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Corporate Governance Statement

CORPORATE GOVERNANCE

The Trustees of Clearwater Seafoods Income Fund, the Board of Directors of CS ManPar Inc. (the managing partner of Clearwater Seafoods Limited Partnership), and the management team of Clearwater are committed to a high standard of corporate governance. Effective corporate governance requires specified reporting structures and business processes, a strategic planning process, and a commitment to work according to these. We believe that sound corporate governance contributes to unitholder value and to trust and confidence in Clearwater.

The Board of Directors of CS ManPar Inc. is responsible under law for the stewardship of Clearwater Seafoods Limited Partnership, including the business affairs of Clearwater Seafoods Income Fund. To help execute this mandate, the Board has two standing committees, each consisting of only independent directors.

This Audit Committee is comprised of Bernard Wilson (Chair), Brian Crowley and Brendan Paddick. The Corporate Governance and Compensation Committee is comprised of Hugh Smith (Chair), Bernard Wilson and Brian Crowley.

The Trustees from time to time meet separately and, at other times, as part of the Board of Directors and Committees thereof. The Trustees consider their major responsibility is to protect the interest of the unitholders, in particular the public unitholders in all respects. This can relate to monitoring distributions and the subordination of the exchangeable units, monitoring and approving, and otherwise, all non-arms' length transactions, etc.

The Ontario Securities Commission issued National Policy 58-201 and National Instrument 58-101 in 2005, which effectively replaces the former TSX guidelines, followed for corporate governance disclosures. These disclosures and guidelines are set out below along with Clearwater's conformity to them.

References to the Clearwater Seafoods Income Fund, CS ManPar Inc and Clearwater Seafoods Limited Partnership are abbreviated below to the "company".

The mandate of the board is to supervise the management of the company and to act in the best interests of the company. The boards acts in accordance with the Canadian Business Corporations Act, the company's Declarations of Trusts and Limited Partnership Agreements, the company's code of business conduct, conflict of interest policies, corporate disclosure policy and corporate governance policy including the related charters of the board committees as well as other applicable laws. The board approves all significant decisions that affect the company and its subsidiaries before they are implemented. The board supervises their implementation and reviews the results. Copies of the company's code of business conduct, conflict of interest policies, corporate disclosure policy and corporate governance guidelines can be found on the company's website at www.clearwater.ca.

The Corporate Governance and Compensation Committee complies with the guidelines issued by the OSC in 58-201.

The required disclosures and guidelines for 58-101 are set out below along with Clearwater’s conformity to them. The requirements of the OSC are in italics with Clearwater’s response indicated below the requirement. References to the Fund, CS ManPar and Clearwater are abbreviated below to the “company”. The information disclosed in the form is based on information available as of March 28, 2007.

Form 58-101F1

Corporate Governance Disclosure

Section 1 – Board of Directors	
(a)	<p><i>Disclose the identity of directors who are independent.</i></p> <p>Trustees or directors of the Company that are independent are:</p> <ul style="list-style-type: none"> ▪ Tom Traves - member of the Corporate Governance and Compensation Committee ▪ Hugh Smith – Chair of the Corporate Governance and Compensation Committee ▪ Bernie Wilson – Chair of the Audit Committee and member of the Corporate Governance and Compensation Committee ▪ Brian Crowley – member of the Corporate Governance and Compensation Committee and the Audit Committee ▪ Brendan Paddick – member of the Audit Committee
(b)	<p><i>Disclose the identity of directors who are not independent, and describe the basis for that determination.</i></p> <p>Directors who are not independent are:</p> <ul style="list-style-type: none"> ▪ John Risley – Chairman of CS ManPar Inc., the Managing Partner of Clearwater Seafoods Limited Partnership and significant shareholder ▪ Colin MacDonald – CEO of CS ManPar Inc., the Managing Partner of Clearwater Seafoods Limited Partnership and significant shareholder
(c)	<p><i>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.</i></p> <p>All trustees are independent. The majority of directors of CS ManPar Inc. are independent.</p>

<p>(d)</p>	<p><i>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.</i></p> <p>Tom Traves does not serve as a director of any other reporting issuers.</p> <p>Hugh Smith also serves as a director for the following issuers:</p> <ul style="list-style-type: none"> ▪ Clarke Inc. ▪ Royal Host REIT <p>Bernie Wilson serves a director for the following issuers:</p> <ul style="list-style-type: none"> ▪ Consolidated Thompson Iron Mines Limited ▪ Crowflight Minerals Inc. ▪ Goldengate Group <p>Brian Crowley does not serve as a director of any other reporting issuers.</p> <p>Brendan Paddick does not serve as a director of any other reporting issuers.</p> <p>John Risley also serves as a director for the following issuers:</p> <ul style="list-style-type: none"> ▪ Clarke Inc ▪ FPI Limited <p>Colin MacDonald does not serve as a director of any other reporting issuers.</p>
<p>(e)</p>	<p><i>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.</i></p> <p>The Trustees, all of whom are independent, from time to time meet separately and, at other times, as part of the Board or Directors and Committees thereof.</p> <p>The members of the Board have met 6 times during 2006 and included management, the trustees met 6 times during 2006 without management in attendance, the audit committee met 4 times during 2006 without management in attendance and the Corporate Governance and Compensation Committee met twice during 2006 without management in attendance. During 2007, regular meetings without the inclusion of management are scheduled to be held on a regular basis.</p> <p>A committee may convene meetings of the committee without management present and any member of the Board may call a meeting to be held without the management present and members of the Audit Committee meet directly with the Company's auditors at least quarterly without management present.</p>

<p>(f)</p>	<p><i>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.</i></p> <p>Hugh Smith is the Chair of the Corporate Governance and Compensation Committee and is an independent director. His role and responsibilities are outlined in the Committee's Mandate.</p> <p>Bernie Wilson is the Chair of the Audit Committee and is an independent director. His role and responsibilities are outlined in the Committee's Mandate.</p> <p>John Risley is the Chair of CS ManPar Inc., the managing partner of the Fund and is not independent, however the Trustees of Clearwater Seafoods Income Fund are independent.</p>
<p>(g)</p>	<p><i>Disclose the attendance record of each director for all board meetings held since the beginning of the issuer's most recently completed financial year.</i></p> <p>There were 6 board meetings, 6 trustee meetings, 4 audit committee meetings and 2 corporate governance and compensation committee meetings.</p> <ul style="list-style-type: none"> ▪ Tom Traves attended 6 of 6 board meetings, 6 of 6 trustee meetings and 2 of 2 corporate governance and compensation committee meetings ▪ Hugh Smith attended 5 of 6 board meetings and 1 of 2 corporate governance and compensation committee meetings ▪ Bernard Wilson attended 4 of 6 board meetings, 4 of 6 trustee meetings, 2 of 4 audit committee meetings and 1 of 2 corporate governance and compensation committee meetings ▪ Brian Crowley attended 4 of 6 board meetings, 4 of 6 trustee meetings, 2 of 4 audit committee meetings and 1 of 2 corporate governance and compensation committee meetings ▪ Brendan Paddick attended 5 of 6 board meetings and 3 of 4 audit committee meetings

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.

The boards act in accordance with the Canadian Business Corporations Act, the applicable Declarations of Trusts and Limited Partnership Agreements, the company's code of business conduct, conflict of interest policies, corporate disclosure policy and corporate governance policy including the related charters of the board committees as well as other applicable laws. The Board approves all significant decisions that affect the company and its subsidiaries before they are implemented. The Board supervises their implementation and reviews the results. Copies of the company's code of business conduct, conflict of interest policies, corporate disclosure policy and corporate governance guidelines can be found on the company's website at www.clearwater.ca.

Please refer to appendix B "Corporate Governance and Compensation Committee Mandate".

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.*

There is written description for the chair of a committee in the Corporate Governance and Compensation Committee Mandate.

The role of the Board is to establish an agreed upon planning process, then review, question and validate, and ultimately approve, the strategies for Clearwater. The Board believes that management is responsible for the development of individual business unit and overall corporate strategy. The Board receives presentations from management with respect to the long-term direction of Clearwater, strategic priorities, and performance. The Board reviews and analyzes these presentations to ensure that there is congruence between strategic plans, performance, and unitholder expectations.

(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)	<p><i>Briefly describe what measures the board takes to orient new directors regarding</i></p> <ul style="list-style-type: none"><i>(i) the role of the board, its committees and its directors, and</i><i>(ii) the nature and operation of the issuer's business.</i> <p>New directors will be provided with an orientation and education program, which will include written information about the duties and obligations of Directors, the businesses and operations of Clearwater, documents from recent Board meetings and opportunities for meeting and discussions with senior management and other Directors. The details of the orientation of each new Director will be tailored to that director's individual needs and areas of interest.</p>
(b)	<p><i>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.</i></p> <p>On a regular basis, Management of the Company provides presentations on the operations to the board to continually update them on the status of the business and to provide awareness of current issues and financial results.</p>

Section 5 – Ethical Business Conduct

(a)	<p><i>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></p> <ul style="list-style-type: none"><i>(i) disclose how a person or company may obtain a copy of the code;</i><i>(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</i><i>(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.</i> <p>Clearwater has a written "Code of Business Conduct", "Employees' Conflict of Interest Policy" and "Directors' Conflict of Interest Policy". A copy of the code can be obtained on the Company's website and 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 departure from the code.</p>
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(b)	<p><i>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.</i></p> <p>No inside director shall be a voting member of a Board Committee but may attend meetings of such committee as appropriate as a non-voting or ex-officio member as has been the case for the Corporate Governance and Compensation Committee. 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 Corporate Governance and Compensation Committee.</p>
(c)	<p><i>Describe any other steps the board takes to encourage and promote a culture of ethical business conduct.</i></p> <p>The board meets regularly to ensure that a clear line of communication always remains open and reviews the policies of the company to ensure that proper processes are in place to promote ethical business conduct and makes recommendations and revisions when necessary. A statement on Corporate Governance is maintained on the Clearwater website along with a number of important policies.</p> <p>The Corporate Governance and Compensation 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.</p>
Section 6 – Nominations of Directors	
(a)	<p><i>Describe the process by which the board identifies new candidates for board nomination.</i></p> <p>The Corporate Governance and Compensation Committee is responsible for gathering names of potential candidates for nomination. They are to screen the candidates' qualifications against the current skill and experience requirements of the Board and provide recommendations in this regard to the full Board. However, all directors are encouraged to identify potential candidates and direct input is provided from the Chairman and CEO.</p>
(b)	<p><i>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.</i></p> <p>The nominating committee responsibilities are carried out by the Corporate Governance and Compensation Committee, which is composed of all independent directors.</p>

(c)	<p><i>If the board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.</i></p> <p>The nominating committee's responsibilities are carried out by the Corporate Governance and Compensation Committee, whose responsibilities, powers and operation is discussed above.</p>
Section 7 – Compensation	
(a)	<p><i>Describe the process by which the board determines the compensation for the issuer's directors and officers.</i></p> <p>The Corporate Governance and Compensation Committee reviews the compensation of outside directors on a periodic basis. Inside directors are not compensated. The committee will make recommendations to the board for consideration when it believes changes in compensation are warranted.</p>
(b)	<p><i>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.</i></p> <p>The Corporate Governance and Compensation committee is composed of all independent directors.</p>
(c)	<p><i>If the board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.</i></p> <p>The Corporate Governance and Compensation committee's responsibilities as outlined in the attached mandate.</p>
(d)	<p><i>If a compensation consultant or advisor has, at any time since the beginning of the issuer's most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.</i></p> <p>Not applicable.</p>

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 Company has an established Disclosure and Risk Management Committees comprised of the management and employees of the Company, both of which report to the Board on a regular basis.

The Disclosure Committee is responsible for assisting the Company’s Chief Executive Officer and Chief Financial Officer (the “Senior Officers”) in fulfilling their oversight responsibilities with respect to accurate and timely public reporting and disclosure by the Company.

The Risk Management Committee was established in early 2006 and is responsible for assisting the Company’s Chief Executive Officer and Chief Financial Officer (the “Senior Officers”) in fulfilling their oversight responsibilities with risk management.

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 Corporate Governance and Compensation Committee is responsible for making an annual 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.

Section A - Code of Business Conduct

This Code applies to all trustees, directors, officers and employees (collectively the “employees”) of the Corporation.

Every employee of Clearwater Seafoods Income Fund and Clearwater Seafoods Limited Partnership and all related subsidiaries (collectively the “Corporation”) occupy a position of trust. In varying measure, each employee represents the Corporation in his or her relations with others – whether with customers, suppliers, other employees, competitors, governments, investors or the general public. Whatever the area of activity and whatever the degree of responsibility, the Corporation expects each individual to act in a manner that will enhance the Corporation’s reputation for honesty, integrity and the faithful performance of its undertakings and obligations.

Every employee has the responsibility to obey the law and act ethically. To that end, this Code of Business Conduct (this “Code”) is a guide that is intended to sensitize employees to significant legal and ethical issues that arise frequently and to the mechanisms available to report illegal or unethical conduct. It is not, however, a comprehensive document that addresses every legal or ethical issue that an employee may confront, nor is it a summary of all laws and policies that apply to our business. Ultimately, no code of business conduct and ethics can replace the thoughtful behavior of an ethical employee.

If you have any questions about this Code or are concerned about conduct you believe violates our policies or the law, you should consult with the Corporate Compliance Officer (Director of Investor Relations and Corporate Finance), CEO or the CFO. No one at the Corporation has the authority to make exceptions to these policies, other than our Board of Directors or a committee of our Board of Directors.

INTRODUCTION

The provisions of this Code, as set forth in Sections 1 to 15, are mandatory and full compliance is expected under all circumstances. This Code affirms the Corporation’s commitment to uphold high moral and ethical standards and to specify the basic norms of behavior for those who are involved in representing it.

Failure to comply with this Code can have severe consequences for both the employee and the Corporation. The Corporation will impose appropriate discipline that may include discharge for violations of this Code. Furthermore, conduct that violates this Code may also violate federal, provincial or state law and can subject both the Corporation and the employee to prosecution and legal sanctions.

1 – Compliance with the law

The Corporation and its employees shall comply fully with all lawful requirements, both domestic and foreign, applicable to the Corporation’s business.

Whenever an employee is in doubt about the application or interpretation of any legal requirement, the employee should refer the matter to his or her superior who, if necessary, should seek the advice of the Corporation's counsel. Many of the Corporation's activities are subject to complex and changing laws, in Canada and other countries, affecting both local and foreign trade and commerce. Ignorance of the law is not in general, a defense should such laws be contravened; moreover, agreements or arrangements need not necessarily be in writing to be contradictory to such laws since it is possible for a contravention to be inferred from the conduct of the parties. Accordingly, employees must diligently ensure that they are aware of, and that their conduct cannot be interpreted as being in contravention of, laws governing the affairs of the Corporation in any jurisdiction where it carries on business.

2 – Gifts and entertainment

Employees shall not furnish, directly or indirectly, on behalf of the Corporation, expensive gifts or provide excessive entertainment or benefits to other persons.

Employees, whose duties permit them to do so, may furnish modest gifts, favours and entertainment to persons, other than public officials, if all the following tests are met:

- They have a value of less than \$500;
- They are not in cash or other negotiable instruments;
- They cannot reasonably be interpreted as a bribe, payoff or other improper payment and are of nominal value;
- They are made as a matter of general and accepted business practices;
- They do not contravene any law and are made in accordance with generally accepted local ethical practices; and
- If subsequently disclosed to the public, their provision would not in any way embarrass the Corporation or their recipients.

For example, reasonable expenses for the entertainment of customers, prospective employees or business associates are permissible on the part of employees whose duties embrace the provision of such entertainment, provided proper accounting is made.

3 – Dealings with public officials

All dealings between employees of the Corporation and public officials are to be conducted in a manner that will not compromise the integrity or impugn the reputation of any public official, the Corporation or its affiliates.

Even the appearance of impropriety in dealing with public officials, whether domestic or foreign, is improper and unacceptable. Any participation, whether directly or indirectly, in any bribes,

kickbacks, illegal gratuities, indirect contributions or similar payments is expressly forbidden, whether or not they might further the business interests of the Corporation. Maintenance of a high standard of integrity is of the utmost importance to the Corporation.

Since the furnishing of even an inexpensive gift or a modest entertainment or benefit to a public official may be open to the interpretation that it was furnished illegally to secure the use of his or her influence as a public official, no such gift, entertainment, or benefit may be furnished by an employee unless he or she complies with the following conditions:

- An employee who is an officer of the Corporation may from time to time and in appropriate circumstances furnish inexpensive gifts or modest entertainment or benefits to a public official;
- Other employees of the Corporation may furnish inexpensive gifts or modest entertainment or benefits to a public official only if he or she has received authorization to do so from an officer of the Corporation, and he or she submits an expense account disclosing the expenditure for the approval of the person from whom authorization was first obtained.

4 – Political contributions

The use of the Corporation's funds, goods or services as contributions to political parties, candidates or campaigns is forbidden, unless authorized by the CEO.

Contributions include money or anything having value, such as loans, services, excessive entertainment, trips and the use of the Corporation's facilities or assets. Further, no employee is to be reimbursed for any contributions, which he or she might make. The Corporation encourages political activity and political involvement by its employees acting on their own behalf but not as representatives of the Corporation.

5 – Personal gain

Employees shall not use their employment status to obtain personal gain from those doing or seeking to do business with the Corporation.

Except as hereinafter provided, employees should neither seek nor accept gifts, payments, services, fees, special valuable privileges, pleasure or vacation trips or accommodations or loans from any person (except, in the case of loans, from persons in the business of lending and then only on conventional terms) or from any organization or group that does, or is seeking to do business with the Corporation or any of its affiliates, or from a competitor of the Corporation or any of its affiliates. However, employees may accept modest gifts, favours or entertainment provided that in so doing, standards consistent with the tests relating to the furnishing of gifts as set forth in Section 2 are met.

6 – Conflict of interest

Employees must avoid all situations in which their personal interests conflict or might conflict with their duties to the Corporation.

Employees should seek to avoid acquiring any interests or participating in any activities that would tend to:

- Deprive the Corporation of the time or attention required to perform their duties properly; or
- Create an obligation or distraction, which would affect their judgment or ability to act solely in the Corporation's best interest.

In certain instances, ownership or other participation in a competing or complementary business enterprise might create or appear to create such a conflict. Employees are required to disclose in writing to their supervisors all business, commercial or financial interests or activities that might reasonably be regarded as creating an actual or potential conflict with their duties of employment. Every employee of the Corporation who is charged with executive, managerial or supervisory responsibility is required to see that actions taken and decisions made within his or her jurisdiction are free from the influence of any interests that might reasonably be regarded as conflicting with those of the Corporation.

Employees are prohibited from: (a) taking for themselves personally opportunities that properly belong to the Corporation or are discovered through the use of corporate property, information or position; (b) using corporate property, information or position for personal gain; and (c) competing with the Corporation. Employees owe a duty to the Corporation to advance its legitimate interests when the opportunity to do so arises.

The law provides that if personal financial benefit is improperly gained by an employee, directly or indirectly, through a spouse or child or a relative sharing the same residence as the employee, as a result of his employment or by the use or misuse of the Corporation's property or of information that is confidential to the Corporation's business, then the employee must account to the Corporation for any benefit received. Employees must do more than merely act within the law. They must act in such a manner that their conduct will bear the closest scrutiny should circumstances demand that it be examined. Not only actual conflicts of interest but the very appearance of conflict should be avoided.

Our policies regarding conflicts of interest are set forth more completely in our conflict of interest policy.

7 – Inside information

Employees shall not use for their own financial gain or disclose for the use of others, inside information obtained as a result of their employment with the Corporation.

No employee who is aware of material information relating to the Corporation or its affiliates may buy or sell units or other securities of that Corporation until such information has been disclosed to the public and the market has had an adequate opportunity to absorb that information (two trading days).

Material information is any information that an investor might consider important in deciding whether to buy, sell or hold securities. Information may be important for this purpose even if it would not alone determine the investor's decision. Examples of some types of material information are financial results; financial forecasts; changes in distributions; new securities issues; possible mergers, acquisitions, joint ventures and other purchases and sales of or investments in companies; obtaining or losing important contracts; significant discoveries; important product developments; significant capital expenditures; major litigation developments; and major changes in business direction.

Information is considered to be non-public unless it has been disclosed to the public. Examples of effective disclosure include public filings with securities regulatory authorities and issuance of press releases, and also may include meetings with members of the media and the public. The information must not only be publicly disclosed, but adequate time must be given for the market to absorb the information.

The disclosure of material, non-public information to others can cause serious legal difficulties for the Corporation, the employee making the disclosure, and the person to whom any disclosure is made. Employees should not discuss material, non-public information about the Corporation with anyone except as required in the performance of their duties. This includes not giving "tips" on material non-public information, that is directly or indirectly disclosing such information to any other person, including family members, other relatives and friends. Furthermore, if during the course of your service with the Corporation, you acquire material, non-public information about another company, such as one of our customers or suppliers, or you learn that we are planning a major transaction with another company (such as an acquisition), you are required to treat this information as material information of the corporation and as well you are restricted from trading in the securities of the other company.

Such "insider trading" is both unethical and illegal, with criminal penalties of up to \$5 million and a jail term of up to 20 years and civil penalties of up to three times the illegal profit gained or loss avoided.

Our policies regarding insider trading and confidentiality are set forth more completely in our Corporate Disclosure Policy.

8 – Disclosure of confidential information

Unless previously published in the public domain, records, reports, papers, devices, processes, plans, methods, trade secrets, inventions and apparatus of the Corporation or the party who has permitted access thereto, to be secret and confidential and employees are prohibited from

revealing, reproducing, processing or using information concerning such matters without proper authorization.

The Corporation participates in a highly competitive industry where new technology and state-of-the-art advances are required on an ongoing basis. This provides an opportunity for the Corporation to survive and prosper in this competitive environment and to provide jobs and security for its many employees. This requires a constant effort to ensure that trade secrets, research and development, and business techniques are protected and secure. It is important that employees know and understand the responsibilities that they have to preserve the obligation of confidentiality so as to allow the Corporation to continue to operate and protect its business interests. As a result, the Corporation and its employees will not disclose information, which might impair the Corporation's competitive effectiveness or which might violate the private rights of individuals, enterprises or institutions. Employees are therefore prohibited from discussing, disclosing or using any secret or confidential information about the Corporation or in the possession of the Corporation, unless such disclosure has been authorized for legitimate purposes such as full and complete reporting to regulatory agencies or the provision of information to customers, employees investors and the public as may be necessary to allow them to judge adequately the Corporation and its activities.

Employees shall comply with departmental policies and procedures relating to the retention or the destruction of the Corporation's documents.

All inquiries regarding the Corporation from non-employees, such as financial analysts and journalists, should be directed to the CEO, CFO, or the IRO. Our policy is to cooperate with every reasonable request of government investigators for information. At the same time, we are entitled to all the safeguards provided by law for the benefit of persons under investigation or accused or wrongdoing, including legal representation. If a representative of any government or government agency seeks an interview with you or requests access to data or documents for the purposes of an investigation, you should refer the representative to the CEO. You also should preserve all materials, including documents and e-mails that might relate to any pending or reasonably possible investigation.

9 – Protection and recording of corporate assets

All employees must protect the Corporation's assets and ensure their efficient use. Such assets include, without limitation, intellectual property such as the Corporation's name, logos, trademarks, patents, copyrights, confidential information, ideas, plans and strategies. Theft, carelessness and waste have a direct impact on the Corporation's profitability. All company assets should be used only for legitimate business purposes. Any misuse or infringement of the Corporation's assets should be reported to your supervisor or the CEO.

The Corporation's books and records must fully and fairly disclose, in an accurate, timely and understandable manner all transactions involving the assets of the Corporation.

Employees must document and record all transactions in accordance with the Corporation's internal control procedures and in compliance with all applicable accounting principles, laws, rules and regulations. Under no circumstances should an employee create misleading records or falsify the Corporation's documents.

10 – Discrimination-free work environment

Employees must adhere to the policy of the Corporation which specifically provides for a work environment free of discrimination and harassment, and in which individuals are accorded equality of employment opportunity based upon merit and ability in a safe and non-threatening environment.

Discriminatory practices based on race, sex, colour, national or ethnic origin, religion, marital status, family, age or disability will not be tolerated. Employees are entitled to freedom from sexual and all other forms of personal harassment in the workplace.

It is not a discriminatory practice to make a distinction between persons based on bona fide occupational requirements.

Further, it is the responsibility of each of us to help the Corporation provide a work atmosphere free of harassing, abusive, disrespectful, disorderly, disruptive or other non-professional conduct. Sexual harassment in any form, verbal or physical, by any employee will not be tolerated. A violation of this policy will be treated with appropriate discipline, up to and including termination.

11 – Protection of the environment

The Corporation and its employees shall treat the protection of the environment as an integral factor in all decision-making.

The Corporation is committed to the protection of the environment. To comply with this commitment, the Corporation's policy is to meet or exceed all applicable governmental requirements. Employees must report to their superior all circumstances in which toxic substances are spilled or released into the environment. Violations of environmental laws, even if unintentional, can carry severe penalties and could result in prosecution of the Corporation or the employees involved, or both.

12 – Competition and trade practice standards

The Corporation shall compete vigorously and creatively in its business activities, but its efforts in the marketplace shall be conducted in a fair and ethical manner in strict compliance with applicable competition and trade practice laws and regulations.

Under no circumstances shall any employee of the Corporation be a party to any collusion or concerted effort of any type involving any competitor, vendor, supplier, customer or other party, which is in violation of competition laws and regulations designed to foster competition.

Because competition laws are complex, employees should refer matters about which they are in doubt to their superior, who, if necessary, should seek the advice of the Corporation's counsel.

13 – Computing technology

The Corporation provides computer hardware, software, Internet, e-mail and external data communications. The use of computers and telecommunications technology has become a prevalent and standard business practice, and all employees must exercise the same discretion as when using other business tools such as office telephones and facilities. Employees are expected to efficiently and securely utilize these tools for business purposes, while protecting corporate data and information and exercising appropriate business conduct at all times.

Due to the ease of accessibility, e-mail messages and their content should be treated as you would treat publicly available correspondence to outside parties.

Computing is for company business purposes and personal commercial uses are forbidden. Users will not create or transmit any unsolicited commercial, advertising or recreational material, or use any system resources for political activities, or to advance the interests of any party other than the Corporation.

The company uses software licensed from other businesses and employees must use the software in accordance with the terms of the license. No copying for non-business use.

The Corporation's computers and Internet connections are intended to be used for business purposes. Employees will not create, access or transmit any material, data, text, audio or images, or material that is capable of being converted, which is offensive, obscene, indecent, libelous, slanderous, harassing, annoying or defamatory. Employees are expected to discourage others from transmitting such information to their Internet address. Employees must comply with all laws, including those in respect to all forms of intellectual property rights, trademarks, copyrights and harassment.

Employees must use facilities efficiently, minimize unnecessary messages to others, and refrain from activity that will jeopardize the normal business operation of the system.

All computer, network, and Internet use by the Corporation's employees is subject to periodic audit by authorized Corporate personnel.

Employees must follow the "Acceptable use policy for Clearwater computer systems" regarding breaches of security and non-compliance. Any suspected security breach or incident must be reported immediately to the Information Systems Department. Non-compliance with the Policy will be referred to an appropriate senior officer of the Corporation.

14 – Improper influence of conduct on audits

No employee shall fraudulently influence, coerce, manipulate, mislead, or unduly pressure any independent public, chartered, or certified accountant engaged in the performance of an audit of the financial statements for the purpose of rendering such financial statements materially misleading or other individuals involved in regulatory audits.

The honesty and integrity of those who represent the Corporation must underlie all of the Corporation's relationships, including those with unitholders, customers, suppliers, governments, regulators, professional service providers and others. The integrity of the Corporation's financial reporting is of particular importance as unitholders rely on the Corporation to provide complete and accurate information. The dissemination of financial statements that contain materially misleading information can cause serious legal difficulties for both the Corporation and the employee.

In addition, from time to time, government and other agencies may conduct regulatory audits. Conduct with respect to these audits and the individuals involved should be consistent with our treatment regarding financial statement audits.

15 – Duty to report

Every employee has a duty to adhere to this Code and all of the Corporation's policies and to report to the Corporation any suspected violations.

An employee who becomes aware of a violation or possible violation of this Code or any of the Corporation's policies must report that information immediately to his or her superior or a senior officer of the Corporation. An employee may report questionable accounting or auditing matters, on an anonymous basis by addressing a written submission to the Chair of the Audit Committee (Reception at Bedford has contact information).

The Corporation will not permit any form of retaliation against an employee who has truthfully and in good faith:

- Reported violations of this Code;
- Lawfully provided information or assistance in an investigation regarding any conduct, which the employee reasonably believes constitutes a violation of applicable securities laws or applicable federal laws relating to fraud against unitholders;
- Filed, caused to be filed, testified, participated in or otherwise assisted in a proceeding related to a violation of applicable securities laws or applicable federal laws relating to fraud against unitholders; or
- Provided a law enforcement officer with truthful information regarding the commission or possible commission of a federal offense,

Unless the individual reporting is one of the violators.

16 – Distribution of code of conduct

Each employee of the Corporation who has executive, managerial or supervisory responsibilities, or deals on behalf of the Corporation with government officials or political parties or candidates, or who has access to confidential information, will be provided with a copy of this Code. To ensure a proper understanding of this Code, any questions pertaining to its application to the area of responsibility and jurisdiction of the employee, will be explained by the employee's superior.

At commencement of employment and once, upon initiation of this policy, each employee shall email the prescribed form of acknowledgement to the person they report to, which will be retained in their employee file, and which shall confirm that each such employee has read or reread, as the case may be, the current version of this Code of Business Conduct.

An employee who occupies a position of business unit manager, business unit controller, or corporate finance staff ("Financial Manager") shall be held to an elevated standard of ethical conduct. In addition to being bound by this Code, all Financial Managers shall be provided with Code of Ethical Conduct for Financial Managers ("Code for Financial Managers"), which shall be executed and acknowledged at the time of commencement of employment and once, upon initiation of this policy.

In cases where, as an alternative to employment, an individual is engaged under contract to provide services to the Corporation and that individual deals on behalf of the Corporation with government officials or political parties or candidates, or has access to confidential information, such individual will be provided with a copy of this Code and shall sign the prescribed form of acknowledgement, and in connection with the provision of service to the Corporation, this Code shall apply to such individual as fully as if he or she were an employee of the Corporation.

Although the various matters dealt with in this Code do not cover the full spectrum of employee activities, they are indicative of the Corporation's commitment to the maintenance of high standards of conduct and are to be considered descriptive of the type of behavior expected from employees in all circumstances. This Code includes statements of goals and expectations for individual and business conduct. It is not intended to, and does not in any way constitute, an employment contract or an assurance of continued employment. The Corporation does not create any contractual rights by issuing this Code.

This Code may be amended, modified or waived by the Board of Directors of the Corporation or the Corporate Governance and Compensation Committee of the Board of Directors.

Section B – Conflict of Interest Policy

This section consists of three policies; (B1) conflict of interest for employees', (B2) conflict of interest for directors', and (B3) Hiring policy regarding partners and employees of the external auditor.

B1 – Employees' Conflict of Interest Policy

This section addresses the principles that every employee should conform to as not to run into a conflict regarding personal and corporate interests. The policy lays out how employees should arrange their private affairs so that public confidence and trust in the Clearwater business is conserved and/or enhanced. The policy also includes principles regarding information/property obtained/used during the course of employment. The policy also supplies compliance methods that are to be used by employees to abide by the code.

B2 – Directors' Conflict of Interest Policy

Clearwater establishes policies designed to ensure the adherence to the highest ethical standards in all aspects of corporate activities by all its trustees, Directors, executives, and employees. This policy is intended to provide guidelines to be followed by the Company's Directors in their dealing with other Directors, officers and employees and with unitholders, suppliers, customers, competitors or other persons or business concerns who affect or are affected by the Company's activities.

B3 – Hiring Policy Regarding Partners and Employees of the External Auditor

Section B1 – Employees’ Conflict of Interest Policy

1. Application

This Code applies to employees and officers of Clearwater Seafoods Income Fund, including Clearwater Seafoods Limited Partnership, CS ManPar Inc. and all subsidiaries (the “Company” or “Clearwater”).

2. Principles

Every employee shall conform to the following principles:

- (i.) Employees shall perform their employment duties and arrange their private affairs in such a manner that public confidence and trust in the integrity, objectivity and impartiality of Clearwater and its employees are conserved and enhanced;
- (ii.) Employees have an obligation to act in a manner that will bear the closest public scrutiny, such that even apparent conflicts of interest do not arise, such obligation is not fully discharged by simply acting within the law;
- (iii.) Employees shall not have private interests that would be particularly or significantly affected by Clearwater actions in which they participate;
- (iv.) On commencing their employment with Clearwater, and thereafter, employees shall arrange their private affairs in a manner that will prevent real, potential or apparent conflicts of interest from arising, but if such a conflict does arise between the private interests of an employee and his/her employment duties and responsibilities, the conflict shall be resolved in favour of Clearwater’s and the public interest;
- (v.) Employees shall not solicit or accept transfers of economic benefit, other than incidental gifts, customary hospitality, or other benefits of nominal value, unless the transfer is pursuant to an enforceable contract or property right of the employee;
- (vi.) Employees shall not step out of their official roles to assist private entities or persons to obtain preferential treatment in their dealings with Clearwater;
- (vii.) Employees shall not knowingly take advantage of, or benefit from, information that is obtained in the course of their employment duties and responsibilities and that is not generally available to the public;
- (viii.) Employees of Clearwater shall not directly or indirectly use, or allow the use of, Clearwater property of any kind, including property leased to Clearwater, for anything other than officially approved activities;

3. Compliance Measures

a) The following Conflict of Interest compliance methods are to be used by employees to comply with this Code:

- (i.) Avoidance, which is the avoidance of, or withdrawal from participation in, activities or situations that place employees in a real, potential or apparent conflict of interest relative to their employment duties and responsibilities;
- (ii.) A confidential Report, which is a prompt written statement by an employee to the CEO, of ownership of an asset receipt of a gift, hospitality or other benefit, or participation in any outside employment or activity, where such ownership, receipt or participation could constitute a real or potential or apparent conflict of interest. The CEO shall keep such statement confidential; and
- (iii.) Divestment, which is the sale at arm's length, or the placement in trust, of assets, where continued ownership by the employee would constitute a real or potential conflict of interest with the employee's duties and responsibilities. The requirement to divest such assets shall be determined in relation to the duties and responsibilities of the employee. For example, the more comprehensive the duties and responsibilities of the employee, the more extensive the Divestment needed and, conversely, the narrower the specialization of the duties and responsibilities of the employee, the narrower the extent of the Divestment needed.

b) Determination of Appropriate Method

Where there is doubt as to which method set out above is appropriate in order that an employee may comply with this Code, the CEO shall determine the appropriate method and, in doing so, shall try to achieve mutual agreement with the employee and shall take into account:

- (i.) The specific responsibilities of the employee;
- (ii.) The value and type of the assets and interests involved; and
- (iii.) The actual cost to be incurred by divesting the assets and interests as opposed to the potential that the assets and interest represent for conflict of interest.

c) Sale for Circumvention Prohibited

An employee shall not sell or transfer assets to family members or other persons for the purpose of circumventing the conflict of interest compliance measures set out above.

d) Form of documentation

Employees will be asked to complete the corporation's Code of Business Conduct annually confirming that they are in compliance with this policy.

Section B2 – Directors Conflict of Interest Policy

1. Introduction

Clearwater Seafoods Income Fund, including Clearwater Seafoods Limited Partnership, CS ManPar Inc. and all subsidiaries (the “Company” or “Clearwater”) is committed to adhering to the highest ethical standards in all aspects of its corporate activities. Under the guidance and supervision of the Board of Directors of CS ManPar Inc., Clearwater establishes policies designed to ensure such adherence by all its trustees, Directors, executives and employees.

The Company’s conflict of Interest Policy (the “Policy”) is established in this regard and is intended to provide guidelines to be followed by the Company’s Directors in their dealing with other Directors, officers and employees and with unitholders, suppliers, customers, competitors or other persons or business concerns who affect or are affected by the Company’s activities.

The Directors owe a duty of a fiduciary nature to the Company. The purpose of this Policy is to assist the Directors in avoiding real, potential or apparent situations of conflict of interest. The Directors of Clearwater are well experienced and understand the nature and extent of their duties and obligations as they exist and have evolved under the common law, applicable statutes and custom or practice.

2. Definitions and Policy

A real or potential conflict of interest exists whenever a Director is placed, whether willingly or through circumstances outside his or her control, in a situation where his or her judgment in the exercise of his or her duties to the Company, is or may be perceived to be, influenced by either a personal interest or by a fiduciary obligation owed by that Director to a third party.

To the greatest extent possible, Directors should avoid situations of real, potential or apparent conflict of interest.

However, the Company recognizes that Directors will, from time to time through circumstances outside their control, be put in a situation of real, potential or apparent conflict of interest. In such circumstances, adherence to the guidelines set forth in this Policy is critical to ensure that the Director’s and the Company’s integrity is not put in doubt.

If a Director becomes aware that he or she is in a situation of real, potential or apparent conflict of interest, he or she should immediately disclose such situation to the Chair of the Corporate Governance and Compensation Committee.

The Chairman will ensure that such steps or actions as are required to protect the Company and the affected Director from allegations of wrongdoing or liability are taken. In a situation where the real, potential or apparent conflict of interest involves a decision to be taken by the Board, typically the affected Director will excuse himself or herself from the deliberations regarding, and will not

vote on, the matter. If the situation is not one which concerns the Board directly, for example the award by the Company of a contract to a business concern in which a Director has an interest, either personal or fiduciary, in circumstances where Board approval is not required for the award of such contract, strict compliance with the normal award process (designed to serve the Company's best interest) will be documented in order to protect the Company and the affected Director against allegations that the affected Director influenced the process.

The Company does not believe that a strict rule can be devised or applied automatically to all situations and each case will thus be examined on its own merits, all within the guidelines set forth in this Policy and keeping in mind the objective of adhering to the highest ethical standards.

3. Guidelines

a) Other Directorships or Interests

While it is not the intention of the Company to restrict the right of Directors to become directors of other corporate entities, there may arise situations where accepting a directorship with another corporate entity would be incompatible with being a Director of Clearwater.

Directors are thus asked to report to the Corporate Secretary other significant directorships or interest which they hold in other business entities.

For the purposes of this Policy, "significant directorship or interest" means (i) a directorship in another corporation whose securities are traded on a public market in Canada or in the United States, (ii) a directorship or an interest of 5% or more in a business enterprise which deals with the Company either as a client or provider of goods or services and where such dealings are material to such business enterprise or (iii) a directorship or interest of 5% or more in a business enterprise which competes with the Company. Also for the purposes of this Policy, a Director will be deemed to hold an interest in a business enterprise if he owns such interest directly or indirectly or if it is owned by an associate of such Director, associate having herein the meaning ascribed thereto in the Canada Business Corporations Act.

b) Personal Use of Company Information and Business Opportunities

The business of the Company is to be conducted for the benefit of the Company and no director should compete with the Company for any business opportunity.

Corporate property, services, opportunities, confidential information and corporate position, authority or influence accruing to Directors on account of their Company affiliation shall not be used by a Director or an associate of the Director for his or her personal gain or for the benefit of any associate of the Director. In this regard, Directors should not lobby or otherwise attempt to influence executives of the Company in connection with the award of contracts, particularly in circumstances where they have or could be seen to have an interest in the enterprise seeking

such contract, even in circumstances where the award of such contract is not necessarily subject to Board approval.

c) *Consultation with corporate Secretary*

In case of doubt, Directors are encouraged to consult, in strict confidence, with the Corporate Secretary. No action will be undertaken by the Corporate Secretary other than informing, in circumstances where it is determined to be warranted, the Chairman of the Corporate Governance Committee. It is the view of the Company that in such circumstances, there exists a commonality of interest for the Company and the affected Director in that the paramount consideration is the protection of the integrity and reputation of the Company and its Directors.

4 - Compliance and Administration

Directors will sign the corporation's code of business conduct form annually, confirming that they are in compliance with the Policy. The annual statement will also provide the opportunity for Directors to confirm the accuracy of the information held by the Corporate Secretary as regards their other significant directorships or interests. In addition, Directors will advise the Corporate Secretary on a timely basis of any change in their personal situation, which may affect their status as director of the Company.

All information and data supplied to the Corporate Secretary by Directors as well as discussions related to this Policy will be regarded as strictly confidential and treated accordingly.

Section B3 – Hiring Policy Regarding Partners and Employees of the External Auditor

1. Hiring Policy

An applicant may only be hired into a financial reporting oversight role if they were not a member of the external audit team during the 12-month period preceding the first day of audit procedures of the current fiscal period.

The company will request that their external audit firm only seek to hire former employees to provide external audit services for the company if such employees did not participate in, or were in a position to influence, the audit of the financial statements of the company covering any period where the individual was employed or associated with the company.

Section C – Disclosure Policy

The objective of the disclosure policy is to ensure that the communications to the investing public about the Fund are timely, factual, and accurate and broadly disseminated in accordance with all applicable legal and regulatory requirements. This disclosure policy extends to all employees of the Fund, the board of directors of CS ManPar Inc. and those authorized to speak on behalf of the Fund.

1. Objective and scope

The objective of this disclosure policy is to ensure that communications to the investing public about the Fund are:

- Timely, factual and accurate; and
- Broadly disseminated in accordance with all applicable legal and regulatory requirements.

This disclosure policy confirms in writing our existing disclosure policies and practices. Its goal is to raise awareness of Clearwater Seafoods Income Fund's (The "Fund") approach to disclosure among the board of trustees, the board of directors of CS ManPar Inc., as well as senior management and employees of CS ManPar Inc. and Clearwater Seafoods Limited Partnership ("Clearwater").

This disclosure policy extends to all employees of the Fund, CS ManPar Inc. and their subsidiaries, the trustees of the Fund, the board of directors of CS ManPar Inc. and those authorized to speak on behalf of the Fund (hereafter unless specified otherwise the "employees" or "employee"). It covers disclosures in documents filed with the securities regulators, financial and non-financial disclosure, including management's discussion and analysis (MD&A) and written statements made in the Fund's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Fund's Web site and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

2. Disclosure policy committee

The board of directors has established a disclosure policy committee ("Committee") responsible for all regulatory disclosure requirements and for overseeing the Fund's disclosure practices. The Committee consists of the chief executive officer (CEO), the chief financial officer (CFO), the chief operating officer (COO) and the investor relations officer (IRO).

It is essential that the Committee be kept fully apprised of all pending material Fund developments in order to evaluate and discuss those events to determine the appropriateness and timing for public release of information. If it is deemed that material information should remain confidential, the Committee will determine how that inside information will be controlled.

The Committee will identify appropriate benchmarks for a preliminary assessment of materiality. Guided by these benchmarks the Committee will use experience and judgment to determine the timing for public release of material information. The Committee is responsible for ensuring appropriate systems, processes and controls for disclosure and will review all news releases and core disclosure documents prior to their release or filing, including the Company's MD&A. The Committee will meet as conditions dictate and minutes of meetings will be maintained by the IRO.

The Committee will review and update, if necessary, this disclosure policy on an annual basis or as needed to ensure compliance with changing regulatory requirements.

3. Principles of disclosure and material information

Material information (or a "material change") is any information relating to the business and affairs of Clearwater that results in, or would reasonably be expected to result in, a significant change in the market price or value of the Fund's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions. In complying with the requirement to disclose forthwith all material information under applicable laws and stock exchange rules, the Fund and Clearwater will adhere to the following basic disclosure principles:

1. Material information will be publicly disclosed immediately via news release.
2. In certain circumstances, the Committee may determine that such disclosure would be unduly detrimental to the Fund and Clearwater (for example if release of the information would prejudice negotiations in a corporate transaction), in which case the information will be kept confidential until the Committee determines it is appropriate to publicly disclose. In such circumstances, the Committee will cause a confidential material change report to be filed with the applicable securities regulators, and will periodically (at least every 10 days) review its decision to keep the information confidential (also see "Rumors").
3. Disclosure must include any information the omission of which would make the rest of the disclosure misleading (half truths are misleading).
4. Unfavorable material information must be disclosed as promptly and completely as favorable information.
5. There must be no selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (For example, in an investor meeting or during a telephone conversation with an analyst). If previously undisclosed material information has been inadvertently disclosed such information must be broadly disclosed immediately via news release.

6. Disclosure should be consistent among all audiences, including the investment community, the media, customers and employees.
7. Disclosure on the Fund's Web site alone does not constitute adequate disclosure of material information.
8. Disclosure must be corrected immediately if the Fund subsequently learns that earlier disclosure by the Fund contained a material error at the time it was given.

4. Trading restrictions and blackout periods

It is illegal for anyone to purchase or sell securities of any public Fund with knowledge of material information affecting that Fund that has not been publicly disclosed. Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information. Therefore, insiders and employees with knowledge of confidential or material information about the Fund or counter-parties in negotiations of material potential transactions, are prohibited from trading shares in the Fund or any counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

Insiders are personally responsible for filing accurate and timely insider trading reports. Insiders are required to provide a copy of all insider reports to the IRO or other designated person concurrent with their filing to regulatory authorities.

Quarterly trading blackout periods will apply to all employees during periods when financial statements are being prepared but results have not yet been publicly disclosed. The quarterly trading blackout period commences seven days prior to the end of a quarter and ends on the second day following the issuance of a news release disclosing quarterly financial results.

Blackout periods may be prescribed from time to time by the Committee as a result of special circumstances relating to the Fund pursuant to which insiders of the Fund would be precluded from trading in securities of the Fund. All parties with knowledge of such special circumstances should be covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers, investor relations consultants and other professional advisors, and counter-parties in negotiations of material potential transactions.

To protect the reputation of the fund and avoid the appearance of impropriety, during non-black out periods, employees and officers of the Fund and CS ManPar Inc. and their subsidiaries as well as the trustees of the Fund and the board of directors of CS ManPar Inc. are prohibited from trading in units of the Fund, without the prior approval of the Chief Financial Officer.

For greater certainty these policies apply not only to direct purchases and sales of units but also to equity monetization's.

5. Maintaining confidentiality

Any employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information and such persons will be advised that the information is to be kept confidential.

Outside parties privy to undisclosed material information concerning the Fund will be told that they must not divulge such information to anyone else, other than in the necessary course of business and that they may not trade in the Fund's securities until the information is publicly disclosed. Such outside parties will confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

1. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the necessary course of business and code names should be used if necessary.
2. Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
3. Confidential matters should not be discussed on wireless telephones or other wireless devices.
4. Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
5. Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
6. Transmission of documents by electronic means, such as by fax, e-mail or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
7. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
8. Access to confidential electronic data should be restricted through the use of passwords.

6. Designated spokespersons

The Fund designates a limited number of spokespersons responsible for communication with the investment community, regulators and the media. The CEO of CS ManPar Inc. shall be the official spokesperson for the Fund. In the absence of the CEO the Chairman of CS ManPar Inc. shall be the spokesperson. Individuals holding these offices may, from time to time, designate others within the Fund to speak on behalf of the Fund as back-ups or to respond to specific inquiries.

Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to the IRO.

7. News releases

Once the Committee determines that a development is material, it will authorize the issuance of a news release, unless the Committee determines that such developments must remain confidential for the time being, appropriate confidential filings are made and control of that inside information is instituted. Should a material statement inadvertently be made in a selective forum, the Fund will immediately issue a news release in order to fully disclose that information.

News releases containing earnings guidance and financial results will be reviewed by the audit committee or board prior to issuance. Financial results will be publicly released immediately following audit committee or board approval of the MD&A, financial statements and notes.

If the stock exchange(s) upon which shares of the Fund are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to the market surveillance department to enable a trading halt, if deemed necessary by the stock exchange(s). If a news release announcing material information is issued outside of trading hours, market surveillance must be notified before the market opens.

News releases will be disseminated through an approved news wire service that provides simultaneous national and/or international distribution. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires, national financial media and the local media in areas where the Fund has its headquarters and operations.

News releases will be posted on the Fund's Web site immediately after release over the news wire. The news release page of the Web site shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent news releases.

8. Conference calls

Conference calls will be held for quarterly earnings and major corporate developments, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants

by telephone and others in a listen-only mode by telephone or via a webcast over the Internet. The call will be preceded by a news release containing all relevant material information. At the beginning of the call, a Fund spokesperson will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties applicable to the news.

The Fund will provide advance notice of the conference call and webcast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and webcast. These details will be provided on the Company's Web site. In addition, the Fund may send invitations to analysts, institutional investors, the media and others invited to participate. Any non-material supplemental information provided to participants will also be posted to the Web site for others to view. A tape recording of the conference call and/or an archived audio webcast on the Internet will be made available following the call for a minimum of 30 days, for anyone interested in listening to a replay.

The Committee will hold a debriefing meeting immediately after the conference call and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Fund will immediately disclose such information broadly via news release.

9. Rumors

The Fund does not comment, affirmatively or negatively, on rumors. This also applies to rumors on the Internet. The Fund's spokespersons will respond consistently to those rumors, saying, "It is our policy not to comment on market rumors or speculation." Should the stock exchange request that the Fund make a definitive statement in response to a market rumor that is causing significant volatility in the stock, the Committee will consider the matter and decide whether to make a policy exception. If the rumor is true in whole or in part, the Fund will immediately issue a news release disclosing the relevant material information.

10. Contacts with analysts, investors and the media

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Fund intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release.

The Fund recognizes that meetings with analysts and significant investors are an important element of the Fund's investor relations program. The Fund will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this disclosure policy. All analysts will receive fair treatment regardless of whether they are recommending buying or selling the Company's securities.

The Fund will provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Fund cannot alter the materiality of information by breaking down the information into smaller, non-material components.

The Fund will maintain a ‘frequently asked questions’ section on its Web site and will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors.

Spokespersons will keep notes of telephone conversations with analysts and investors and where practicable more than one Fund representative will be present at all individual and group meetings. A debriefing will be held after such meetings and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Fund will immediately disclose such information broadly via news release.

11. Reviewing analysts draft reports and models

It is the Fund’s policy to review, upon request, analysts’ draft research reports or models. The Fund will review the report or model for the purpose of pointing out errors in fact based on publicly disclosed information. The Fund will not confirm, or attempt to influence, an analyst’s opinions or conclusions and will not express comfort with the analyst’s model and earnings estimates.

In order to avoid appearing to “endorse” an analyst’s report or model, the Fund will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

12. Distributing analyst reports

Analyst reports are proprietary products of the analyst’s firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Fund of the report. For these reasons, the Fund will not provide analyst reports through any means to persons outside of the Fund or to employees of the Fund, including posting such information on its Web site with the exception of the trustees and directors. Reports will be distributed to the trustees and directors and senior officers to monitor the communications of the Fund and to assist them in understanding how the marketplace values the company and how corporate developments affect the analysis. Analyst reports may also be provided to the Fund’s financial and professional advisors in the necessary course of business. The Fund may post on its Web site a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Fund. If provided, such list will not include links to the analysts’ or any third party Web sites or publications.

13. Forward-looking information

Should the Fund elect to disclose forward-looking information (FLI) in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed.

1. Board approval will be obtained.
2. The information, if deemed material, will be broadly disseminated via news release, in accordance with this disclosure policy.
3. The information will be clearly identified as forward looking.
4. The Fund will identify all material assumptions used in the preparation of the forward-looking information.
5. The information will be accompanied by a statement that identifies, in very specific terms, the risks and uncertainties that may cause the actual results to differ materially from those projected in the statement.
6. The information may be accompanied by supplementary information such as a range of reasonably possible outcomes or a sensitivity analysis to indicate the extent to which different business conditions may affect the actual outcome.
7. The information will be accompanied by a statement that disclaims the Fund's intention or obligation to update or revise the FLI, whether as a result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, the Fund may choose to issue a news release explaining the reasons for the difference. In this case, the Fund will update its guidance on the anticipated impact on revenue and earnings (or other key metrics).
8. Once disclosed, the Fund's practice for updating forward-looking information will be to regularly assess whether previous statements of forward-looking information should be replaced by new financial outlooks, and ensure that past disclosure of forward-looking information is accurately reflected in current MD&A.

If the Fund has issued a forecast or projection in connection with an offering document covered by National Policy 48, the Fund will update that forecast or projection periodically, as required by National Policy 48.

14. Managing expectations

The Fund will try to ensure, through its regular public dissemination of quantitative and qualitative information, that analysts' estimates are in line with the Fund's own expectations. The Fund will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' models and earnings estimates.

If the Fund has determined that it will be reporting results materially below or above publicly held expectations, it will disclose this information in a news release in order to enable discussion without risk of selective disclosure.

15. Quiet periods

To avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Fund will observe quiet periods prior to quarterly earnings announcements or when material changes are pending, during which the Fund will not initiate or participate in any meetings or telephone contacts with analysts and investors and no earnings guidance will be provided to anyone, other than responding to unsolicited inquiries concerning factual matters. The quiet period commences seven days prior to the end of a quarter and ends 48 hours following the issuance of a news release disclosing quarterly results. If the Fund is invited to participate, during a quiet period, in investment meetings or conferences organized by others, the Committee will determine, on a case-by-case basis, if it is advisable to accept these invitations. If accepted, extreme caution will be exercised to avoid selective disclosure or any material, non-public information and notes regarding these meetings will be kept.

16. Disclosure period

The IRO will maintain a five year file containing all public information about the Fund, including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, and newspaper articles.

17. Responsibility for electronic communications

This disclosure policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures shall also be responsible for electronic communications.

The IRO is responsible for updating the investor relations section of the Fund's Web site and is responsible, along with the general counsel, for monitoring all Fund information placed on the Web site to ensure that it is accurate, complete, up-to-date and in compliance with relevant securities laws.

The Committee must approve all links from the Fund Web site to a third party Web site. Any such links will include a notice that advises the reader that he or she is leaving the Fund's Web site and that the Fund is not responsible for the contents of the other site.

Investor relations material shall be contained within a separate section of the Fund's Web site and shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. All data posted to the Web site,

including text and audiovisual material, shall show the date such material was issued. Any material changes in information must be updated immediately. The IRO will maintain a log indicating the date that material information is posted and/or removed from the investor relations Web site. The minimum retention period for material corporate information on the Web site shall be two years.

Disclosure on the Fund's Web site alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosures of material information on its Web site will be preceded by the issuance of a news release.

The IRO shall also be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this disclosure policy shall be utilized in responding to electronic inquiries.

In order to ensure that no material undisclosed information is inadvertently disclosed, employees are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to the Fund's activities or its securities. Employees who encounter a discussion pertaining to the Fund should advise the IRO immediately, so the discussion may be monitored.

18. Communication and enforcement

This disclosure policy extends to all employees of the Fund, CS ManPar Inc., Clearwater and its subsidiaries, the trustees of the Fund, the board of directors of CS ManPar Inc., and authorized spokespersons. New directors, officers and employees will be provided with a copy of this disclosure policy and will be educated about its performance. This disclosure policy will be circulated to all employees and updates will be provided to all employees when material changes are made.

Any employee who violates this disclosure policy may face disciplinary action up to and including termination of his or her employment with the Fund without notice. The violation of this disclosure policy may also violate certain securities laws. If it appears that an employee may have violated such securities laws, Clearwater and/or the Fund may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

Section D – Corporate Governance

This section consists of four policies; (D1) corporate governance guidelines, (D2) corporate governance and compensation committee mandate, (D3) audit committee mandate, and (D4) risk management committee charter.

D1 – Corporate governance guidelines outlines certain key principles governing how the Board of Directors of CS ManPar Inc. will operate in meeting its responsibilities, including its overall stewardship responsibility and in enhancing shareholder value over the long term.

D2 – Corporate Governance and Compensation Committee Mandate

D3 – Audit Committee Mandate

D4 – Risk Management Committee Charter

Section D1 – Corporate Governance Guidelines

Introduction

As part of Clearwater’s corporate governance policies, processes and procedures, the following points outline certain key principles or guidelines governing how the Board of Directors of CS ManPar Inc. (the “Board”) will operate in meeting its responsibilities, including its overall stewardship responsibility and in enhancing shareholder value over the long term. The Board believes that these guidelines should be an evolving set of corporate governance principles, subject to modification and updating as circumstances warrant. The Corporate Governance and Compensation Committee will be responsible for reviewing these guidelines periodically and for determining the extent to which they adequately address applicable regulatory, stock exchange and self-regulatory requirements relating to corporate governance.

1. Selection of Chief Executive Officer (CEO)

While the Board recognizes that this practice varies among major publicly traded companies in North America and is an evolving one, it has adopted a policy supporting the current practice that the CEO would not serve as Chairman of the Board. However, the Board will evaluate, as appropriate, whether or not the role of the CEO and Chairman should be separate, and will consider exceptions to the current practice when it would be in the best interests of Clearwater in light of all relevant factors and circumstances at a particular point in time.

2. “Lead Director” Concept

The Board has not seen a need to adopt a policy to have a Director selected from its outside Directors who would have the responsibility of a “Lead Director”. The Board will, however, monitor, as appropriate, such a need given the functions and responsibilities of the various Committees of the Board, in particular the Corporate Governance and Compensation Committee, and other factors which might favour the selection of a “Lead Director” in the future.

3. Chairman or CEO’s Death, Resignation or Incapacity

In the event of the death, resignation or incapacity of the Chairman or Chief Executive Officer, the Chairman of the Corporate Governance and Compensation Committee will immediately call a meeting of that Committee to recommend to the full Board the selection of a temporary or permanent replacement for either or both positions.

4. Board Committees

Each Board Committee will operate according to a mandate outlining its duties and responsibilities, which has been approved by the Board. The current Board Committee structure (Audit Committee, Corporate Governance and Compensation Committee) is felt to be appropriate at this time. The number and form of Committees may be subject to change as the Board considers from time to time which of its responsibilities can best be fulfilled through more detailed review of, and delegation to, a committee of the Board rather than by the Board as a whole.

5. Committee Members

The Board favours a periodic rotation in Board Committee Chairperson and Committee membership in a way which recognizes and balances the need for renewal of ideas, as well as continuity and maintenance of functional expertise. The Board does not feel that a specific rotation policy should, however, be mandated and the Board has recognized that the desired rotation can generally be accomplished through the process of periodic retirements from, and changes in the composition of, the Board. The Corporate Governance and Compensation Committee will continue to be responsible for proposing to the Board the Chairperson and the membership of each Board Committee on an annual basis. In preparing its recommendations the Corporate Governance and Compensation Committee will consult with the Chairperson of each Board Committee and the Chairman and the CEO, and will take into account the preferences of the individual Directors. Each Board Committee Chairperson should have had membership experience on his or her particular Committee prior to assuming the chair position.

6. Committee Meetings

No inside Director shall be a voting member of a Board Committee but may attend meetings of such Committee as appropriate as a non-voting or ex-officio member as has, for example, been the case for the Corporate Governance and Compensation Committee. The schedule of meetings of each Board Committee will be determined based upon an annual work plan designed to discharge the responsibilities of the Committee as set out in its mandate. The Chairperson of a Board Committee will develop the agenda for each Committee meeting through consultation as appropriate with members of management, staff and the Committee. Each Committee Chairperson (or designee) will report to the Board on the results of each Committee meeting.

7. Board Meeting Agendas

The Chairman and the CEO, in consultation with the Corporate Secretary, will develop the agenda for each Board meeting. Agendas will be distributed to Directors before each meeting, and all Board members shall be free to suggest additions or revisions to the agenda in advance of the meeting.

8. Information for Board Meetings

Whenever practicable, information and reports pertaining to Board meeting agenda items will be circulated to the Directors in advance of the meeting. Such materials should be concise, yet complete – and be prepared in a way to focus attention on critical issues to be considered by the Board. Reports may be presented during Board meetings by members of the Board, management and/or staff, or by invited outside advisors. It is recognized that under some circumstances, due to the confidential nature of matters to be discussed at a meeting, it would not be prudent or appropriate to distribute written materials in advance.

9. Board Contacts with Senior Management

All of the outside Directors have open access to the Company's senior management. It is expected that outside Directors will exercise judgment to ensure that their contacts will not distract from the Company's business and operations.

The Board encourages having members of management participate appropriately in Board meetings in order to better inform outside Directors about the business of the Company and help the Directors evaluate the management team. The Board also encourages individual outside Directors to make themselves available for consultations with management outside Board meetings in order to provide specific advice and counsel on subjects where such Directors have special knowledge and experience.

10. Size of the Board

The Board currently consists of seven Directors. It is the general consensus of the Board that these numbers are large enough to provide a diversity of expertise and opinion, yet small enough to allow for efficient operation and decision-making. The Corporate Governance and Compensation Committee will make recommendations to the Board when it believes a change would be in the best interests of Clearwater.

11. Mix of Inside and Outside Directors

The Board believes that the significant majority of Directors should be independent and unrelated to Clearwater, notwithstanding the fact that Clearwater's units are

approximately 55.71% (currently as of January 2006) controlled by one shareholder. While it is the sense of the Board to preserve its flexibility and not fix the specific number of “inside” Directors, the Board shall seek, absent special circumstances, a target mix of five outside Directors and two inside directors (including the Chairman and the Chief Executive Officer), recognizing that this mix could change over time.

12. Board Review of “Independence” of Outside Directors

The Corporate Governance and Compensation Committee will review on an annual basis any relationships between outside Directors and Clearwater, which might be construed in any way to compromise the designation of any Director as being independent or unrelated to Clearwater. The objective of such review will be to determine the existence of any relationships, to ensure that the composition of the Board remains such that a significant majority of the Directors are independent and unrelated and that where any relationships with Clearwater exist, the Director is acting appropriately.

A Director shall be considered independent if he or she:

- (1) Has no direct or indirect material relationship with Clearwater;
- (2) A material relationship is a relationship which could, in the view of the directors, be reasonably expected to interfere with the exercise of a members independent judgment;
- (3) (a) Is not currently employed by Clearwater and has not been employed by Clearwater during at least the last three years,
 - (b) Has no, immediate family member who is or has been within the last three years, an executive officer of Clearwater;
 - (c) Is not a partner of Clearwater’s external auditor, employee of the firm or within the last three years a partner of employee of that firm and personally worked on Clearwater’s audit within that time;
 - (d) The spouse, minor child or stepchild, or child or stepchild who shares a home with the individual is not a partner of a firm that is Clearwater’s external auditor, is not an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or has not within the last three years been a partner or employee of that firm and personally worked on Clearwater’s audit within that time;
 - (e) Is not an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of Clearwater’s current executive officers serves or served a that same time on the entity’s compensation committee;

- (f) Not an individual who received, or whose immediate family member who is employed as an executive officer of Clearwater received, more than \$75,000 in direct compensation from Clearwater during any 12 month period within the last three years;
4. (a) Despite 3 above, an individual will not be considered to have a material relationship with Clearwater solely because he or she had a relationship identified (3) above if that relationship ended before March 30, 2004 or
- (b) If he or she had a relationship identified in (3) above by virtue of (8) below if that relationship ended before June 30, 2005.
5. For purposes of (3c) and (3d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
6. (a) For purposes of (3f), direct compensation does not include remuneration for acting as a member of the board of directors or of any board committee of Clearwater or
- (b) The receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with Clearwater if the compensation is not contingent in any way on continued service.
7. (a) Despite section (3), an individual will not be considered to have a material relationship with Clearwater solely because the individual or his or her immediate family member has previously acted as an interim CEO of Clearwater or
- (b) Acts, or has previously acted, as a chair or vice-chair of the board of directors or any board committee of Clearwater on a part-time bases.
8. Clearwater includes a subsidiary entity of Clearwater and the parent of Clearwater.

13. Directors Who Change Their Present Job Responsibility

The Board has adopted a policy, which requires that a Director who makes a major change in his or her principal occupation offer his or her resignation to the Board for consideration. It is not intended that Directors who retire or whose professional positions change to any significant degree should necessarily leave the Board. The sense of the Board is that there should be an opportunity for the Board to review, through its

Corporate Governance and Compensation Committee, the continued appropriateness of Board membership under such circumstances.

14. Former Officer's Continued Board Membership

The Board believes that whether the Chairman and the CEO or another officer of the Company should continue to serve on the Board after his/her retirement as an officer is a matter to be decided in each individual instance. The officer will offer his/her resignation from the Board at the time of his/her retirement from Clearwater. Whether that retiring officer would continue to serve on the Board would be a matter for discussion at that time by the Board and the Chairman and the CEO. Any former officer of Clearwater serving on the Board will be considered to be an inside Director for purposes of corporate governance until such time as the outside Directors judge that sufficient time has elapsed since, and distance has been established from, the officer's former executive duties to make the officer independent and unrelated to Clearwater.

15. Criteria for Board Membership

The Corporate Governance and Compensation Committee will review as needed the general and specific criteria applicable to candidates to be considered for nomination to the Board. The objective of this review will be to maintain the composition of the Board in a way, which provides the best mix of skills and experience to guide the long-term strategy and ongoing businesses and operations of Clearwater. This review will take into account the desirability of maintaining a reasonable diversity of background, skills and experience and personal characteristics, including, but not otherwise limited to, age, gender and geographic location/residence, among the Directors along with the key common characteristics required for effective Board participation.

16. Selection of New Director Candidates

The Board is responsible for identifying suitable candidates to be recommended for election to the Board by the shareholders. The Corporate Governance and Compensation Committee has been given the responsibility of gathering the names of potential nominees, screening their qualifications against the current skill and experience needs of the Board and making recommendations in this regard to the full Board. All Directors are encouraged to identify potential candidates. Additional direct input to the process is provided by the Chairman and the CEO. An invitation to stand as a nominee for election to the Board will normally be made to the candidate by the Board through the Chairman of the Corporate Governance and Compensation Committee in consultation with the Chairman and the CEO.

17. New Director Orientation

New Directors will continue to be provided with an orientation and education program which will include written information about the duties and obligations of Directors, the businesses and operations of Clearwater, documents from recent Board meetings and opportunities for meeting and discussions with senior management and other Directors. The details of the orientation of each new Director will be tailored to that Director's individual needs and areas of interest.

18. Assessing the Board's Performance

The Corporate Governance and Compensation Committee is responsible for making an annual 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.

19. Term Limits and Retirement Age

The Board does not believe it should establish term limits for its Directors.

20. Board Compensation

The Corporate Governance and Compensation Committee will review the compensation of outside Directors at least annually including their participation on the long-term incentive plan. The Committee will make recommendations to the Board for consideration when it believes changes in compensation are warranted.

21. Board Member Commitments

Clearwater recognizes that its Board members benefit from service on the boards of other companies and, accordingly, encourages that service. However, it also believes it is critical that Directors have the opportunity to dedicate sufficient time to their service on the Board.

22. Share Ownership by Directors

The Board has determined that ownership of the Clearwater units by Directors represents one way of better aligning the interests of Directors with those of the shareholders of the Company. The Board will look to adopt policies requiring independent Directors to hold, over time, a minimum number of Clearwater's units.

23. Evaluation of the Chairman and CEO

The Corporate Governance and Compensation Committee will conduct an annual review of the performance of the CEO as measured against objectives established mutually in the prior year by the Committee and the CEO and reviewed by the Chairman of the Committee with the full Board. The results of this annual review will be communicated to the full Board, which will then make an evaluation of the overall performance of the CEO. This performance evaluation will be communicated to the CEO by the Chairman of the Committee. The evaluation will also be used by the Committee in its deliberations concerning the CEO's annual compensation.

24. Limits to Management Authority

The Board will establish limits on management's authority depending on the nature and size of the proposed transaction. These limits will permit some flexibility within approved budgets but otherwise will not be exceeded without Board approval.

25. Corporate Strategy

The Board believes that management is responsible for the development of individual business unit and overall corporate strategy. The role of the Board is to establish an agreed upon planning process, then review, question and validate, and ultimately approve, the strategies for Clearwater.

26. Principal Risks

The Board is responsible for understanding the principal risks associated with Clearwater's businesses and operations on an ongoing basis and it is the responsibility of management to assure that the Board and all Board Committees are kept well informed of any changes in, or additions to, such principal risks on a timely basis. It is important that the Board understand and support the key risk decisions of management, including a comprehension of the appropriate balance between risks and rewards.

27. Internal Controls and Management Information Systems

Fundamental to the discharge of the Board's overall responsibilities is the existence of control systems, which can help to ensure the effective discharge of these responsibilities. A balance has to be achieved between controls relating to financial or other matters that give the Board reasonable assurances that its responsibilities are being discharged and at the same time avoiding the creation of unnecessarily bureaucratic and costly systems of control mechanisms. The confidence of the Board in the ability and integrity of management is the paramount control mechanism.

28. Succession Planning and Management Development

The Board deems as one of its most critical functions the selection of a Chief Executive Officer and senior management team that fits Clearwater's current culture, understands its business strategy and inspires others to follow their lead. The Board expects succession planning and management development to be a key ongoing process with a detailed annual report on these areas to be made to the Corporate Governance and Compensation Committee and to the full Board. There should also be available, on a continuing basis, the CEO's recommendation as to a successor in the event of an unexpected incapacitation of the CEO. The executive succession process should be one that (1) is a collaborative process, (2) is a continuous process, (3) should be tied to corporate strategy, and (4) involves building a talent-rich organization by attracting and developing the right and most capable people.

29. Board Communication Policy

The Board approves the content of the Company's major communications to shareholders and the investing public, including its Annual Report to Shareholders, Proxy Circular and Annual Information Form and any prospectuses, which may be issued. However, the Board believes that it is the function of management to speak for Clearwater in its communications with the investment community, the media, customers, suppliers, employees and other stakeholders, governments and the general public. It is understood that individual Directors may from time to time be requested by management to assist with such communications. It is expected, if contacts by, or communications from, stakeholders are made to individual Directors, management will be informed and consulted to determine any appropriate response. Outside Directors should refrain from any comments on Clearwater to the outside world.

30. Outside Advisors for Individual Directors (or any Group of Directors)

Individual outside Directors or any group or Committee of outside Directors may, as appropriate, need the services of an advisor to assist on matters involving their responsibilities as a Board member. The Board has determined that any Director or any group or Committee of outside Directors who wishes to engage an outside advisor at the

expense of Clearwater shall obtain the prior authorization of the Corporate Governance and Compensation Committee, in accordance with the charter of that Committee.

31. Communications of Corporate Governance Guidelines

The Board believes it would be useful to make its corporate governance guidelines available to its Shareholders and other stakeholders/constituents and requests that management do so in whatever manner it believes is most feasible or appropriate.

Section D2 – Corporate Governance and Compensation Committee Mandate

Corporate Governance

Although the Board of Directors of CS ManPar Inc is ultimately responsible under the law for the stewardship of Clearwater Seafoods Limited Partnership, the Corporate Governance and Compensation Committee also acknowledges that it is responsible for the stewardship of the Company and the development and monitoring of Clearwater's corporate governance system. The committee is responsible for reviewing the overall governance principles for Clearwater, recommending any changes to these principles and monitoring their disclosure. This committee monitors best practices among other major Canadian companies to ensure that Clearwater continues to carry out high standards of corporate governance.

The committee will assess the integrity of the CEO and other executive officers and ensure that the CEO and executive officers work to create a culture of integrity throughout the organization through policies and practice. The committee has established clear sets of responsibilities for the Board as a whole, for its committee and for the CEO.

Roles and Responsibilities

Chair of the Corporate Governance and Compensation Committee and Audit Committee:

- The Committee chair is responsible for the management and the effective performance of his committee. He takes all reasonable measures to ensure that the committee fully executes its mandate. His responsibilities include:
 - Providing leadership to enhance committee effectiveness by taking all reasonable steps to ensure:
 - The committee works as a cohesive group and providing the leadership essential to achieve this;
 - That the resources available to the committee (in particular, timely and relevant information) are adequate to supports its work;
 - That a process is in place for the assessment on a regular basis of the effectiveness of the committee and the contribution of each of its members.
 - Managing the committee.
 - Chairing committee meetings;

- Setting the agenda of each committee meeting, in consultation with the Corporate Secretary;
- Adopting procedures allowing the committee to conduct its work effectively and efficiently;
- Taking all reasonable steps to ensure that the conduct of committee meetings facilitates discussions and provides adequate time for serious in depth discussion of the business under consideration;
- Overseeing the committee's full discharge of its responsibilities.

The chair reports to the Board on the deliberations of the committee and on any decisions or recommendations of the committee.

All members of the Corporate Governance and Compensation Committee

- Establish an agreed upon planning process, then review, question and validate, and ultimately approve, the strategies for Clearwater along with the full Board. The Board believes that management is responsible for the development of individual business unit and overall corporate strategy. The Board receives presentations from management with respect to the long-term direction of Clearwater, strategic priorities, and performance. The Board reviews and analyzes these presentations to ensure that there is congruence between strategic plans, performance, and unitholder expectations
- Annually the committee will review and make recommendations to the Board on:
 - The size of the Board and it's Committees
 - The status of each director
 - The conformity of Clearwater's practices to stock exchange corporate governance guidelines
 - Clearwater's guidelines of the Board of Directors on Corporate Governance
- Administer the board's relationship to management and oversee the adoption and implementation of structures and processes to assist the board to function independently from management.
- Annually review and make recommendations to the board on the adequacy and form of the compensation of the Chairman of the Board, if any, and other outside directors to ensure that the compensation reflects the responsibilities and risks involved.

- Annually recommend to the board the members proposed for re-election to the board.
- Select and make recommendations to the board on new candidates for directorship, after consultation with the Chairman of the Board and the Chief Executive Officer and such other persons as the committee may consider appropriate.
- Annually review and make recommendations to the board on the size, membership and chairs of committees of the board, after consultation with the Chairman of the Board and the Chief Executive Officer.
- Periodically review and make recommendations to the board on the board's committee structure and the powers and mandates of the committees.
- Oversee processes to periodically assess the effectiveness of the board and its committees and the contribution of individual directors.
- Upon request, approve in appropriate circumstances the engagement by a director of an outside advisor at Clearwater's expense.

CEO

As the senior executive position within the organization, the incumbent is accountable to and reports the Board of Directors in the following areas:

- Recommending a developed vision and long range strategy that leads to increased shareholder value;
- Development of the overall direction of the business which includes strategy and the implementation of that strategy to maximize business opportunities;
- Recommending to the Board, business plans and operating and capital budgets that support business strategy;
- Leading management group and fostering a corporate culture promoting a positive and ethical work climate which promotes innovation, growth, personal accountability and integrity; Ensuring integrity in all matters;
- Providing positive relations with all external factions, i.e. customers, the financial community, government and acts as the external representation of the company, serving as the chief spokesperson;
- Achieving maximum return on invested capital while pursuing and negotiating mergers, acquisitions and dispositions;

- Overseeing the financial and human resource assets;
- Ensuring continuous improvement in the quality of all tangible and intangible assets;
- Achievement of the financial and operational goals as approved by the Board and maintaining their consistent competitiveness;
- Ensuring competitiveness by effectively monitoring and anticipating change in competitive environment; this includes staying abreast of influential events and trends;
- Development of initiatives to improve effectiveness of the organization to execute strategy and achieve objectives;

Evaluation of the incumbent will be based on the accomplishment of the leadership initiatives, which will be related to the above accountabilities and will continue to meet the overall objectives of the Corporation.

Strategic planning and identification of risks

The Board believes that management is responsible for the development of individual unit and overall corporate strategy. The role of the Board is to establish an agreed upon planning process, then review, question and validate, and ultimately approve, the strategies for Clearwater. The Board receives presentations from management with respect to the long-term direction of Clearwater, strategic priorities, and performance. The Board reviews and analyzes these presentations to ensure that there is congruence between strategic plans, performance and unitholder expectation.

The board directly and through the audit committee and the corporate governance and compensation committee, is responsible for understanding the principal risks associated with the company's businesses and operations on an ongoing basis. The principal risks of the company are those related to resource supply, food processing and product liability, customers, economic fluctuations, government regulations and the ongoing development of leaders. The audit committee meets regularly to review reports and discuss significant financial risk areas with management and the external auditors. The board, through the audit committee, ensures that the company adopts risk management policies.

A Risk Management Committee has been established to identify risks and ensure the implementation of appropriate systems to manage these risks.

Succession planning

The Corporate Governance and Compensation Committee oversees Clearwater's compensation programs, practices, and the performance of senior management. The board approves the CEO's corporate objectives and compensation. The Board also ensures that adequate provisions have been made for senior management training and succession. The Board considers as one of its most critical functions the selection of a Chief Executive Officer and senior management team that fits Clearwater's current culture, understands its business strategy and inspires others to follow their lead. The Board expects succession planning and management development to be a key ongoing process with a detailed annual report on these areas to be made to the Corporate Governance and Compensation Committee and to the full Board.

Corporate Communications Policy

The board approves all the company's major communications, including annual and quarterly reports, proxy circulars, annual information forms, financing documents and related press releases. The company communicates through a number of channels including its web site. The board approved the company's disclosure policy, which covers the accurate and timely communication of all-important information. This policy is updated annually and includes procedures for communication with analysts, investors and the media.

Integrity of internal control and management information systems

The board, through the audit committee examines the effectiveness of the company's internal control processes and management information systems. The board consults with management of the company to ensure the integrity of these systems.

Feedback

An e-mail address will be set up and maintained to allow stakeholders to contact the committee directly allowing the committee to receive feedback related to corporate governance principles and guidelines.

Meeting of the Committee

The committee will meet quarterly at a minimum without the presence of management and meet quarterly at a minimum with management. The attendance for the meetings will be recorded with any materials that will be reviewed or discussed will be distributed in advance.

Compensation

Review and make recommendations to the board of directors on the appointment of officers of Clearwater.

Review succession planning for Clearwater and its operating companies as prepared by senior management, including the training and development of senior management.

Periodically review the position description of the Chief Executive Officer and annually review his or her objectives.

Evaluate at least annually the performance of the Chief Executive Officer and determine his or her compensation.

Annually review with the Chief Executive Officer the performance of the officers of Clearwater and approve their compensation.

Examine and make recommendations to the board on the introduction of or major revisions to compensation, benefit and incentive plans (including the long-term incentive plan), policies and programs that affect Clearwater or the most senior officers of the operating companies.

Review the Corporate Governance and Compensation Committee report on Executive Compensation forming part of management information circulars.

Review compliance with the Code of Business Conduct and Conflict of Interest Policy and receive an annual report from management thereon.

Review the compensation of outside directors on a periodic basis. Inside directors are not compensated. The committee will make recommendations to the board for considerations when it believes changes in compensations are warranted.

Section D3 – Audit Committee Charter

Audit Committee Charter

The Canadian Securities Administrators' (CSA) multilateral instrument 52-110 has defined specific requirements for Audit Committees to meet. One of these requirements is that the company's Audit Committee will have a written charter that sets out its mandate and responsibilities. It also requires the text of the charter to be included in the annual information form along with other specified information on the audit committee members.

Purpose

The Audit Committee is ultimately responsible for 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 will also be responsible for identifying principal risks of the business and ensuring appropriate risk management techniques are in place.

The Audit Committee charges management with developing and implementing procedures to:

- Ensure internal controls are appropriately designed, implemented and monitored and,
- Ensure reporting and disclosure of required information is complete, accurate, and timely.

The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls, following the execution of the committee's responsibilities as described in the mandate.

Composition of Committee

The committee will be composed of 3 independent Directors from the Company's Board of Directors. Independence of the Board members will be as defined by applicable legislation and as a minimum each committee member will have no direct or indirect relationship with the Company which, in the view of the Board of Directors, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If a member upon appointment to the committee is not financially literate as required, the person will be provided a three month period in which to achieve the desired level of literacy.

If any member loses their independent status, they will be required to resign from the committee within three months of becoming non-independent. The Nominating Committee of the Board will be required to replace the member within that three-month time frame. If it is the Chair of

the Audit Committee that loses independent status, that person shall cease to be chair immediately and be replaced as chair by an existing member of the committee with the Nominating Committee being asked to replace this member within the three month time frame.

Authority

The Committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the Committee will set the compensation for such advisors. The Committee has the authority to communicate directly with and to meet with, without management involvement, the external auditors. This extends to requiring the external auditor to report directly to the Audit Committee.

Responsibilities

1. The Audit Committee will recommend to the Board of Directors;
 - (a) The external auditor to be nominated for purposes of preparing or issuing the auditor's report or performing other audit, review or attest services for the Company and,
 - (b) The compensation of the external auditor.
2. The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing the Auditor's Report or performing other review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting. The Audit Committee will also ensure that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor. The Audit Committee will also ensure that the external auditor meets the rotation requirements for partners and staff on the Company's audit.
3. The Audit Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor. The Audit Committee has delegated to the Chair or any member of the Committee the authority to pre-approve non-audit services, with such pre-approved services presented to the Audit Committee at the next scheduled Audit Committee meeting following such pre-approval.
4. The Audit Committee will review and discuss with management and the external auditors the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditors' written communications to the Committee and to management.
5. The Audit Committee reviews the Company's financial statements, MD&A as well as annual and interim earnings press releases and recommends such to the Board. This is prior to public disclosure of such information.

6. The Audit Committee ensures that adequate procedures are in place for the review of financial information extracted or derived from the Company's financial statements, contained in the Company's other public disclosures and must periodically assesses the adequacy of those procedures.

The Audit Committee establishes procedures for:

- (a) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
 - (b) The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
7. The Audit Committee reviews and approves the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee will ensure that the policies prohibits hiring any partners, employees and former partners and employees of the present and former external auditor of the Company until the passage of three years subsequent to the date of their last employment by the present or former external auditor of the company.
8. The Audit Committee will, with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109. This will also involve enquiry of the Chief Internal Auditor as to the internal auditors' assessment of internal controls, and assessing disagreements between management and the internal auditor regarding the state of internal controls.
9. The Audit Committee will undertake a process to identify the principal risks of the business and ensure appropriate risk management techniques are in place. This will involve enquiry of management regarding how risks are managed as well as receiving opinions from Internal Audit regarding the effectiveness of the risk mitigation strategies.

Reporting

The reporting obligations of the Committee will include:

- Report to the Board on the proceedings of each Audit Committee meeting and on the Audit Committee's recommendations at the next regularly scheduled Board meeting.
- Review the disclosure required in the Company's Annual Information Form as Form 52-110FI.

Meetings

The Committee will meet at least four times per year and at least once every fiscal quarter.

Notice of meetings shall be given to the external auditor of the Company, and meetings can be convened at the request of the external auditor.

Section D4 – Risk Management Committee Charter

Statement of Policy

Successful organizations do not avoid risks; in fact risk-taking is inherent in any effort to ensure top performance. In order to maximize Clearwater’s overall corporate performance it is critical that the organization have a process in place to manage key risks.

The goal of risk management at Clearwater is to avoid/reduce the impact of any major shocks or negative impacts to the business.

The primary function of the Risk Management Committee constituted hereunder (the “Committee”) is to assist the Company’s Chief Executive Officer, the Chief Financial Officer and a rotating member of the Executive (the “Senior Officers”) in fulfilling their oversight responsibilities with risk management. In carrying out this function, the Committee shall serve as an independent and objective party to help develop and monitor the Company’s risk management practices by:

- Working with the management team to identify and verify the major risks of the organization as well the related owners of the risks and high level mitigation strategies. This will include maintaining a detailed risk profile for the organization.
- Ranking and prioritize risks for follow-up from an enterprise perspective which will include further detailed investigation of the risk, completing a more defined impact assessment, assessing the likelihood of impact and levels of control (that currently exist and recommending ones that should), identifying risk owners, determining Clearwater’s current position on the risk and expanding and documenting management’s understanding of the current and possible mitigation strategies. The Risk Committee will identify 2-3 key risks per quarter and complete this work.
- Proposing policies to the board with respect to currency, interest rate, and fuel risk management policies and well as company risk management positions on other key risks.
- Communicating and promoting the importance of risk management as well as critical findings to the Executive Committee and, where directed, to additional groups within the business. In order to be effective this will entail creating a list of definitions (to aid in the communication process) and communicating the strategy for risk management (and how it links to the corporate strategies), the risk appetite and limits (for likelihood and impact), responsibilities, monthly/quarterly/annual processes and reporting mechanisms. For board and executive purposes the committee will develop a one-page summary of the key risks along with a more detailed explanation of the risk mitigation steps the company plans to take that it will give to the audit committee twice annually in the second and fourth quarters.
- It is important that risk management processes are linked directly to the Company’s disclosure documents. To the extent there is a material change in the risks disclosed in the AIF or any other disclosure documents it will be brought to the immediate attention

of the Disclosure Committee to determine the appropriate communication. In addition, the Executive will be asked to review the risks listed in the AIF on a quarterly basis and sign-off as to their completeness.

- The risk management processes are an important aspect of the certification process and therefore it will be important to link these processes into the certification process and ensure the processes and related controls are well documented.
- Integration of risk management in the budgeting and forecasting processes is also critical and will be effected by identifying opportunities and risks and attaching estimates to them as part of quarterly and annual forecasting and budgeting documents.
- Conducting periodic reviews, at least annually, of the adequacy (both price and coverage) of the insurance aspect of the Company's risk management plan.

Organization

The membership of the Committee shall initially consist of the CEO, CFO, a member of the Executive (which will rotate) and senior Investor Relations staff. The Senior Officers may from time to time change the membership of the Committee.

One member of the Committee shall be appointed by the Senior Officers as chair, who shall be responsible for scheduling and presiding over meetings of the Committee. Any question of interpretation of this Charter or the Committee's procedures shall be determined by any Senior Officer or, in their absence, the chair.

The Committee shall meet as frequently as circumstances dictate, but at a minimum quarterly, to:

- (i) Ensure the accuracy and completeness of the Key Risks Identified
- (ii) Evaluate the in-depth analysis of the key risks selected for further review that quarter
- (iii) Receive a report on the functioning of risk management processes during the quarter
- (iv) Review any documents to be presented to the board, executive of that are part of the Company's required filings and
- (v) Review the existing procedures with the view to determining whether any changes to the Risk Management Controls are necessary or advisable.

Supervision and Oversight of the Committee

The Committee shall be subject to the supervision and oversight of the Senior Officers.

The Senior Officers may at any time and from time to time in their discretion assume any or all of the responsibilities of the Risk Management Committee. Without limiting the generality of the foregoing, the Senior Officers may approve Risk Management procedures or statements when time does not permit the full Committee to meet.

Other Responsibilities

In carrying out its function, the Committee shall be given full access to all of the Company's books, records, facilities, and personnel.

The Committee shall have such other responsibilities as the Senior Officers may assign to it from time to time.

The Committee shall also review and reassess this Charter annually and recommend any proposed changes to the Senior Officers and the Audit Committee for approval.

Adoption and Ratification of Charter

This has been adopted by the Senior Officers as of January 5, 2006 and is to be ratified by the Audit Committee and the Board of Directors.