.

Summary Compensation Table

The following table sets forth all forms of executive compensation received by the NEOs for the last three fiscal years (in Canadian $).

The amounts included in the Summary Compensation Table for all share based compensation plans from 2012 to 2014 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 ($)	Share-based awards ($) (2),(3)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension Value ($)	All other compensation ($)(5)	Total Compensation ($)
					Annual incentive plans ($) (4)	Long-term incentive plans ($)			
Ian Smith ,Chief Executive Officer	2014	467,665	499,685	-	415,490	-	-	928,740	2,311,580
	2013	456,635	370,042	-	440,150	-	-	60,872	1,327,698
	2012	441,193	396,459	-	353,000	-	-	34,918	1,225,570
Greg Morency, President, Chief Commercial Officer	2014	389,167	228,914	-	187,822	-	-	252,216	1,058,118
	2013	360,208	161,894	-	167,137	-	-	43,681	732,920
	2012	350,000	97,849	-	140,000	-	-	25,885	613,734
Robert D. Wight, Vice President, Chief Financial Officer	2014	309,926	165,493	-	119,011	-	-	239,416	833,846
	2013	288,895	102,864	-	134,047	-	-	31,989	557,795
	2012	259,453	365,258	-	103,781	-	-	62,782	791,274
Michael Pittman, Vice President, Fleet	2014	275,020	117,444	-	117,984	-	-	239,356	749,804
	2013	268,534	128,586	-	111,173	-	-	31,331	539,624
	2012	259,453	365,258	-	116,753	-	-	14,000	755,464
David Kavanagh, Vice President and General Counsel(1)	2014	271,950	116,162	-	104,429	-	-	234,751	727,292
	2013	266,554	102,688	-	110,353	-	-	32,995	512,591
	2012	86,333	297,094	-	103,600	-	-	17,535	504,563

(1) Mr. Kavanagh's effective hiring date was September 1, 2012

(2) The following table provides the breakdown of the fair value at grant date by share based award for 2014:

Name and princpal position	Share Based Awards	Total Shares Units Granted (#)	FV At Grant ($)	FV of Dividends Paid as additional share units at Grant (included in Other Compensation) ($)	Total Share based awards per table above
Ian Smith, Chief Executive Officer	RDSU	-	-	-	-
	PSU	46,465	539,605	(39,920)	499,685
	Total	46,465	539,605	(39,920)	499,685
Greg Morency, President, Chief Commerical Officer	RDSU	-	-	-	-
	PSU	20,906	241,769	(12,855)	228,914
	Total	20,906	241,769	(12,855)	228,914
Robert D. Wight, Vice President, Chief Financial Officer	RDSU	1,210	10,583	(10,583)	-
	PSU	24,805	175,839	(10,346)	165,493
	Total	26,015	186,422	(20,929)	165,493
Michael Pittman, Vice President, Fleet	RDSU	1,210	10,583	(10,583)	-
	PSU	20,695	127,878	(10,434)	117,444
	Total	21,905	138,461	(21,017)	117,444
David Kavanagh, Vice President and General Counsel	RDSU	908	7,941	(7,941)	-
	PSU	19,907	125,920	(9,758)	116,162
	Total	20,815	133,861	(17,698)	116,162

[3] 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.**

For financial statement purposes the fair value of the liability for all outstanding awards 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 $11.0 million at December 31, 2014 (2013 - $4.1 million).

Total share-based compensation expense included in the income statement for the year ended December 31, 2014 was $8.9 million for all outstanding awards as they are remeasured at each balance sheet date (2013 - $5.9 million).

[4] 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 2014 were paid in the first quarter of 2015.

[5] Other compensation includes the additional PSU vested as of December 31, 2014 based upon results of the performance period January 1, 2012 through December 31, 2014, dividends declared on stock based compensation. Other compensation includes RRSP contributions, and car allowances. Refer to the following table for a breakdown on the fair market value and the additional units vested for the PSU's as of December 31, 2014, fair market value of dividends granted and other compensation:

Name and princpal position	Share Based Awards	Total Shares Units Granted (#)	FV at Grant ($)	FV of Dividends Paid as additional share units at Grant	Other Compensation (non share based awards)	Total Other Compensation per table above
Ian Smith, Chief Executive Officer	PSU	72,708	862,312	39,920	26,508	928,740
Greg Morency, President, Chief Commerical Officer	PSU	17,945	212,825	12,855	26,535	252,216
Robert D. Wight, Vice President, Chief Financial Officer	PSU	17,103	202,839	20,929	15,648	239,416
Michael Pittman, Vice President, Fleet	PSU	17,103	202,839	21,017	15,500	239,356
David Kavanagh, Vice President and General Counsel	PSU	17,073	202,483	17,698	14,569	234,751

Incentive plans

The following table sets out the market/payout value for the share-based awards granted to the NEOs, as at December 31, 2014.

	Share-Based Awards		
	Number of shares or units of shares that have not vested[2] (#)	Market/Payout value of Share awards not vested[1] ($)	Market/Payout value of vested share-based awards not paid out or distributed[1],[3] ($)
Ian Smith ,Chief Executive Officer[4]	101,933	1,760,211	4,365,937
Greg Morency, President, Chief Commercial Officer	45,504	785,958	638,476
Robert D. Wight, Vice President, Chief Financial Officer	132,195	1,734,229	608,516
Michael Pittman, Vice President, Fleet[5]	30,468	525,128	1,812,495
David Kavanagh, Vice President, General Counsel	102,440	1,356,801	607,450

[1] Market/payout of awards is determined by multiplying the number of outstanding units held at December 31, 2014 by the closing price of Common Shares on the TSX on that date of $11.86.

[2] The following table provides the breakdown of the outstanding share based awards as of December 31, 2014:

Name and Principal Position	Share Based Awards	Total Share Based Awards (#)	Not Vested (#)	Vested (#)[1]
Ian Smith ,Chief Executive Officer	SARS	150,000	-	150,000
	PSU	320,055	101,933	218,123
	RDSU	-	-	-
	Total	470,055	101,933	368,123
Greg Morency, President, Chief Commercial Officer	SARS	-	-	-
	PSU	99,338	45,504	53,834
	RDSU	-	-	-
	Total	99,338	45,504	53,834
Robert D. Wight, Vice President, Chief Financial Officer	SARS	-	-	-
	PSU	81,987	30,679	51,308
	RDSU	101,516	101,516	-
	Total	183,503	132,195	51,308
Michael Pittman, Vice President, Fleet	SARS	-	-	-
	PSU	81,776	30,468	51,308
	RDSU	101,516	-	101,516
	Total	183,292	30,468	152,824
David Kavanagh, Vice President, General Counsel	SARS	-	-	-
	PSU	77,522	26,303	51,218
	RDSU	76,137	76,137	-
	Total	153,659	102,440	51,218

[1] The vested PSU awards were cash settled in March 2015 for $14.03 per award. Refer to footnote (3) of the share based awards market/payout table for further information (the table below).

(3) In March 2015 the PSU's vested as of December 31, 2014 were settled. The cash settlement for the vested PSU awards is determined by multiplying the number of outstanding vested units held at December 31, 2014 by the weighted average of the trading volume for the five days preceeding the fourth quarter of 2014 blackout period of $14.03 per share.

Name	Share Based Awards	Total Share based awards	Payout Value December 31, 2014 Price: 11.86/share	Actual Payout Value ($) 14.03/share
Ian Smith, Chief Executive Officer[4]	PSU	218,123	2,586,937	3,060,263
Greg Morency, President, Chief Commerical Officer	PSU	53,834	638,476	755,297
Robert D. Wight, Vice President, Chief Financial Officer	PSU	51,308	608,516	719,855
Michael Pittman, Vice President, Fleet[5]	PSU	51,308	608,516	719,855
David Kavanagh, Vice President and General Counsel	PSU	51,218	607,450	718,594

[4] The vested market payout for Mr. Smith includes $2.6 million of PSU awards that were cash settled in March 2015 and SARS with a market payout of $1.8 million.

(5) The vested market payout for Mr. Pittman includes $0.6 million of PSU awards that were cash settled in March 2015 and RDSU's with a market payout of $1.2 million.

The following table set out the share-based awards granted that vested and non-equity incentive plan compensation earned by the NEO's during 2014:

Name and Principal Position	Option-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	-	2,586,937	415,490
Greg Morency, President, Chief Commercial Officer	-	638,476	187,822
Robert D. Wight, Vice President, Chief Financial Officer	-	608,516	119,011
Michael Pittman, Vice President, Fleet	-	608,516	117,984
David Kavanagh, Vice President, General Counsel	-	607,450	104,429

[1] The value vested during the year for the PSU awards is determined by multiplying the number of outstanding vested units on the vesting date (December 31, 2014) by the trading close price on the vesting date (December 31, 2014 - $11.86/share). Amounts for the PSU awards were cash settled as of March 2015. Refer to footnote [3] of the share based awards market/payout table for further information.

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.

Termination payments for the NEO's are as follows:

Name and Principal Position	Termination benefits
Ian Smith ,Chief Executive Officer	Lump-sum payment of 24 months of annual compensation and prorated outstanding incentive compensation
Greg Morency, President, Chief Commercial Officer	Lump-sum payment of 12 months of annual compensation and prorated outstanding incentive compensation
Robert D. Wight, Vice President, Chief Financial Officer	Lump-sum payment of one month annual compensation for each year worked up to a limited of 24 months and prorated outstanding incentive compensation
Michael Pittman, Vice President, Fleet	Lump-sum payment of one month annual compensation for each year worked up to a limited of 24 months and prorated outstanding incentive compensation
David Kavanagh, Vice President, General Counsel	Lump-sum payment of one month annual compensation for each year worked up to a limited of 24 months and prorated outstanding incentive compensation

The information in the table below quantifies estimated payments for the NEO's assuming termination at December 31, 2014:

Name and Principal Position	Cash severance	Short term incentive plan	SARS	PSU	RDSU	Total
Ian Smith ,Chief Executive Officer	935,329	499,685	1,779,000	3,503,925	-	6,717,939
Greg Morency, President, Chief Commercial Officer	389,167	228,914	-	1,044,948	-	1,663,029
Robert D. Wight, Vice President, Chief Financial Officer	619,851	165,493	-	877,068	1,092,843	2,755,256
Michael Pittman, Vice President, Fleet	550,041	117,444	-	898,317	1,203,980	2,769,782
David Kavanagh, Vice President, General Counsel	52,879	116,162	-	850,368	847,417	1,866,826

In April 2014, Mr. Eric Roe, Chief Operating Officer retired from Clearwater. A lump sum payment totaling $1.4 million of which included 24 months of base salary, prorated entitlement in the annual and long term incentive plans.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No current or former directors, executive officers or employees of the Corporation or any of its subsidiaries or proposed directors, or associates or affiliates of any of these persons, have been indebted to the Corporation or its subsidiaries, or indebted to another entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries, at any time since January 1, 2014, being the beginning of the Corporation's last financial year, other than "Routine Indebtedness" as that term is defined in applicable securities legislation.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

SECURITY BASED COMPENSATION ARRANGEMENTS OF THE CORPORATION

<u>Overview</u>

The LTIP provides for the grant of performance share units ("PSUs") and/or retention share units ("RSUs") to certain employees of the Corporation, as determined by the Committee. The DPSU Plan provides for the grant of performance share units ("DPSUs") to directors who are not otherwise employees of the Corporation. The DSU Plan provides for the grant of deferred share units ("DSUs") and/or retention deferred share units ("RDSUs" and collectively with PSUs, RSUs, DPSUs and DSUs, the "Share Units") to directors and certain eligible officers and employees, of the Corporation, as determined by the Committee.

Each of the Plans was designed to attract and retain eligible directors, employees and officers, as applicable, and to provide them with compensation opportunities that are consistent with the interests of Shareholders. Eligibility under the Plans is also extended to eligible directors, employees and officers, as applicable, of the Corporation's subsidiaries, partnerships, trusts or other controlled entities, as set out more particularly in the terms of each of the Plans. The Corporation previously implemented each of the Plans in 2012 and the Board has approved the amendments contemplated herein, which it believes are in the best interests of the Corporation and Shareholders.

<u>TSX Approval</u>

The TSX rules require shareholder approval of security based compensation arrangements, such as the revised Plans, that involve the delivery of newly issued securities. The Plans did not previously require approval from the Shareholders as the vested Share Units granted pursuant to each, if any, were settled in cash or by the delivery of Common Shares purchased on the secondary market by a trustee appointed by the Corporation.

Under the revised Plans, upon vesting, the Share Units held by participants may be settled in cash, by delivery of Common Shares issued from treasury of the Corporation, by the delivery of Common Shares purchased on the secondary market by a trustee appointed by the Corporation, or by a combination thereof, at the discretion of the Committee or Board, as applicable.

For greater certainty, upon meeting the objectives established by the Committee at the time of grant, participants will receive the number of Common Shares allotted to them or cash in lieu of such Common Shares for no further consideration.

<u>Maximum Shares</u>

The revised Plans provide for an aggregate maximum of 2,500,000 Common Shares of the Corporation reserved for issuance to participants under the Plans (and any other security based compensation arrangement of the Corporation), representing approximately 4.55% of the issued and outstanding Common Shares of the Corporation as at the date of the Circular. The allocation of the aggregate maximum amount of Common Shares among each of the Plans shall be determined by the Committee from time to time.

<u>Insider Participation Limits</u>

Insiders of the Corporation are eligible to participate in the Plans however the Plans limit insider participation such that the number of Common Shares of the Corporation issued within a one-year period and the number of Common Shares of the Corporation issuable at any time to insiders of the Corporation does not exceed 10% of the issued and outstanding Common Shares of the Corporation. The Plans do not provide for a maximum number of shares which may be issued to an individual participant pursuant to the Plans other than the foregoing insider participation limit.

Market Value

The number of Share Units granted to a participant under the Plans will be based on the amount of the grant, as determined by the Committee, divided by the volume weighted average trading price of the Common Shares of the Corporation for the 5 trading days prior to the effective date of the grant (the "Market Value"). Any dividends declared by the Corporation prior to settlement of the Share Units will result in the grant of an additional number of Share Units to the participant which is equal to the amount of the dividend multiplied by the number of Share Units held by such participant as of the record date of the dividend (which shall include any previous dividends declared by the Corporation with respect to such Share Units), and dividing the product of such amount by the Market Value of the Common Shares as of the record date of the dividend.

Vesting

Vesting of the Share Units is subject to the discretion of the Committee. Vesting of PSUs and DPSUs will typically depend on such financial, personal, operational or transaction-based performance criteria as determined by the Committee. Settlement of the PSUs and DPSUs shall generally occur within 90 days following vesting of the Share Units. Vesting of RSUs and RDSUs will typically depend on the continuous service of the participant for a period of time as determined by the Committee, after which settlement shall occur. Unless otherwise determined by the Committee, DSUs will typically be vested upon allocation to the participant.

The LTIP and DPSU Plan provide for accelerated vesting of PSUs and RSUs, as applicable, upon a change of control of the Corporation. Upon a change of control, as defined in the LTIP and DPSU Plan, the Share Units granted to the participant which have not vested as of the date of the change of control shall vest on an accelerated basis in accordance with the adjustment formula in the LTIP or DPSU Plan, as applicable.

Settlement of vested Share Units by cash shall be made by payment by the Corporation to the participant of an aggregate amount equal to the Market Value of the Common Shares on the settlement date multiplied by the number of Share Units being settled. If the intended settlement date of Share Units occurs during a blackout period, such settlement date shall be postponed until the end of such blackout period. The market value will be determined through the volume weighted average trading price of the Common Shares of the Corporation over the next 5 trading days following the expiry of the blackout period.

Cessation

Under the LTIP, unless otherwise determined by the Committee, if the employment of a participant is terminated for cause or terminated as a result of the participant's resignation before all of the Share Units granted to such participant have become vested and have settled, such Share Units which have not vested and been settled by the date of such participant's termination will be forfeited immediately.

If the employment of a participant is terminated by the Corporation without cause, or where termination is the result of the retirement or death of the participant, a proportion of the Share Units granted to the participant which have not vested shall vest on an accelerated basis in accordance with the adjustment formula set out in the LTIP. Similarly, in the event that a participant ceases to actively render services to the Corporation as a result of an approved leave of absence, maternity leave, parental leave, or leave on account of a disability that, in each case, extends for more than 90 days, a proportion of the Share Units granted to the participant which have not vested and settled shall vest on an accelerated basis in accordance with the adjustment formula set out in the LTIP.

Unless otherwise determined by the Committee, a participant shall have no right to receive Common Shares of the Corporation or cash with respect to any DPSUs that have not vested. In the event of the retirement or death of a participant prior to vesting of DPSUs, the DPSUs granted to the participant which have not vested shall vest on an accelerated basis in accordance with the adjustment formula set out the DPSU Plan. In the event that a participant ceases to actively render services to the Corporation as a result of an approved leave of absence or leave on account of a disability that, in each case, extends for more than 90 days, a proportion of the DPSUs granted to the participant which have not vested and settled shall vest on an accelerated basis in accordance with the adjustment formula set out in the DPSU Plan.

Under the DSU Plan, vesting of RDSUs does not typically take place until the participant has retired, upon the terms set out in the eligibility notification issued to the participant pursuant to the DSU Plan. Death of the participant or the participant's participation in the long-term disability program of the Corporation will not alter the participant's employment status for purposes of the DSU Plan.

Assignment

Participants are not permitted to assign or transfer Share Units or any other benefits granted to the participant under the Plans other than by operation of law, with the exception of the receipt of any benefits which are payable under the terms of the LTIP or DSU Plan upon the death of such participant by such participant's designated beneficiary.

Ratification

The Corporation originally implemented the Plans in 2012. Since the Plans have been adopted, Share Units have been granted to certain directors and officers and employees of the Corporation. The Share Units issued to participants prior to the amendments contemplated in this Circular cannot be settled by the issuance of Common Shares from treasury of the Corporation until such time that Shareholders have approved the amendments to the Plans and ratified the previous grants of unvested Share Units. The following table summarizes the unvested Share Units which have been issued by the Corporation prior to the amendments which are subject to ratification:

		Participants		
Share units Granted	**Directors**	**Officers**	**Employees**	**Vesting Period**(1)
PSU	-	380,632	76,287	December 31, 2015 - December 31, 2017
RSU	-	-	-	Not applicable
DPSU	80,194	-	-	December 31, 2015 - December 31, 2017
DSU	118,940			Fully vested
RDSU	-	279,170	-	At Age 65 of each participant(2)

(1) The date range displayed in this column indicates the earliest and latest dates upon which the respective Share Units will become vested.

(2) 101,516 of the RDSUs have vested as of the Record Date.

Amendments Without Approval of Shareholders

The Board has the discretion to make amendments to the Plans which it may deem necessary from time to time, without having to obtain shareholder approval. Such amendments include, without limitation:

a) reduction of the number of Common Shares issuable under the Plans;

b) increase or decrease the maximum number of Common Shares any single participant is entitled to receive under the Plans;

c) any amendment pertaining to the vesting provisions of Share Units under the Plans;

d) any amendment to the terms of the Plans relating to the effect of termination, cessation or death of a participant on the right to exercise vested Share Units;

e) any amendment pertaining to the assignability of Share Units or any other benefits of the Plans required for estate planning purposes;

f) amend the process by which a participant can exercise a vested Share Unit or the settlement process for a vested Share Unit;

g) add and/or amend any form of financial assistance provision to the Plans;

h) amend the eligibility requirements for participants in the Plans;

i) allocate and reallocate among the Plans the maximum number of Common Shares issuable to participants pursuant to each Plan;

j) any amendment as may be necessary or desirable to bring the Plans into compliance with applicable laws;

k) any amendment to add covenants of the Corporation for the protection of participants, provided that the Committee and/or the Board shall be of the good faith opinion that such additions will not be prejudicial to the rights or interest of the participants;

l) any amendment not inconsistent with the Plans as may be necessary or desirable with respect to matters or questions, which in the good faith opinion of the Committee and/or the Board, having in mind the best interests of the participants, it may be expedient to make, provided that the Committee and/or the Board shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the participants; and

m) any such changes or corrections which, in the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Committee and/or the Board shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interest of the participants.

The Plans provide that no amendment to the Plans or grants made pursuant to the Plans may be made without the consent of a participant if it adversely alters or impairs the rights of the participant in respect of any grant previously granted to such participant under the Plans, except that participant consent shall not be required where the amendment is required for purposes of compliance with applicable laws.

The Plans also provide that no amendments may be made without approval of shareholders where such an amendment is proscribed by applicable law, including, without limitation the rules of the Toronto Stock Exchange, without approval of shareholders.

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, 2014, 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.

Audit Committee
The Audit Committee was comprised of Larry Hood (Chair), Stan Spavold, Jim Dickson and Thomas Traves (to retire May 12, 2015), in 2014. Please refer to the section entitled "*Audit Committee*" in the Corporation's annual information form for the financial year ended December 31, 2014 for more information on the Audit Committee.

Finance Committee
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; two of whom are independent.

HRDCC
The HRDCC has been established by the Board of Directors for the purposes of monitoring and providing guidance on the level of executive compensation. The HRDCC 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 HRDCC currently consists of Harold Giles (Chair), Thomas D. Traves (to retire May 12, 2015), Brendan Paddick, and Mickey MacDonald. Thomas D. Traves, Brendan Paddick and Harold Giles qualify as independent directors within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

Corporate Governance Committee
Although the Board of Directors is ultimately responsible under the law for the stewardship of the Corporation, the Corporate Governance Committee ("CG Committee") has responsibility for developing and monitoring Clearwater's compliance with its corporate governance system. The CG committee currently consists of Jim Dickson (Chair), Larry Hood, Thomas D. Traves, and Stan Spavold. Three of the four members qualify as independent directors within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices*.

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 11, 2016, 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, 2015.

(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”. Reference to the Corporate Governance Committee is referred to below as “CG”. Reference to the Human Resource Development and Compensation Committee is referred to below as “HRDCC”. 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, 2015 (except as disclosed).

Form 58-101F1

Corporate Governance Disclosure

Section 1 – Board of Directors	
(a)	*Disclose the identity of directors who are independent.* Directors of the Corporation that are independent as within the meaning of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* are: ▪ Thomas Traves – Director of the Corporation, member of HRDCC, 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 HRDCC ▪ Jim Dickson – Director of the Corporation, Chairman of the CG Committee, member of the Audit and Finance Committees. ▪ Brendan Paddick – Director of the Corporation, member of the HRDCC and the Finance Committee. Mr. Thomas Traves will cease to be a director at the close of the Meeting. Jane Craighead, a proposed nominee for election, will also be considered independent if she is elected at the Meeting.
(b)	*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 HRDCC ▪ 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
(c)	*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 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.
(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.* 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. Jane Craighead 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 ▪ Coastal Shellfish Limited Partnership ▪ Norvista Capital Limited Partnership ▪ BIOX Corporation and BIOX Canada Limited
(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 Board does not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. To facilitate its exercise of independent judgment in carrying out its responsibilities the Board has and will, when considered necessary, 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. The independent directors did not meet separately in 2014 as circumstances did not require additional meetings.
(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. As chair he is responsible for guiding the policies and practices relating to integrity of financial and regulatory reporting as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. The Committee is also responsible for identifying principal risks of the business and ensuring appropriate risk management techniques are in place. Harold Giles is the Chair of the HRDCC and is an independent director. His role and responsibilities is to provide advice and recommendations to the Board with respect to the appointment, performance and compensation of the CEO and Executives of the Corporation. Jim Dickson is the Chair of the CG Committee and is an independent director. Although the Board of Directors is ultimately responsible under the law for the stewardship of the Corporation, the Corporate Governance Committee and its chair has responsibility for developing and monitoring Clearwater's compliance with its corporate governance system. Stan Spavold is the Chair of the Finance Committee and is not independent. The Finance Committee and its chair provides Board oversight of management's recommendations to the Board concerning the Corporation's liquidity, capital structure and strategies, financing strategies, financial risk management and dividend policy. 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 the following meetings: ▪ 6 Board; ▪ 5 Audit; ▪ 7 HRDCC; ▪ 4 Corporate Governance ▪ 6 Finance; and ▪ 10 Other 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. Attendance records for these meetings are disclosed above under the heading "Director Attendance".
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 Corporation 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 and its chair. 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.* Continuing education is tailored to a director's individual needs and areas of interest. On a regular basis Management presents and educates the board on a wide variety of topics including financial results, operations of the business, significant and key risks, and awareness of current issues.
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.* The directors of the Corporation are required to disclose conflicts of interest. Directors with conflicts of interest are excluded from final discussion and voting on such matters. 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 Corporation 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. The process begins with an analysis of the knowledge and skills most in need on the board. The CG Committee then identifies potential candidates with such knowledge and skills through its own contacts as well as discussions with search firms and other third parties with knowledge of potential candidates.
(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.* Nominations are the responsibilities of the CG committee. The CG committee identifies qualified individuals for Board and Board Committee membership as well as chairmanships. Annually the CG also evaluates the board, committees, and individual director performance.
Section 7 – Compensation – For further information refer to director and executive compensation tables	
(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. For further information refer to director and executive compensation.

	The HRDCC has been established by the Board of Directors for the purposes of monitoring and providing guidance on the level of executive compensation. The HRDCC 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. For information on the process by which the HRDCC determines compensation for executive officers of the Corporation, see "*Executive Compensation*".
(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 HRDCC is composed of four members; (Harold Giles (chair), Thomas D. Traves, Brendan Paddick and Mickey MacDonald) three of whom are independent directors (Giles, Traves and Paddick). The HRDCC 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 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. For further information refer to the Board Committee Reports section of the Circular. The HRDCC has been established by the Board of Directors for the purposes of monitoring and providing guidance on the level of executive compensation. The HRDCC 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.
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. 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.
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. The process includes review of a skills and knowledge matrix by the CG Committee in consultation with third parties as well as a director self-assessment under the matrix.

Section 10 – Director Term Limits and Other Mechanisms of Board Renewal	
	Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so. The Company has considered but not imposed term limits for Directors because the board is small and the majority of the Company's shares are closely held.

Section 11 – Policies Regarding the Representation of Women on the Board	
(a)	*Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so.* The Company has adopted a diversity policy which includes consideration of women in the selection criteria of new board members.
(b)	*If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy:* *(i) a short summary of its objectives and key provisions,* The objective of the diversity policy is to enhance diversity within the Company, including gender diversity on its board and executive management. The Company recognizes the benefits arising from diversity, including gender diversity, in providing a broader pool of high quality talent, improving retention, accessing different perspectives and ideas and benefiting from all available talent. The Company recruits, retains, rewards and develops its people based on their abilities and contributions. Individuals are to be accorded equality of employment opportunity based upon merit and ability. The board is designed to be large enough to provide a diversity of expertise and opinion. Its composition is intended to provide the best mix of skills and experience to guide the long term strategy and ongoing operations. Board composition will take into account the desirability of maintaining a reasonable diversity of background, including gender diversity. The Company will endeavour to increase the diversity throughout the organization including at the board and executive levels. *(ii) the measures taken to ensure that the policy has been effectively implemented,* The board is responsible to proactively monitor the Company's performance in meeting the standards outlined in the diversity policy, including an annual review of any diversity initiatives established by the board and progress in achieving them. Management is responsible for implementing the policy, achieving diversity initiatives determined by the board and reporting to the board on progress. The Policy calls for the Board to set measurable objectives for achieving diversity that are appropriate for the Company. The measurable objectives may include: procedural/structural objectives; initiatives and programs. in relation to aspects of diversity that are appropriate for the Company. While the Board is not setting any targets initially, it will monitor progress and could decide to do so in the future if progress is not being made. The Board and management may from time to time engage external search firms to identify candidates who meet the expertise and skill criteria for a position to help achieve its diversity goals. *(iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and* *(iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.* The diversity policy was implemented in February, 2015 and so the board has not yet measured the effectiveness of the policy. It is noted that the new Director proposed for election is a woman.

Section 12 – Consideration of the Representation of Women in the Director Identification and Selection Process	
	Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the

	issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so. In accordance with its Diversity Policy, the board considers diversity, including gender diversity, in the selection criteria of new board members.
Section 13 – Consideration Given to the Representation of Women in Executive Officer Appointments	
	Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so. In accordance with its Diversity Policy, the Company considers diversity, including gender diversity, in the selection criteria of new executive officer appointments.
Section 14 – Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions	
(a)	*For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date.* In accordance with its Diversity Policy, the Company has not adopted a target or quota regarding women on its board or executive management, as it considers gender diversity to be part of a broader diversity goal which includes age, gender, ethnicity, cultural background, disability or other personal factors. Diversity, including gender diversity, is one aspect of merit which includes an individual's skills, performance, values, leadership and other job related criteria. While the Board is not setting any targets initially, it will monitor progress and could decide to do so in the future if progress is not being made in obtaining appropriate diversity.
(b)	*Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so.* In accordance with its Diversity Policy, the Company has not adopted a target or quota regarding women on its board or executive management, as it considers gender diversity to be part of a broader diversity goal which includes age, gender, ethnicity, cultural background, disability or other personal factors. Diversity, including gender diversity, is one aspect of merit which includes an individual's skills, performance, values, leadership and other job related criteria. While the Board is not setting any targets initially, it will monitor progress and could decide to do so in the future if progress is not being made in obtaining appropriate diversity.
(c)	*Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so.* In accordance with its Diversity Policy, the Company has not adopted a target or quota regarding women on its board or executive management, as it considers gender diversity to be part of a broader diversity goal which includes age, gender, ethnicity, cultural background, disability or other personal factors. Diversity, including gender diversity, is one aspect of merit which includes an individual's skills, performance, values, leadership and other job related criteria. While the Board is not setting any targets initially, it will monitor progress and could decide to do so in the future if progress is not being made in obtaining appropriate diversity.
(d)	*(d) If the issuer has adopted a target referred to in either (b) or (c), disclose:* *(i) the target, and* *(ii) the annual and cumulative progress of the issuer in achieving the target.* Not applicable.

Section 15 – Number of Women on the Board and in Executive Officer Positions	
(a)	*Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women.* The Company's board of directors currently does not have any woman members, but the new Director proposed for election is a woman which will result in 11% of the directors being women.
(b)	*Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.* One (11%) of the executive officers of the Company is a woman.