CLEARWATER SEAFOODS INCORPORATED

Notice of Annual Meeting of Shareholders
and
Management Information Circular

Thursday, May 30, 2019
Halifax, Nova Scotia

April 22, 2019

INVITATION TO SHAREHOLDERS

April 22, 2019

Dear Shareholders,

We are pleased to invite you to join our 2019 Annual Meeting of Shareholders to be held:

Thursday, May 30, 2019
10:00 am (Atlantic time)
Purdy's Wharf Tower II
1969 Upper Water Street, Suite 1300
Halifax, Nova Scotia

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

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

If you are unable to attend, you should complete, sign and return your proxy or voting instruction form to vote your shares. If you have any questions about Clearwater and its business operations, please contact our Investor Relations team at Clearwater Seafoods Incorporated, 757 Bedford Highway, Bedford, Nova Scotia B4A 3Z7, by phone at 1-888-722-5567 or by e-mail at investorinquiries@clearwater.ca.

Thank you for your continued support. We look forward to seeing you on May 30th, 2019.

Sincerely,

Colin MacDonald
Chairman

Ian Smith
Chief Executive Officer

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

NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN THAT:

The annual meeting ("**Meeting**") of the shareholders of Clearwater Seafoods Incorporated ("**Clearwater**" or the "**Corporation**") will be held at Purdy's Wharf Tower II, 1969 Upper Water Street, Suite 1300, Halifax, Nova Scotia, on Thursday, May 30, 2019 at 10:00 a.m. (Atlantic time) to:

a) *receive the financial statements of the Corporation for the year ended December 31, 2018, together with the report of the auditor thereon;*

b) *elect directors of the Corporation for the forthcoming year;*

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

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

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

Only shareholders of record as of the close of business on April 15, 2019 are entitled to receive notice of the Meeting and to vote at the Meeting.

To assure your representation at the Meeting as a **Registered Shareholder**, please complete, sign, date and return the enclosed proxy, whether or not you plan to personally attend. Sending your proxy will not prevent you from voting in person at the Meeting. All proxies completed by Registered Shareholders must be received by the Corporation's transfer agent, **Computershare Investor Services Inc.**, not later than **Tuesday, May 28, 2019 at 10:00 a.m. (Atlantic time).** A Registered Shareholder must return the completed proxy to Computershare Investor Services Inc., as follows:

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

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

c) *by **registered mail**, by **hand** or by **courier** to the attention of Computershare Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.*

Non-Registered Shareholders whose shares are registered in the name of an intermediary should carefully follow voting instructions provided by the intermediary. A more detailed description on returning proxies by Non-Registered Shareholders can be found on page 3 of the attached Circular.

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

DATED at Bedford, in the Halifax Regional Municipality, Nova Scotia, this 22nd day of April, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) Colin MacDonald

Chairman

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CLEARWATER SEAFOODS INCORPORATED
MANAGEMENT INFORMATION CIRCULAR

(As at April 22, 2019, except as indicated)

Part 1 – About the Meeting

Information Regarding the Meeting

This management information circular ("**Circular**") is furnished in connection with the solicitation of proxies by or on behalf of the management of Clearwater Seafoods Incorporated ("**Clearwater**" or the "**Corporation**") for use at the annual meeting of shareholders of the Corporation ("**Shareholders**") to be held at Purdy's Wharf Tower II, 1969 Upper Water Street, Suite 1300, Halifax, Nova Scotia, on Thursday, May 30, 2019 at 10:00 a.m., or at any adjournment thereof ("**Meeting**"), for the purposes set forth in the accompanying notice of meeting ("**Notice of Meeting**").

Clearwater is the successor to Clearwater Seafoods Income Fund (the "**Fund**") resulting from a reorganization of the Fund pursuant to a plan of arrangement that was effective on October 2, 2011. Clearwater's business is operated through its wholly-owned subsidiaries, Clearwater Seafoods Limited Partnership ("**CSLP**") and CS ManPar Inc. ("**CS ManPar**"), the managing general partner of CSLP. References to "Clearwater" include its wholly-owned subsidiaries.

Notice-and-Access

Clearwater is using notice-and-access delivery procedures under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and National Instrument 51-102 – *Continuous Disclosure Obligations* to deliver this Circular to Registered Shareholders and Non-Registered Shareholders. This means that Clearwater will post the Circular online for Shareholders to access electronically. Shareholders will receive a package in the mail with a notice explaining how to access and review the Circular electronically and how to request a paper copy at no charge, as well as a voting instruction form ("**VIF**") or a form of proxy, as applicable (collectively with the Notice of Meeting and the Circular, the "**Meeting Materials**"). Notice-and-access gives Shareholders more choice, reduces printing and mailing costs, and is environmentally friendly as it reduces paper and energy consumption.

The Circular will be available at www.envisionreports.com/clearwater2019 and on SEDAR. A Shareholder may request a paper copy of this Circular, at no cost, up to one year from the date the Circular was filed on SEDAR. Requests for paper copies should be made as soon as possible, but must be received no later than May 20, 2019, in order to receive a paper copy before the Meeting.

Solicitation of Proxies

Solicitation of proxies will be primarily by mail, but may also be by telephone or other means of communication by the directors, officers, employees or agents of the Corporation at nominal cost. All costs of solicitation will be paid by the Corporation. The Corporation will also pay the fees and costs of intermediaries for their services in transmitting proxy-related material in accordance with NI 54-101.

Appointment and Revocation of Proxies

General

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

The persons named in the enclosed instrument appointing proxy are officers or directors of the Corporation. **Each Shareholder has the right to appoint a person or company (who need not be a Shareholder) to attend and act**

for him at the Meeting other than the persons designated in the enclosed form of proxy. Shareholders who have given a proxy also have the right to revoke it insofar as it has not been exercised. The right to appoint an alternate proxyholder and the right to revoke a proxy may be exercised by following the procedures set out below under "*Registered Shareholders*" or "*Non-Registered Shareholders*", as applicable.

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

Registered Shareholders

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

Proxies must be received by the Corporation's transfer agent, **Computershare Investor Services Inc.**, not later than **Tuesday, May 28, 2019 at 10:00 a.m. (Atlantic time).** A Registered Shareholder must return the completed proxy to Computershare Investor Services Inc., as follows:

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

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

(c) by **registered mail**, by **hand** or by **courier** to the attention of Computershare Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.

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

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

Non-Registered Shareholders

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

In accordance with the requirements of NI 54-101, the Corporation is sending the Meeting Materials using notice-and-access directly to the NOBOs and, indirectly, through intermediaries to the OBOs. The Corporation will also pay the fees and costs of intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

Meeting Materials Received by OBOs from Intermediaries

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

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

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

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

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

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

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

Meeting Materials Received by NOBOs from the Corporation

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

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

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

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

Exercise of Proxies

Where a choice is specified, the Common Shares represented by proxy will be voted for, withheld from voting or voted against, as directed, on any poll or ballot that may be called. **Where no choice is specified, the proxy will confer discretionary authority and will be voted in favour of all matters referred to on the form of proxy. The proxy also confers discretionary authority to vote for, withhold from voting, or vote against amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters not specifically mentioned in the Notice of Meeting but which may properly come before the Meeting.**

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

Voting Shares

The authorized capital of the Corporation consists of an unlimited number of Common Shares, of which 65,026,962 are issued and outstanding as of the date hereof.

The board of directors of the Corporation ("**Board of Directors**" or "**Board**") has fixed the record date for the Meeting as the close of business on April 15, 2019 ("**Record Date**"). Only Shareholders as of the close of business on the Record Date will be entitled to vote at the Meeting. Shareholders entitled to vote shall have one vote each on a show of hands and one vote per Common Share on a poll.

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

Principal Shareholders

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

Name	**Number of Common Shares Owned, Controlled or Directed**(3)	**Percentage of Common Shares**
CFFI Seafood Holdings Limited(1)	33,430,142	51.41%
CJR Investments Inc.(2)	5,751,821	8.84%
Total	39,181,963	60.25%

Notes:

(1) CFFI Seafood Holdings Limited ("**CFFI Seafood**") is controlled by John Risley, Colin MacDonald and Mickey MacDonald and represents shares held indirectly through CFFI Seafood's subsidiaries. Including direct and indirect holdings, Messrs. Colin and Mickey MacDonald and Risley as a group beneficially own and control an aggregate of 40,838,207 Common Shares representing 62.8% of the issued and outstanding Common Shares.

(2) CJR Investments Inc. is controlled by Mickey MacDonald.

(3) Based on public filings with securities regulatory authorities in Canada and information provided by Messrs. Colin and Mickey MacDonald and Risley.

Part 2 – Business of the Meeting

Receive Financial Statements

The financial statements of the Corporation, the auditor's report thereon and management's discussion and analysis for the financial year ended December 31, 2018 will be presented to the Shareholders at the Meeting.

Election of Directors

The Articles of Incorporation of the Corporation provide that the size of the Board of Directors must consist of not less than three (3) directors and not more than ten (10) directors to be elected annually. The Corporation's by-laws provide that the Board of Directors determines the size of the Board, which will be fixed at nine (9) directors at the close of the Meeting.

Majority Voting Policy

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

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

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

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

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

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

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

About the Board Nominees

The following pages include profiles of the director nominees, each of whom is currently a director of the Corporation and all are, in the opinion of management, well qualified to direct the Corporation's activities for the ensuing year. They have all confirmed their willingness to serve as directors, if elected. The term of office of each director elected will be until the next annual meeting of the Shareholders or until the position is otherwise vacated. Mr. Larry Hood, a current director of Clearwater, will be retiring as a director of the Corporation at the close of the Meeting and has therefore not been nominated for re-election.

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

Colin MacDonald
Chairman
Age: 71
Nova Scotia, Canada
Director since October 2, 2011
Not independent (controls (with other parties) a significant shareholder, CFFI Seafood)

Colin MacDonald co-founded Clearwater with John Risley in 1976 and has served in various capacities within Clearwater from that time, including serving as a director of CS ManPar Inc., the managing general partner of CSLP, since July 2002. He is currently Chairman of the Corporation as well as Director and Secretary of Thornvale Holdings Limited, a company he controls with Mr. Risley. Prior to this current role, Mr. MacDonald was the CEO of CSLP until May 2010 and he is the former Chairman of Clearwater Seafoods Income Fund from January 2009 - October 2011.

Mr. MacDonald has acted as Chair of several community related associations including the IWK Foundation, UNICEF Dinner, The Children's Wish Foundation, Red Cross and others. In addition he has received a number of awards such as the Courage to Give Back Award, Top 50 CEO and Honorary Degrees for his charitable efforts, most notably honorary doctorates from Dalhousie University, St Mary's University, Cape Breton University and University of Prince Edward Island. Mr. MacDonald holds a BSc degree from Dalhousie University and is a graduate of the Harvard University President's Program on Leadership.

Board and Committee Meeting Attendance[1]		2018 Compensation ($)[1]	
Board	10 of 10	Director Fees - cash	196,000
Other[2]	7	Director Fees - DSU	-
		Share-based awards	42,420
		Other	20,388

Other Boards: None

Securities owned, controlled or directed

Common shares (#)[3]		Share-based compensation units (#)[4]	
Directly and indirectly[5]	34,729,286	DPSU	14,279
		DSU	-

Jane Craighead
Age: 59
Ontario, Canada
Director since May 12, 2015
Committees: Finance and HRDC[6] (Chair)
Independent

Jane Craighead is a Senior Vice President in Global Human Resources at Scotiabank. Her corporate experience also includes similar roles at Alcan and Rio Tinto, a large UK based mining conglomerate. Ms. Craighead is a Chartered Accountant (CA) and Chartered Professional Accountant (CPA) and worked for many years in practice and in consulting. She holds a PhD in Management from McGill University. She is currently a director of CS ManPar Inc., the managing general partner of CSLP, a position she has held since May 2015.

Ms. Craighead joined the Board of Directors of Jarislowsky Fraser, one of Canada's leading independent investment firms, in 2018. She has many years of experience on the Human Resources side of mergers and acquisitions as well as post transaction integration. Ms. Craighead is currently based in Toronto at Scotiabank's corporate offices and has worked internationally. Ms. Craighead has published research on executive compensation and corporate governance. She has also been awarded one of Canada's Top 100 Most Powerful Women by the Women's Executive Network.

Board and Committee Meeting Attendance[1]		2018 Compensation ($)[1]	
Board	10 of 10	Director Fees - cash	-
HRDC[6]	5 of 5	Director Fees - DSU	127,500
Finance	5 of 5	Share-based awards	21,210
Other[2]	3	Other	8,502

Other Boards: None

Securities owned, controlled or directed

Common shares (#)[3]		**Share-based compensation units (#)**[4]	
Directly and indirectly	30,721	DPSU	6,329
		DSU	50,778

Jim Dickson
Age: 61
Nova Scotia, Canada
Director since June 20, 2012
Committees: Audit, Lead Director[8]
Independent

James M. Dickson, Q.C., P.Eng. is Counsel to the law firm Stewart McKelvey, with over 30 years of experience practicing primarily in the areas of mergers and acquisitions, corporate finance and securities. In addition to serving as a Director of Clearwater, Mr. Dickson is a director of CS ManPar Inc., the managing general partner of CSLP, a position he has held since June 20, 2012. Jim is Chair of the Board of Directors of Empire Company Limited and also serves as a Director of Sobeys Inc., and as a Trustee of Crombie REIT. He is past Chair of the Board of Regents of Mount Allison University and is also a past Chair of the IWK Health Centre Foundation. In addition to his legal practice, Jim is a professional engineer and a Registered Trade-mark Agent. Mr. Dickson is a member of the Canadian Bar Association, Nova Scotia Barristers' Society and Engineers Nova Scotia.

Board and Committee Meeting Attendance[1]		**2018 Compensation ($)**[1]	
Board	10 of 10	Director Fees - cash	61,750
Audit	4 of 4	Director Fees - DSU	61,750
Corporate Governance	5 of 5	Share-based awards	19,090
Other[2]	4	Other	13,158

Other Boards: Empire Company Limited

Securities owned, controlled or directed

Common shares (#)[3]		**Share-based compensation units (#)**[4]	
Directly and indirectly	10,572	DPSU	6,455
		DSU	67,317

Mickey MacDonald
Age: 67
Nova Scotia, Canada
Director since October 2, 2011
Committees: HRDC[6]
Not independent (controls (with other parties) a significant shareholder, CFFI Seafood)

Michael (Mickey) MacDonald is an entrepreneur who is currently President of Micco Companies, an investment and holding company, and Chairman of the Nova Scotia Boxing Authority. His business interests are diversified across many industries including automotive leasing, retail, food and beverage, fitness and residential land development. He is currently a director of CS ManPar Inc., the managing general partner of CSLP, a position he has held since June 2009.

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

Board and Committee Meeting Attendance[1]		**2018 Compensation ($)**[1]	
Board	10 of 10	Director Fees - cash	92,500
HRDC[6]	5 of 5	Director Fees - DSU	-
Other[2]	5	Share-based awards	14,845
		Other	925

Other Boards: None

Securities owned, controlled or directed

Common shares (#)[3]		**Share-based compensation units (#)**[4]	
Directly and indirectly[7]	39,538,298	DPSU	4,998
		DSU	9,364

Vicki McKibbon
Age: 55
New Brunswick, Canada
Director since: May 30, 2018
Committees: Corporate Governance (Chair)[8], Audit and Finance
Independent

Vicki McKibbon is the President of Transportation at Armour Transportation Systems, a diversified transportation services provider connecting Atlantic Canada with the world. Ms. McKibbon holds a Bachelor of Science, First Class Honors in Chemistry from Mount Allison University. She is a Chartered Accountant (CA) and Chartered Professional Accountant (CPA) and holds a Master of Business Administration (MBA) degree from Queen's University.

Ms. McKibbon is a Regent on the Board of Regents at Mount Allison University, where she currently serves as Chair of the Audit Committee. She is a director on the Board of the Canadian Trucking Alliance. She is also a director on the Atlantic Provinces Trucking Association Board, where she is currently Past Chair. Ms. McKibbon has many years of experience in the negotiation and execution of acquisitions as well as post transaction integration. She has helped lead many change management initiatives including several significant system implementations, most recently a corporate-wide transportation management software transition.

Board and Committee Meeting Attendance[1]		**2018 Compensation ($)**[1]	
Board[9]	5 of 10	Director Fees - cash	60,630

Board and Committee Meeting Attendance		2018 Compensation ($)	
Audit[10]	2 of 4	Director Fees - DSU	-
Finance[10]	3 of 5	Share-based awards	-
		Other	-

Other Boards: None

Securities owned, controlled or directed

Common shares (#)[3]		**Share-based compensation units (#)[4]**	
Directly and indirectly	-	DPSU	-
		DSU	-

Brendan Paddick
Age: 55
Grand Bahamas Island, Bahamas
Director since October 2, 2011
Committees: HRDC[6], Corporate Governance and Finance
Independent

Brendan Paddick is the Chairman of Columbus Capital Corporation. He is the founder and former Chief Executive Officer of Columbus International Inc. Columbus provides advanced telecommunications services throughout 42 countries in the Caribbean and Latin America. He is currently a director of CS ManPar Inc., the managing general partner of CSLP, a position he has held since June 2006. He is also the Chair of Nalcor Energy and a director of NASDAQ-listed Liberty Latin America.

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

Board and Committee Meeting Attendance[1]		**2018 Compensation ($)[1]**	
Board	10 of 10	Director Fees - cash	-
Audit	3 of 4	Director Fees - DSU	140,000
HRDC[6]	5 of 5	Share-based awards	21,210
Finance	5 of 5	Other	17,595
Corporate Governance	5 of 5		
Other[2]	7		

Other Boards: Liberty Latin America, Bahamas Telecommunications Corp., Nalcor Energy and Churchill Falls (Labrador) Corporation Limited

Securities owned, controlled or directed

Common shares (#)[3]		**Share-based compensation units (#)[4]**	
Directly and indirectly	451,288	DPSU	6,841
		DSU	96,439

John Risley
Age: 70
Nova Scotia, Canada
Director since October 2, 2011
Committees: Finance
Not independent (controls (with other parties) a significant shareholder, CFFI Seafood)

John Risley is the co-founder of Clearwater and Thornvale Holdings Limited, serving as Chairman and President of Thornvale. Thornvale is an active investment/holding company with its major investments in seafood harvesting and processing, telecommunications and renewable energy. He is also a director of CS ManPar Inc., the managing general partner of CSLP, since July 2002.

Mr. Risley was named an Officer of the Order of Canada and was inducted into the Nova Scotia Junior Achievement Business Hall of Fame in 1997. He has received numerous awards, including Atlantic Canadian Entrepreneur of the Year and a Canada Award for Business Excellence in Entrepreneurship. He is also a graduate of Harvard University's President's Program on Leadership.

Board and Committee Meeting Attendance[1]		**2018 Compensation ($)[1]**	
Board	10 of 10	Director Fees - cash	-
Finance	4 of 5	Director Fees - DSU	88,500
Other[2]	4	Share-based awards	14,845
		Other	11,339

Other Boards: None

Securities owned, controlled or directed

Common shares (#)[3]		**Share-based compensation units (#)[4]**	
Directly and indirectly[11]	33,430,907	DPSU	4,998
		DSU	61,937

Karl Smith
Age: 61
Nova Scotia, Canada
Director since August 8, 2018
Committees: Audit (Chair)[10], Finance and HRDC[6]
Independent

Karl Smith is the former Executive Vice President and Chief Financial Officer of Fortis Inc. Mr. Smith's career with the Fortis Group spanned nearly 30 years working in various capacities for FortisAlberta, Newfoundland Power and Fortis Inc.

Mr. Smith earned a Bachelor of Commerce (Honours) from Memorial University of Newfoundland and recently retired from the Association of Chartered Professional Accountants of Newfoundland and Labrador. He has served on the boards of CH Energy, FortisOntario, FortisAlberta, Caribbean Utilities, UNS Energy and FortisBC, all Fortis utilities. He is also Chair of the Memorial University of Newfoundland Faculty of Business Administration's Advisory Board and serves on the board of Junior Achievement of Newfoundland and Labrador.

Board and Committee Meeting Attendance[1]		**2018 Compensation ($)**[1]	
Board[9]	3 of 10	Director Fees - cash	-
Audit[10]	1 of 4	Director Fees - DSU	43,000
Finance[10]	2 of 5	Share-based awards	-
HRDC[6,12]	1 of 5	Other	125

Other Boards: None

Securities owned, controlled or directed

Common shares (#)[3]		**Share-based compensation units (#)**[4]	
Directly and indirectly	-	DPSU	-
		DSU	7,769

Stan Spavold
Age: 60
Washington, United States
Director since October 2, 2011
Committees: Finance (Chair), HRDC[6] and Corporate Governance
Not independent (Executive officer of a significant shareholder, CFFI Seafood, and related entities)

Stan Spavold, an FCPA, FCA in Canada and a CPA (California and Washington), joined Clearwater Fine Foods Incorporated (the predecessor company to CFFI Ventures Inc.) ("**CFFI**") as Executive Vice-President in November of 2002. Along with his role as senior advisor to Mr. Risley, he serves as a Board member and President of CFFI. He has various executive positions in the group including being Board member and Vice Chairman of Cognition Financial Corporation, which is his current employer. Mr. Spavold has a broad executive and financial oversight role at CFFI serving on the boards of the private companies over which CFFI has significant influence or control. Stan also serves on the board of publicly traded Norvista Capital Corporation. He is active in a number of community not-for-profit organizations. He is currently a director of CS ManPar Inc., the managing general partner of CSLP, a position he has held since June 2009.

Board and Committee Meeting Attendance[1]		**2018 Compensation ($)**[1]	
Board	10 of 10	Director Fees - cash	131,000
Finance	5 of 5	Director Fees - DSU	-
Audit	3 of 4	Share-based awards	21,210
Corporate Governance	5 of 5	Other	1,325
HRDC[6,12]	5 of 5		
Other[2]	1		

Other Boards: Norvista Capital Limited Partnership

Securities owned, controlled or directed

Common shares (#)[3]		**Share-based compensation units (#)**[4]	
Directly and indirectly[13]	77,537	DPSU	7,141
		DSU	-

Notes

(1) Represents director attendance as committee members (excludes guest attendance). However, compensation includes all meetings that the director was in attendance, whether as a member or a guest. As a guest, Colin MacDonald attended 3 HRDC Committee meetings, 1 Governance Committee meeting and 2 Finance Committee meetings; Jane Craighead attended 3 Governance Committee meetings and 4 Audit Committee meetings; Jim Dickson attended 2 HRDC Committee meetings and 4 Finance Committee meetings; Vicki McKibbon attended 2 Governance Committee meetings and 2 HRDC Committee meetings and Karl Smith attended 1 Governance Committee meeting.

(2) Other meetings includes the annual meeting of Shareholders and a special committee formed in 2018 related to developments in the Arctic Surf Clam fishery. Refer to the Corporation's 2018 Management Discussion and Analysis for further information.

(3) The information as to Common Shares beneficially owned or controlled, directly or indirectly, including by associates or affiliates, not being within the knowledge of the Corporation, has been furnished by the respective directors as of April 15, 2019.

(4) Share-based compensation reflects units held as of December 31, 2018.

(5) Colin MacDonald beneficially owns 152,362 Common Shares directly and controls 1,130,782 Common Shares through Colinco Holdings Limited, a company controlled by him, and 16,000 Common Shares beneficially owned by his children.

(6) Human Resource Development and Compensation Committee.

(7) Mickey MacDonald beneficially owns 19,332 Common Shares directly and controls an additional 5,751,821 Common Shares through CJR Investments Inc. and 337,003 Common Shares through 3321998 Nova Scotia Limited, companies controlled by him.

(8) On March 7, 2019, Ms McKibbon replaced Mr. Dickson as Chair of the Governance Committee and Mr. Dickson assumed the role of Lead Director.

(9) On May 30, 2018, Ms. McKibbon was elected to the Board and on August 8, 2018, Mr. Smith was appointed to the Board.

(10) In August 2018, Ms. McKibbon and Mr. Smith joined the Audit Committee and Finance Committee and Messrs. Paddick and Spavold left the Audit Committee. Their respective attendance records reported above reflect attendance as members of each Committee. On March 7, 2019, Mr. Smith became the Chair of the Audit Committee following Mr. Hood's retirement from that position.

(11) John Risley beneficially owns 765 Common Shares directly.

(12) In August 2018, Messrs. Smith and Spavold joined the HRDC Committee and their respective attendance records reported above reflect attendance as members of each Committee

(13) Includes 35,000 Common Shares held jointly with Mr. Spavold's spouse.

Penalties and Sanctions

Except as noted below, no proposed director has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

On July 13, 2018, two holding companies (directly or indirectly) controlled by John Risley entered into a settlement agreement with the United States Securities and Exchange Commission with respect to a failure to timely file a report under the reporting provisions of Section 13(d) of the Securities Exchange Act of 1934. The settlement agreement included a cease and desist order and a fine of $92,383 for each entity.

Board Independence

Four of the nine (44%) proposed directors of the Corporation are not considered by the Board to be independent, being Messrs. Colin and Mickey MacDonald, John Risley and Stan Spavold. Colin and Mickey MacDonald and John Risley collectively control CFFI Seafood, an indirect significant shareholder, and Stan Spavold is an executive officer of CFFI Seafood and related entities.

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

Messrs. Colin and Mickey MacDonald, John Risley and Stan Spavold are executive officers or directors of companies which are significant shareholders of the Corporation. Collectively, Messrs. Colin and Mickey MacDonald, John Risley and Stan Spavold own, control or direct, directly and through companies controlled by them, 40,915,744 Common Shares, representing approximately 62.92% of the outstanding Common Shares as of the date hereof. See "*Part 4 – Corporate Governance – Board of Directors and Committees*".

Director Compensation

Narrative Discussion

This section provides information pertaining to the compensation of the Corporation's directors. The Corporation's director compensation program is designed to attract and retain qualified individuals and align their interests with those of Shareholders. The Governance Committee looks at general compensation surveys annually to compare the directors' compensation to generally accepted practices for comparable public entities.

The following standard fees were paid to directors, as applicable, over the past fiscal year:

- $150,000 for the Chairman of the Board;
- $45,000 for the fiscal year for directors other than the Chairman of the Board;

- $15,000 for chairing a committee;
- $7,500 for each member of each committee; and
- $2,000 per meeting of the Board and committees attended as a member or as a guest.

The Corporation reimbursed the directors for out-of-pocket expenses for attending these meetings. During the year ended December 31, 2018, the Corporation paid the directors a total of $54,369 (2017 - $51,114) for such expenses.

Director Compensation Table

The following table discloses all forms of compensation paid to the directors of the Corporation for the financial year ended December 31, 2018.

Name	Fees Earned[(1)] ($)	Share-based awards[(2)] ($)	Other Annual Compensation[(3)] ($)	Total ($)
Jane Craighead	127,500	21,210	8,502	157,212
Jim Dickson	123,500	19,090	13,158	155,748
Harold Giles[(4)]	46,126	14,845	6,900	67,871
Larry Hood	117,500	19,090	7,745	144,335
Colin MacDonald	196,000	42,420	20,388	258,808
Mickey MacDonald	92,500	14,845	925	108,270
Vicki McKibbon[(5)]	60,630	-	-	60,630
Brendan Paddick	140,000	21,210	17,595	178,805
John Risley	88,500	14,845	11,339	114,684
Karl Smith[(5)]	43,000	-	125	43,125
Stan Spavold	131,000	21,210	1,325	153,535

Notes:

(1) Certain directors elected to receive all or a portion of their fees in the form of DSUs. The amount of compensation elected to be received in the form of DSUs was $127,500 for Ms. Craighead, $61,750 for Mr. Dickson, $67,500 for Mr. Hood, $140,000 for Mr. Paddick, $88,500 for Mr. Risley and $43,000 for Mr. Smith.

(2) The figures shown in this column consist of DPSUs. The fair value of each DPSU included in the share-based awards column is the volume weighted average trading price of a Common Share for the five trading days prior to the grant date. See *"Incentive Plans – Fair Value"* below for more information. These values do not represent the actual values of the payouts which will be received after the awards vest.

(3) For all directors, other compensation includes dividend equivalent share-based units granted during 2018 on both DSUs and DPSUs. Other compensation for Colin MacDonald also includes RRSP contributions and a car allowance. See table below for further information.

(4) Mr. Giles retired from the Board on May 30, 2018.

(5) On May 30, 2018, Ms. McKibbon was elected to the Board and on August 8, 2018, Mr. Smith was appointed to the Board.

The table below provides a breakdown of the other compensation received by directors for the financial year ended December 31, 2018, including dividends on DPSUs and DSUs and other non-share-based compensation:

Name	Additional Awards for Dividends			Other Compensation (non share-based awards) ($)	Total Other Compensation ($)
	Type	Total Units Granted (#)	Value of Dividends Paid as Additional Units ($)		
Jane Craighead	DPSU	206	1,096	-	8,502
	DSU	1,405	7,406		
Jim Dickson	DPSU	226	1,197	-	13,158
	DSU	2,288	11,961		
Harold Giles	DPSU	29	134	-	6,900
	DSU	1,425	6,766		
Larry Hood	DPSU	224	1,189	-	7,745
	DSU	1,250	6,556		
Colin MacDonald	DPSU	496	2,633	17,755	20,388
	DSU	-	-		
Mickey MacDonald	DPSU	174	925	-	925
	DSU	-	-		
Vicki McKibbon	DPSU	-	-	-	-
	DSU	-	-		
Brendan Paddick	DPSU	234	1,246	-	17,595
	DSU	3,121	16,349		
John Risley	DPSU	174	925	-	11,339
	DSU	1,988	10,414		
Karl Smith	DPSU	-	-	-	125
	DSU	21	125		
Stan Spavold	DPSU	249	1,325	-	1,325
	DSU	-	-		

Incentive Plans

Director Performance Share Unit Plan

Beginning in 2012, the directors were eligible to participate in a directors' performance share unit plan ("**DPSU Plan**") to promote alignment of interests between directors and Shareholders, to associate a portion of the directors' compensation with the returns achieved by Shareholders and to attract and retain directors with the knowledge, experience, and expertise required by the Corporation to act as members of the Board.

In March 2019, the Board determined to cease the granting of director performance share units ("**DPSUs**") to align to market practice. Beginning in 2019, DSUs will be issued for an equivalent value.

The DPSU Plan formerly provided target grants of DPSUs up to 25% of the value of the director's Board and committee retainer fees. The number of DPSUs that vest may be increased or decreased from the number originally granted on the grant date based on performance of the Corporation relative to the performance conditions. See "*Part 3 – Executive Compensation – Securities Authorized for Issuance under Equity Compensation Plans*" for more information on the DPSU Plan, including information on the methodology for determining market value, treatment of dividends, vesting and settlement.

The performance conditions for DPSU grants are the same as those used for PSU grants. See *"Part 3 – Executive Compensation – Compensation Discussion and Analysis"* for more information.

Deferred Share Unit Plan

Directors can elect to participate in the Corporation's deferred share unit plan ("**DSU Plan**"), which was developed to provide the directors with compensation opportunities that are consistent with shareholder interests. The DSU Plan allows a director's fees to be received in deferred share units ("**DSU**"). See "*Part 3 – Executive Compensation – Securities Authorized for Issuance under Equity Compensation Plans*" for more information on the DSU Plan, including information on the methodology for determining market value, treatment of dividends, vesting and settlement.

Fair Value

The fair value of each DPSU in the Director Compensation table above is the volume weighted average trading price of a Common Share for the five days prior to the grant date. This is the price used to determine the number of DPSUs granted to directors and more appropriately reflects the target compensation value.

The fair value for accounting purposes of each DPSU is calculated using either: (1) a Monte Carlo option pricing formula where a peer comparator group is used to assess performance at the end of the three-year performance period, or; (2) the closing price of the Common Shares on the TSX on the grant date when performance is assessed on internal performance metrics. See "*Part 3 – Share-Based Compensation Plans*" for more information.

Monte Carlo is an established pricing methodology widely used by the financial industry and by public companies for securities valuations and is supported as an appropriate methodology under International Financial Reporting Standards ("**IFRS**"). Pricing models include assumptions on expected volatility, expected life, expected termination rate, expected dividend yield and risk-free interest rate and provides the ability to estimate performance against a peer group. Refer to the Corporation's 2018 annual financial statements on SEDAR for further information.

The fair value of each DPSU included in the "Share-based awards" column in the Director Compensation table differs from the accounting fair value as follows:

Year	Fair value for compensation purposes	Fair value for accounting purposes
2016	12.79	17.78
2017	11.51	11.85
2018	5.00	4.95

Outstanding Share-based awards

The following table sets out the outstanding share-based awards granted to the directors as at December 31, 2018:

	Type of Award	Total Share-Based Awards (#)	Number of shares or units that have not vested (#)	Number of shares or units that have vested[1] (#)	Market value of share-based awards that have not vested[2] ($)	Market value of vested share-based awards not paid out or distributed[1][2] ($)
Jane Craighead	DSU	50,778	-	50,778	-	291,974
	DPSU	6,329	5,880	449	33,807	2,582
	Total	57,107	5,880	51,227	33,807	294,556
Jim Dickson	DSU	67,317	-	67,317	-	387,073
	DPSU	6,455	5,634	821	32,394	4,721
	Total	73,772	5,634	68,138	32,394	391,794
Harold Giles[3]	DSU	70,223	-	70,223	-	403,780
	DPSU	-	-	-	-	-
	Total	70,223	-	70,223	-	403,780
Larry Hood	DSU	40,509	-	40,509	-	232,929
	DPSU	6,425	5,634	791	32,394	4,548
	Total	46,934	5,634	41,300	32,394	237,477
Colin MacDonald	DSU	-	-	-	-	-
	DPSU	14,279	12,520	1,759	71,990	10,114
	Total	14,279	12,520	1,759	71,990	10,114
Mickey MacDonald	DSU	9,013	-	9,013	-	51,822
	DPSU	4,998	4,382	616	25,196	3,542
	Total	14,011	4,382	9,629	25,196	55,364
Vicki McKibbon	DSU	-	-	-	-	-
	DPSU	-	-	-	-	-
	Total	-	-	-	-	-
Brendan Paddick	DSU	96,978	-	96,978	-	557,625
	DPSU	6,841	6,070	771	34,900	4,433
	Total	103,819	6,070	97,749	34,900	562,058
John Risley	DSU	61,937	-	61,937	-	356,140
	DPSU	4,998	4,382	616	25,196	3,542
	Total	66,935	4,382	262,553	25,196	359,682
Karl Smith	DSU	6,151	-	6,151	-	35,369
	DPSU	-	-	-	-	-
	Total	6,151	-	6,151	-	35,369
Stan Spavold	DSU	-	-	-	-	-
	DPSU	7,141	6,261	880	35,998	5,060
	Total	7,141	6,261	880	35,998	5,060

Notes:

(1) The DPSUs that vested as of December 31, 2018 were settled in March 2019 with Common Shares.

(2) The market value of awards is determined by multiplying the number of outstanding units held at December 31, 2018 by the closing price of Common Shares on the TSX on that date of $5.75.

(3) Mr. Giles retired from the Board on May 30, 2018.

The following table provides information on the number of outstanding DPSUs granted under the DPSU Plan and the related vesting periods:

Name	Original Grant Date	Units Awarded[1]	Vesting Period
Jane Craighead	May 31, 2017	1,519	January 1, 2017 – December 31, 2019
	May 17, 2018	4,361	January 1, 2018 – December 31, 2020
Jim Dickson	May 31, 2017	1,709	January 1, 2017 – December 31, 2019
	May 17, 2018	3,925	January 1, 2018 – December 31, 2020

Name	Original Grant Date	Units Awarded[(1)]	Vesting Period
Larry Hood	May 31, 2017	1,709	January 1, 2017 – December 31, 2019
	May 17, 2018	3,925	January 1, 2018 – December 31, 2020
Colin MacDonald	May 31, 2017	3,799	January 1, 2017 – December 31, 2019
	May 17, 2018	8,721	January 1, 2018 – December 31, 2020
Mickey MacDonald	May 31, 2017	1,330	January 1, 2017 – December 31, 2019
	May 17, 2018	3,052	January 1, 2018 – December 31, 2020
Brendan Paddick	May 31, 2017	1,709	January 1, 2017 – December 31, 2019
	May 17, 2018	4,361	January 1, 2018 – December 31, 2020
John Risley	May 31, 2017	1,330	January 1, 2017 – December 31, 2019
	May 17, 2018	3,052	January 1, 2018 – December 31, 2020
Stan Spavold	May 31, 2017	1,900	January 1, 2017 – December 31, 2019
	May 17, 2018	4,361	January 1, 2018 – December 31, 2020

Notes:

(1) Includes original units granted and additional dividend equivalent units up to December 31, 2018.

Incentive Plan Awards Value Vested During the Year

The following table sets out the value of the directors' share-based awards that vested during 2018:

Name	Share-based awards – Value vested during the year ($)[(1)(2)]	
Jane Craighead	DSU	134,908
	DPSU	2,582
	Total	137,490
Jim Dickson	DSU	73,771
	DPSU	4,721
	Total	78,492
Harold Giles[(3)]	DSU	52,892
	DPSU	5,292
	Total	58,084
Larry Hood	DSU	74,057
	DPSU	4,548
	Total	78,605
Colin MacDonald	DSU	-
	DPSU	10,114
	Total	10,114
Mickey MacDonald	DSU	-
	DPSU	3,542
	Total	3,542
Vicki McKibbon	DSU	-
	DPSU	-
	Total	-
Brendan Paddick	DSU	156,350
	DPSU	4,433
	Total	160,783
John Risley	DSU	98,915
	DPSU	3,542
	Total	102,457
Karl Smith	DSU	43,125
	DPSU	-
	Total	43,125
Stan Spavold	DSU	-
	DPSU	5,060
	Total	5,060

Notes:

(1) The value vested during the year for the DPSU awards is determined by multiplying the number of units that vested on the vesting date (December 31, 2018) by the closing price of the Common Shares on the vesting date ($5.75/share). The DPSU awards were settled in March 2019. Refer to tables above for further information.

(2) The value vested for the DSU awards is determined by multiplying the number of outstanding units that vested on the vesting date, by the closing price of the Common Shares on the vesting date.
(3) In accordance with the DPSU Plan, Mr. Giles' outstanding DPSUs vested on his retirement date and were settled in Common Shares.

Appointment of Auditor

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

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

Part 3 – Executive Compensation

Compensation Discussion and Analysis

Background

This section describes how decisions are made as they relate to determining the appropriate level of executive compensation paid, payable, awarded, granted or otherwise provided, directly or indirectly, by the Corporation to each Named Executive Officer, as defined in Form 51-102F6 (each, an "**NEO**"). The Corporation's NEOs during 2018 were Ian Smith, Chief Executive Officer, Teresa Fortney, Vice President, Finance and Chief Financial Officer, Darren Bowen, Vice President, Global Supply Chain, Tony Jabbour, Vice President, Fleet Operations and Christine Penney, Vice President, Sustainability and Public Affairs.

The Human Resource Development and Compensation ("**HRDC**") Committee was established by the Board for the purposes of monitoring and providing guidance and recommendations on the level of executive compensation. The HRDC Committee provides advice on terms and conditions of employment so as to ensure they are designed to advance the growth and profitability objectives of the Corporation and to attract senior employees for long-term organizational commitment.

The HRDC Committee currently consists of Jane Craighead (Chair), Mickey MacDonald, Brendan Paddick and Karl Smith, all of whom are independent within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") except Mickey MacDonald. The members of the HRDC Committee have substantial board and executive leadership experience and have been involved with implementing and reviewing compensation policies at their respective organizations. Ms. Craighead, Chair, has many years of experience in human resources and has published research on executive compensation and corporate governance. Refer to "*Part 2 – Business of the Meeting – Election of Directors – About the Board Nominees*" and the HRDC Committee report in "*Part 4 – Corporate Governance*" for further information.

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

Elements of Compensation

The major elements of the Corporation's executive compensation program are (1) base salary, (2) an annual incentive plan and (3) share-based compensation plans. Both the annual incentive and share-based compensation plans are based on the performance of the individual and the Corporation.

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

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

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

Base Salary

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

Annual Incentive Plan

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

The annual bonus amounts are determined through annual audited financial statements for the year end and, as a result, are paid after the end of that year. For 2016, annual bonuses were based on internally defined target-adjusted earnings before interest, taxes, depreciation and amortization ("**adjusted EBITDA**"), free cash flow levels and individual achievement. For 2017 and 2018, annual bonuses were based on target adjusted EBITDA and individual performance. The NEOs, except the CEO, were eligible for a target bonus of 40-45% of their annual salary. The CEO was eligible for a target bonus of 75% in 2016, and 100% in 2017 and 2018 of his annual salary.

For 2016, 2017 and 2018, actual bonuses for all NEOs (including the CEO) could have ranged from no bonus paid to 150% of target based on corporate performance and individual achievement. A minimum threshold of 85% of adjusted EBITDA must be reached before the individual achievement portion can be earned. In 2016 and 2017, performance targets were not achieved and, accordingly, no bonus payments were made to NEOs in respect of that year. Bonus payments for all NEOs in 2018 were based on hitting 100% of the corporate performance target for adjusted EBITDA, as well as individual achievement. Refer to the Corporation's 2018 annual financial statements and Management Discussion and Analysis for further information on the calculation of adjusted EBITDA.

Share-Based Compensation Plans

Share-based compensation plans are an integral part of the Corporation's balanced compensation program. The Corporation has adopted the following share-based compensation plans for NEOs to connect individual achievement and corporate performance: (A) the executive long-term incentive plan ("**LTIP**") and (B) the DSU Plan.

Target grants can be lower or higher based on individual achievement. For 2016 the method of determining share-based compensation at vesting for NEOs, as determined by the HRDC Committee, takes into account total shareholder return relative to an industry peer group. For 2017 and 2018, the method of determining share-based compensation at vesting for NEOs, as determined by the HRDC Committee, considers performance against targets for cash from operations and return on assets ("**ROA**"). The plan aligns executive and shareholder interests in long term share value performance.

For grants made in April 2016 for the year ended December 31, 2016, the Corporation used a peer comparator group to assess performance at the end of the three-year performance period. The comparator group for share-based awards was composed of eight companies from around the world with an industry, scope and size comparable to Clearwater, considering certain criteria such as market capitalization, revenue and assets. This peer group is only used for share-based awards. The associated peer group for grants for the 2016 grant period is as follows:

Peer Group	Granted April 2016
Havfisk ASA	√
Marine Harvest	√
Sanford Ltd	√
Pesca Nova SA	√
Thai Union	√
Pacific Andes	√
Austevoll	√

Due to consolidation in the industry, the HRDC Committee determined that the above peer group and approach was no longer a satisfactory measure of performance for grants made beginning in 2017. Accordingly, it was determined that for awards made in 2017 and onward, vesting at the end of the performance period will depend on performance during the three-year period against targets set for cash from operations and ROA. Cash from operations and ROA are each weighted at 50% and performance against annual targets is averaged for the three years in the performance period to determine the appropriate level of vesting. Performance for each of cash from operations and ROA must achieve a threshold level of performance or vesting for the metric will be nil.

In addition to being eligible for grants under the LTIP and DSU Plan, upon commencement of his employment, the CEO received share appreciation rights ("**SARs**") in respect of the Common Shares of the Corporation as follows:

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

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

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

The SARs vested over a three-year period and have no expiry. As of December 31, 2012, 555,000 of these SARs had vested and were subsequently cash settled in March 2013. The remaining 150,000 SARs vested as of December 31, 2013 and as of December 31, 2018, 66,667 SARs at a strike price of $1.00/Common Share and 83,333 SARs at a strike price of $0.80/Common Share remain outstanding.

Long Term Incentive Plan

The LTIP provides annual target grants that vary from to 30% to 45% of the NEOs' annual salaries, except the CEO. The CEO was eligible for a target bonus of 50% of his annual salary for 2016, and a target bonus of 100% of his annual salary in 2017 and 2018. Based on individual achievement, the number of performance share units ("**PSUs**") granted can range from zero to 150% of the target grant.

See "*Part 3 – Executive Compensation – Securities Authorized for Issuance under Equity Compensation Plans*" for more information on the LTIP, including information on the methodology for determining market value, treatment of dividends, vesting and settlement.

Deferred Share Unit Plan

The DSU Plan was developed to provide the directors and certain NEOs with compensation opportunities that are consistent with shareholder interests. The DSU Plan provides for the grant of DSUs and/or RDSUs. See "*Part 3 – Executive Compensation – Securities Authorized for Issuance under Equity Compensation Plans*" for more information on the DSU Plan, including information on the methodology for determining market value, treatment of dividends, vesting and settlement.

Fair Value

The fair value for accounting purposes of each SAR is calculated using the Black-Scholes option pricing formula and for each DSU, the fair value for accounting purposes is calculated using the period end share price.

The fair value of each PSU in the Summary Compensation table on page 22 is the volume weighted average trading price of a Common Share for the five days prior to the grant date. This is the price used to determine the number of PSUs granted to executives and more appropriately reflects the target compensation value.

The fair value for accounting purposes of each PSU is calculated using either: (1) a Monte Carlo option pricing formula where a peer comparator group is used to assess performance at the end of the three-year performance period, or; (2) the closing price of the Common Shares on the TSX on the grant date when performance is assessed on internal performance metrics. See "*Part 3 – Share-Based Compensation Plans*" for more information.

Monte Carlo and Black-Scholes are established pricing methodologies widely used by the financial industry and by public companies for securities valuations and are supported as appropriate methodologies under IFRS. Both pricing models include assumptions on expected volatility, expected life, expected termination rate, expected dividend yield and risk-free interest rate and provide the ability to estimate performance against a peer group. Refer to the Corporation's 2018 annual financial statements on SEDAR for further information.

The fair value of each PSU included in the "Share-based awards" column in the Summary Compensation table differs from the accounting fair value as follows:

Year	Fair value for compensation purposes	Fair value for accounting purposes
2016	12.79	17.78
2017	11.51	11.85
2018	5.00	4.95

Assessment of Risks Associated with Compensation Policies and Practices

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

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

Indebtedness of Directors and Executive Officers

Except as set out below, no current or former director, proposed nominee for director, executive officer or employee of the Corporation or any of its subsidiaries, or associates or affiliates of any of these persons, have been indebted to the Corporation or its subsidiaries, or indebted to another entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries, at any time since January 1, 2018, being the beginning of the Corporation's last financial year, other than "Routine Indebtedness" as that term is defined in applicable securities legislation.

The following table discloses the indebtedness since the beginning of the financial year ended December 31, 2018, of each individual who is, or was at any time during the financial year, a director or executive officer of the Corporation, is a proposed nominee for election as director, or is an associate of any such director, executive officer or proposed nominee.

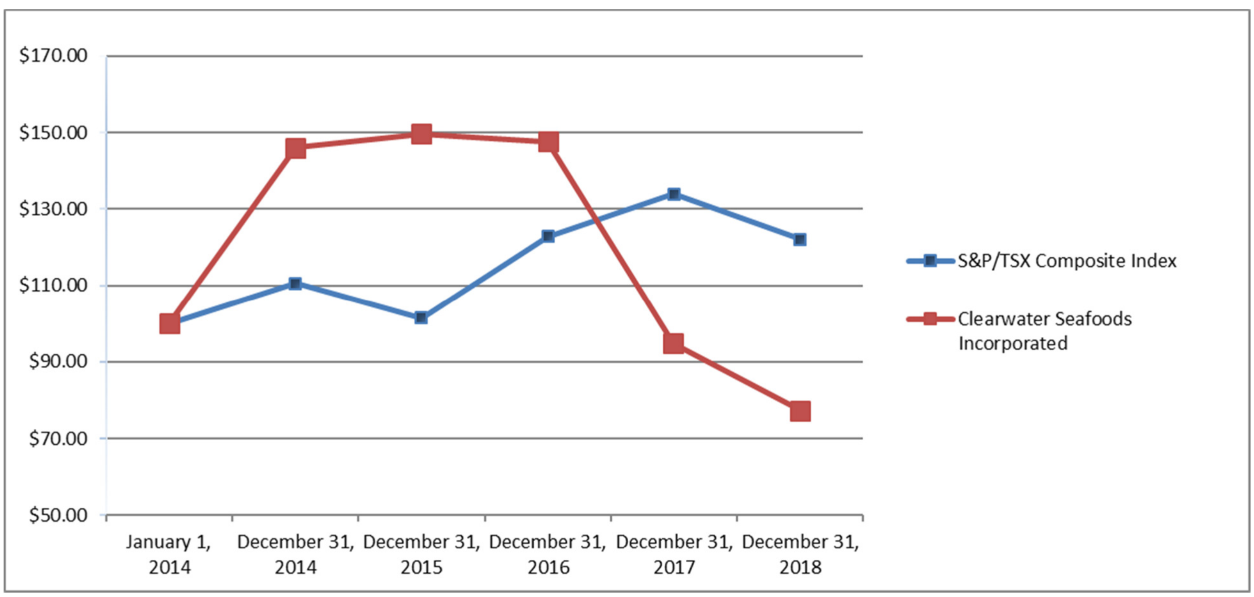
Name and Principal Position	Involvement of the Corporation or Subsidiary	Largest Amount Outstanding During the Financial Year Ended December 31, 2018	Amount Outstanding as at March 31, 2019	Financially Assisted Securities Purchases During the Financial Year Ended December 31, 2018	Security for Indebtedness	Amount Forgiven During the Financial Year Ended December 31, 2018
			Other Programs			
Darren Bowen, Vice President, Global Supply Chain	Loan by subsidiary	$40,000[(1)]	$40,000	N/A	N/A	Nil

Notes:

(1) Interest free loan made to Mr. Bowen in connection with liabilities he incurred as a result of his relocation. The loan is repayable in annual installments of $20,000 in 2019 and 2020 or earlier. Any amounts outstanding under the loans will be repayable in the event Mr. Bowen resigns or is terminated.

Performance Graph

The following graph compares the total cumulative return, including distributions, to Shareholders for $100 invested in Common Shares on January 1, 2014 with the total cumulative return, including distributions, of the S&P/TSX Composite Index over the five-year period ended December 31, 2018, as well as the trend in the CEO's compensation over the same period. On December 31, 2018, the closing price of the Common Shares on the TSX was $5.75.



	Jan-14	Dec-14	Dec-15	Dec-16	Dec-17	Dec-18
Clearwater Seafoods Incorporated	$100.00	$146.01	$149.66	$147.63	$94.81	$77.26
S&P/TSX Composite Index	$100.00	$110.55	$101.36	$122.73	$133.89	$121.99

The trend in total cumulative return on an investment in the Common Shares does not closely correspond to the trend in the compensation of the Corporation's executive officers over the same period, as presented in *Summary Compensation Table* below. Overall compensation components including salary, grants of share-based awards and annual incentive programs are not measured against Clearwater's trading price as other methods of evaluation are contemplated. In 2014, 2015 and 2018, annual bonuses were paid based on financial performance targets being achieved. Performance targets for 2016 and 2017 were not met and accordingly, no annual bonuses were paid in respect of those years. Refer to the section entitled "*Executive Compensation*" above for more information.

Summary Compensation Table

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

Name and Principal Position	Year	Salary ($)	Share-based awards (1) ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)		Pension Value ($)	All other compensation ($)(3)	Total Compensation ($)
					Annual incentive plans(2)	Long-term incentive plans			
Ian Smith, Chief Executive Officer	2018	550,000	622,170	-	591,250	-	-	110,227	1,873,647
	2017	535,104	285,390	-	-	-	-	56,160	876,654
	2016	514,250	385,738	-	-	-	-	24,213	924,201
Teresa Fortney, Vice President, Finance and Chief Financial Officer (4)	2018	350,000	178,165	-	153,563	-	-	34,305	716,033
	2017	339,583	90,181	-	-	-	-	28,838	458,602
	2016	258,750	-	-	-	-	-	39,326	298,076
Darren Bowen, Vice President, Global Supply Chain	2018	268,715	105,240	-	110,174	-	-	8,688	492,817
	2017	272,576	53,705	-	-	-	-	10,005	336,286
	2016	254,150	48,392	-	-	-	-	30,690	333,232
Tony Jabbour, Vice President, Fleet Operations	2018	263,669	111,060	-	108,104	-	-	39,975	522,808
	2017	234,917	38,651	-	-	-	-	10,624	284,192
	2016	223,578	33,156	-	-	-	-	6,770	263,505
Christine Penney, Vice President, Sustainability and Public Affairs	2018	235,000	102,345	-	96,350	-	-	43,973	477,668
	2017	235,096	78,245	-	-	-	-	30,690	344,031
	2016	210,000	63,013	-	-	-	-	28,342	301,355

Notes:

(1) The figures shown in this column consist of PSUs. The fair value of each PSU included in the share-based awards column is the volume weighted average trading price of a Common Share for the five trading days prior to the grant date. See *"Elements of Compensation – Fair Value"* above for more information. These values do not represent the actual values of the payouts which will be received after the awards vest.

(2) The incentive plan amounts, if any, for each respective fiscal period are paid in the first quarter of the subsequent year.

(3) Other compensation includes dividend equivalent share-based units granted during the year, RRSP contributions and car allowances. Refer to the table below for a breakdown on the fair value of the units granted during 2018, fair value of additional units granted for performance and dividends and other compensation.

(4) Teresa Fortney was appointed as Vice President, Finance and Chief Financial Officer effective March 24, 2016.

The following table provides a breakdown of the fair value of the share-based awards for 2018 as of the grant date, and the total other compensation received by NEOs, including dividends on PSUs and other non-share-based compensation:

Name and Principal Position	**Share-based Awards**			**Other Compensation**			
				Additional Awards for Dividends		**Other Compensation (non share-based awards) ($)**	**Total Other Compensation ($)**
	Type	**Original Total Share Units Granted in 2018 (#)**	**Fair Value At Grant ($)(1)**	**Total Units Granted (#)**	**Value of Dividends Paid as Additional Units ($)**		
Ian Smith, Chief Executive Officer	PSU	124,434	622,170	5,667	30,256	79,971	110,227
Teresa Fortney, Vice President, Finance and Chief Financial Officer	PSU	35,633	178,165	1,305	7,008	27,297	34,305
Darren Bowen, Vice President, Global Supply Chain	PSU	21,048	105,240	924	4,936	3,751	8,687
Tony Jabbour, Vice President, Fleet Operations	PSU	22,212	111,060	858	4,600	35,375	39,975
Christine Penney, Vice President, Sustainability and Public Affairs	PSU	20,469	102,346	1,038	5,525	38,448	43,973

Notes:

(1) The fair value of each PSU included in this column is the volume weighted average trading price of a Common Share for the five trading days prior to the grant date. See *"Elements of Compensation – Fair Value"* above for more information. These values do not represent the actual values of the payouts which will be received after the awards vest.

Incentive Plans

Outstanding Share-based Awards

The following table sets out the share-based awards granted to the NEOs outstanding as at December 31, 2018.

	Type of Award	Total Share-Based Awards (#)	Number of shares or units that have not vested (#)	Number of shares or units that have vested[1] (#)	Market value of share-based awards that have not vested[2] ($)	Market value of vested share-based awards not paid out or distributed[1][2] ($)
Ian Smith, Chief Executive Officer	SARS	150,000	-	150,000	-	862,500
	PSU	172,062	153,966	18,096	885,302	104,052
	Total	322,062	153,966	168,096	885,302	966,552
Teresa Fortney, Vice President, Finance and Chief Financial Officer	SARS	-	-	-	-	-
	PSU	44,862	44,862	-	257,954	-
	Total	44,862	44,862	-	257,954	-
Darren Bowen, Vice President, Global Supply Chain	SARS	-	-	-	-	-
	PSU	28,809	26,539	2,270	152,600	13,053
	Total	28,809	26,539	2,270	152,600	13,053
Tony Jabbour, Vice President, Fleet Operations	SARS	-	-	-	-	-
	PSU	27,917	26,362	1,555	151,579	8,941
	Total	27,917	26,362	1,555	151,579	8,941
Christine Penney, Vice President, Sustainability and Public Affairs	SARS	-	-	-	-	-
	PSU	31,140	28,184	2,956	162,057	16,997
	Total	31,140	28,184	2,956	162,057	16,997

Notes:

(1) The PSUs vested as of December 31, 2018 were settled in March 2019 with Common Shares.

(2) The market value of awards is determined by multiplying the number of outstanding units held at December 31, 2018 by the closing price of Common Shares on the TSX on that date of $5.75.

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

Name and Principal Position	Original Grant Date	Units Awarded[1]	Vesting Period
Ian Smith, Chief Executive Officer	May 31, 2017	26,055	January 1, 2017 – December 31, 2019
	May 17, 2018	127,911	January 1, 2018 – December 31, 2020
	March 27, 2019	120,019	January 1, 2019 – December 31, 2021
Teresa Fortney, Vice President, Finance and Chief Financial Officer	May 31, 2017	8,233	January 1, 2017 – December 31, 2019
	May 17, 2018	36,629	January 1, 2018 – December 31, 2020
	March 27, 2019	28,392	January 1, 2019 – December 31, 2021
Darren Bowen, Vice President, Global Supply Chain	May 31, 2017	4,903	January 1, 2017 – December 31, 2019
	May 17, 2018	21,636	January 1, 2018 – December 31, 2020
	March 27, 2019	18,855	January 1, 2019 – December 31, 2021
Tony Jabbour, Vice President, Fleet Operations	May 31, 2017	3,529	January 1, 2017 – December 31, 2019
	May 17, 2018	22,833	January 1, 2018 – December 31, 2020
	March 27, 2019	18,828	January 1, 2019 – December 31, 2021
Christine Penney, Vice President, Sustainability and Public Affairs	May 31, 2017	7,143	January 1, 2017 – December 31, 2019
	May 17, 2018	21,041	January 1, 2018 – December 31, 2020
	March 27, 2019	16,388	January 1, 2019 – December 31, 2021

Notes:

(1) Includes original units granted and additional dividend equivalent units up to December 31, 2018.

Incentive Plan Awards – value vested or earned during the year

The following table sets out the value of the NEOs' share-based awards that vested and non-equity incentive plan compensation (Annual incentive plan) earned by the NEOs during 2018:

Name and Principal Position	Share-based awards - Value vested during the year ($)(1)	Non-equity incentive plan compensation - Value earned during the year ($)
Ian Smith, Chief Executive Officer	104,052	591,250
Teresa Fortney, Vice President, Finance and Chief Financial Officer	-	153,563
Darren Bowen, Vice President, Global Supply Chain	13,053	110,174
Tony Jabbour, Vice President, Fleet Operations	8,941	108,104
Christine Penney, Vice President, Sustainability and Public Affairs	16,997	96,350

Notes:

(1) The value vested during the year for the PSU awards is determined by multiplying the number of units that vested on the vesting date (December 31, 2018) by the closing price of the Common Shares on the vesting date ($5.75/share). The PSU awards were settled in March 2019. Refer to tables above for further information.

Termination and Change of Control Benefits

All of the NEOs are parties to employment agreements with CSLP, which outline the terms and conditions pertaining to their employment. Each agreement provides that the NEO's employment may be terminated by CSLP without cause by giving written notice of termination or by paying an amount in lieu thereof. There are no material contracts, agreements, plans or arrangements that provide for any incremental payments, payables or other benefits upon termination, resignation, retirement or a change of control of the Corporation other than compensation in lieu of notice of termination, as described in the preceding sentence.

Termination payments for the NEOs in the circumstance of a termination without cause are as follows:

Name and Principal Position	Termination benefits
Ian Smith, Chief Executive Officer	Lump-sum payment of 24 months of annual compensation and prorated outstanding incentive compensation
Teresa Fortney, Vice President, Finance and Chief Financial Officer	Lump-sum payment of 12 months of annual compensation and prorated outstanding incentive compensation
Darren Bowen, Vice President, Global Supply Chain	Lump-sum payment of 12 months of annual compensation and prorated outstanding incentive compensation
Tony Jabbour, Vice President, Fleet Operations	Lump-sum payment of 24 months of annual compensation and prorated outstanding incentive compensation
Christine Penney, Vice President, Sustainability and Public Affairs	Lump-sum payment of 24 months of annual compensation and prorated outstanding incentive compensation

The information in the table below quantifies estimated payments for the NEOs assuming termination without cause on December 31, 2018:

Name and Principal Position	Cash severance ($)	Short term incentive plan ($)	SARS ($)(1)	PSU ($)(2)	Total ($)
Ian Smith, Chief Executive Officer	1,100,000	591,250	1,099,500	345,039	3,315,789
Teresa Fortney, Vice President, Finance and Chief Financial Officer	350,000	153,563	-	101,765	605,328
Darren Bowen, Vice President, Global Supply Chain	270,384	110,174	-	60,264	440,822
Tony Jabbour, Vice President, Fleet Operations	540,000	108,104	-	57,290	705,394
Christine Penney, Vice President, Sustainability and Public Affairs	470,000	96,350	-	67,710	634,060

Notes:

(1) The value of SARS is determined by multiplying the number of outstanding units held at December 31, 2018 by the closing price of the Common Shares on the TSX on that date of $5.75.

(2) The value of PSUs is determined by multiplying the number of outstanding units held at December 31, 2018 by the closing price of the Common Shares on the TSX on that date of $5.75 and pro-rated for the service period.

Securities Authorized for Issuance under Equity Compensation Plans

Plan Category	Maximum number of securities to be issued pursuant to the terms of the Plans(1)	Number of securities to be issued upon exercise of outstanding options, warrants or rights (a)	Weighted-average exercise price of outstanding options, warrants or rights ($) (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a)) (c)
Equity compensation plans approved by Shareholders (LTIP, DSU Plan and DPSU Plan)	2,478,815	591,591(2)	N/A	1,887,224(3)
Equity compensation plans not approved by Shareholders	Nil	Nil	N/A	Nil
Total	2,478,815	591,591	N/A	1,887,224

Notes:

(1) Maximum number of securities to be issued pursuant to the terms of the Plans is 2,500,000 less the number of securities issued upon settlement of DPSUs to December 31, 2018 (21,185).

(2) This number reflects the outstanding Share Units as of December 31, 2018 that may be settled in Common Shares and represents 0.9% of the issued and outstanding Common Shares as of December 31, 2018. Share Units issued under the Plans may be settled in cash, by delivery of Common Shares issued from treasury of the Corporation, by the delivery of Common Shares purchased on the secondary market by a trustee appointed by the Corporation, or by a combination thereof, at the discretion of the Board or the applicable committee.

(3) This number equals 2,478,815 less the number of Common Shares reported under column (a) above and represents 2.9% of the issued and outstanding Common Shares as of December 31, 2018. The Corporation is authorized to issue up to 2,500,000 Common Shares under the Plans, of which 21,185 were issued to December 31, 2018.

Equity Compensation Plans

Overview

The LTIP provides for the grant of PSUs and/or RSUs to certain employees of the Corporation, as determined by the Board or the applicable committee. The DPSU Plan provides for the grant of DPSUs to directors who are not otherwise employees of the Corporation.

The DSU Plan provides for the grant of DSUs and/or RDSUs to certain eligible officers and employees of the Corporation, as determined by the Board or the applicable committee. RDSUs, PSUs, RSUs, DPSUs and DSUs are collectively referred to as the "**Share Units**".

Each of the LTIP, DSU Plan and DPSU Plan (the "**Plans**") were designed to attract and retain eligible directors, employees and officers, as applicable, and to provide them with compensation opportunities that are consistent with the interests of Shareholders. Eligibility under the Plans is also extended to eligible directors, employees and officers, as applicable, of the Corporation's subsidiaries, partnerships, trusts or other controlled entities, as set out more particularly in the terms of each of the Plans. The Corporation previously implemented each of the Plans in 2012 and the Plans were amended in 2015 to permit settlement of awards in Common Shares from treasury.

In March 2019, the Board adopted amendments to defer the timing of settlements of PSUs on retirement, death or termination without cause to the date of approval by the Board of the financial statements for the year in which such termination occurs and to provide for vesting of PSUs on the date of approval of the financial statements for the year during which the applicable performance period ended, as well as other consequential updates.

Settlement in Shares

The Plans provide for an aggregate maximum of 2,500,000 Common Shares of the Corporation reserved for issuance to participants under the Plans (and any other security-based compensation arrangement of the Corporation), representing approximately 3.85% of the issued and outstanding Common Shares of the Corporation as of December 31, 2018. The allocation of the aggregate maximum amount of Common Shares among each of the Plans shall be determined by the Board or the applicable committee from time to time. An aggregate of 40,425 Common Shares have been issued under the Plans as of the date of this Circular.

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

Upon meeting the objectives established by the Board or the applicable committee at the time of grant, participants will receive the number of Common Shares allotted to them or cash in lieu of such Common Shares for no further consideration.

Insider Participation Limits

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

Market Value

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

Vesting

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

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

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

Cessation

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

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

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

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

Assignment

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

Amendments Without Approval of Shareholders

The Board has the discretion to make amendments to the Plans that it deems necessary from time to time, without having to obtain Shareholder approval. Such amendments include, without limitation:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Plans also provide that no amendments may be made without approval of Shareholders where such an amendment requires Shareholder approval under applicable law, including without limitation the rules of the Toronto Stock Exchange.

Annual Burn Rate

The following table sets out the annual burn rate of Share Units granted under the Plans for the last three fiscal years. The annual burn rate is the number of securities granted under the Plans during the applicable fiscal year divided by the weighted average number of securities outstanding for the applicable fiscal year.

Plans	Burn Rate (1)		
	2016	2017	2018
All Plans (LTIP, DSU Plan and DPSU Plan)	0.3%	0.4%	0.9%

Notes:
(1) Annual burn rate represented above is based on all Share Units granted under the Plans for the applicable fiscal year and assumes a payout multiplier of 100%. The annual burn rate calculated based on Share Units which may be settled in Common Shares are as follows: 0.2% for 2016, 0.3% for 2017 and 0.7% for 2018.

Part 4 – Corporate Governance

This section provides information about the Corporation's Board, the committees of the Board, our corporate policies and ethical values, and committee reports for the most recent financial year. Clearwater's Board and management believe good governance practices are an essential part of strong performance and are fundamental to creating and maintaining shareholder value.

The corporate governance practices described below are subject to change as the Corporation evolves. In 2018, the Board implemented policies and practices to improve the Corporation's governance model. The Board remains sensitive to corporate governance issues and continuously seeks to set up the necessary measures, control mechanisms and structures to ensure an effective discharge of its mandate and responsibilities without creating additional overhead costs and reducing the return on shareholders' equity.

Board of Directors and Committees

Introduction

Six of the current directors of the Corporation (60%) and five of the proposed directors of the Corporation (56%) are independent within the meaning of NI 58-101. The independent directors are:

1. Larry Hood (retiring at the Meeting)
2. Jim Dickson
3. Brendan Paddick
4. Jane Craighead
5. Vicki McKibbon
6. Karl Smith

The directors who are not independent are:

1. John Risley, because he indirectly controls (with other parties) CFFI Seafood, an indirect significant shareholder of the Corporation.
2. Colin MacDonald, because he indirectly controls (with other parties) CFFI Seafood, an indirect significant shareholder of the Corporation.
3. Mickey MacDonald, because he indirectly controls (with other parties) CFFI Seafood, an indirect significant shareholder of the Corporation.
4. Stan Spavold, because he is an executive officer of CFFI Seafood.

The Chairman of the Board, Colin MacDonald, is not an independent director. To provide independent leadership to the Board, the Board has appointed an independent director, Jim Dickson, as Lead Director. The Lead Director facilitates the functioning of the Board independently of management, chairs the meetings of independent directors, provides input to the Chairman of the Board regarding planning and organizing activities of the Board and provides input to the Governance Committee on the composition and structure of the Board and the formation and composition of committees.

While the Board does not hold regularly scheduled meetings for independent directors where non-independent directors and members of management are excluded from attendance, the independent directors will meet on an ad hoc basis when required. To facilitate its exercise of independent judgment in carrying out its responsibilities, the Board has and will, when considered necessary, establish committees consisting of a majority of members who are considered to be independent with respect to the issues to be determined. Currently, members of the Board possess sufficient public corporation and industry experience such that the Board, in its totality, is able to operate effectively. The Board encourages an atmosphere of candour and constructive dissent. Further, the directors of the Corporation are aware of the laws requiring disclosure of conflicts of interest and the fact that the Corporation will rely on such laws in respect of any conflict of interest, including the obligation of a director to abstain from voting in respect of any matter involving a conflict of interest.

The following directors also serve as directors of other reporting issuers:

- Brendan Paddick serves as a director of Liberty Latin America, Bahamas Telecommunications Corp., Nalcor Energy and Churchill Falls (Labrador) Corporation Limited

- Stan Spavold serves as a director of Norvista Capital Limited Partnership

- Jim Dickson serves as Chairman of the Board of Empire Company Limited

Committees

The Corporation has four standing committees: Audit Committee, HRDC Committee, Governance Committee and the Finance Committee. A summary of each committee's role and responsibilities, including its chair, is provided in the table below:

Audit Committee	HRDC Committee	Corporate Governance Committee	Finance Committee
Purpose: The Audit Committee is responsible to assist the Board with oversight of the integrity of financial and regulatory reporting and internal controls. The Audit Committee also identifies the principal risk of the Corporation and ensures appropriate risk management techniques are used. ***Chair:*** Karl Smith is the Chair of the Audit Committee and is an independent director. All members of the Audit Committee are financially literate. The Chair, Mr. Smith, is a CPA,CA, and the former Executive Vice President and Chief Financial Officer of Fortis Inc.	***Purpose:*** The HRDC Committee is responsible to assist with the appointment, performance and compensation of the CEO and executives of the Corporation. The HRDC Committee is also responsible for reviewing succession and development plans for executive officers. ***Chair:*** Jane Craighead is the Chair of the HRDC Committee and is an independent director.	***Purpose:*** The Corporate Governance Committee is responsible to assist the Board in carrying out its responsibilities regarding the development and implementation of the highest standards of governance and ethics, which includes developing such policies and procedures, monitoring compliance, identifying qualified individuals for the Board and committees, and evaluating director and committee performance. ***Chair:*** Vicki McKibbon is the Chair of the Corporate Governance Committee and is an independent director.	***Purpose:*** The Finance Committee is responsible for Board oversight of management's recommendations concerning the Corporation's liquidity, capital structure and strategies, financing strategies, financial risk management and dividend policy. ***Chair:*** Stan Spavold is the Chair of the Finance Committee and is not an independent director.

See the reports of the committees under "*Committee Reports*" below for more information.

Meetings and Attendance

The table below shows the Board and committee meeting attendance of the directors during 2018, excluding attendance as a guest.

Name	Board	Audit (1)	HRDC Committee(2)	Finance (1)	Governance Committee
Colin MacDonald	10 of 10 (100%)	-	-	-	-
Jane Craighead	10 of 10 (100%)	-	5 of 5 (100%)	5 of 5 (100%)	-
Jim Dickson	10 of 10 (100%)	4 of 4 (100%)	-	-	5 of 5 (100%)
Harold Giles (3)	5 of 10 (50%)	-	3 of 5 (60%)	-	-
Larry Hood	9 of 10 (90%)	4 of 4 (100%)	-	-	3 of 5 (60%)
Mickey MacDonald	10 of 10 (100%)	-	5 of 5 (100%)	-	-
Vicki McKibbon (4)	5 of 10 (50%)	2 of 4 (50%)	-	3 of 5 (60%)	-
Brendan Paddick	10 of 10 (100%)	3 of 4 (75%)	5 of 5 (100%)	5 of 5 (100%)	5 of 5 (100%)
John Risley	10 of 10 (100%)	-	-	4 of 5 (80%)	-
Karl Smith (5)	3 of 10 (30%)	1 of 4 (25%)	1 of 5 (20%)	2 of 5 (40%)	-
Stan Spavold	10 of 10 (100%)	3 of 4 (75%)	1 of 5 (20%)	5 of 5 (100%)	-

Notes:
(1) In August 2018, Ms. McKibbon and Mr. Smith joined the Audit Committee and Finance Committee and Messrs. Paddick and Spavold left the Audit Committee. Their respective attendance records reported above reflect attendance as members of each Committee.
(2) In August 2018, Messrs. Smith and Spavold joined the HRDC Committee and their respective attendance records reported above reflect attendance as members of each Committee.
(3) Mr. Giles retired in May 2018.
(4) Ms. McKibbon was appointed to the Board on May 30, 2018.
(5) Mr. Smith was appointed to the Board on August 8, 2018.

Board and Committee Mandates and Position Descriptions

On the recommendation of the Corporate Governance Committee, the Board has adopted a written board mandate, which is attached to this Circular as Appendix A. The Board is responsible for supervising the management of the business and affairs of the Corporation and managing the risks to the business of the Corporation and, in doing so, is required to act in the best interests of the Corporation. The Chairman's role and responsibility is to provide leadership to the Board and direction in the management of the Board's affairs, and to ensure that the Board fulfills its legislated mandate and responsibilities with full transparency and the application of sound governance practices. The Board and its Chairman act in accordance with the *Canada Business Corporations Act* and other applicable laws, CSLP's limited partnership agreement, Clearwater's Code of Business Conduct, conflict of interest, corporate disclosure and corporate governance policies, and the charters of the committees. The Board approves all significant decisions that affect the Corporation and its subsidiaries before they are implemented and supervises the implementation and reviews the results of such decisions.

On the recommendation of the Corporate Governance Committee, the Board has developed written position descriptions for the Chairman of the Board and the chair of each standing committee of the Board. In addition, each of the Board's committees has a charter or mandate that outlines the role and responsibilities of each committee and its chair, copies of which are available on the Corporation's website. The Corporation also has a written position description for the CEO, which is reviewed annually to evaluate the performance of the CEO and determine his or her compensation.

Nominations of Directors and Compensation

The Governance Committee is responsible for assisting the Board in identifying and reviewing candidates for directorship. The Governance Committee is composed of two independent directors (Vicki McKibbon (Chair) and Brendan Paddick) and one non-independent director (Stan Spavold). The nomination process begins with an analysis of the knowledge and skills most in need on the Board. The Governance Committee then identifies potential candidates for the Board and chair positions with such knowledge and skills through its own contacts as well as discussions with search firms and other third parties with knowledge of potential candidates. Annually, the Governance Committee also evaluates the Board, committees, and individual director performance.

The Governance Committee reviews the compensation of directors on a periodic basis and makes recommendations to the Board for consideration when it believes changes in compensation are warranted. For further information, refer to "*Part 2 – Business of the Meeting – Election of Directors – Director Compensation*", "*Part 3 – Executive Compensation*" and "*Committee Reports*" below.

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

For information on the process by which the HRDC Committee determines compensation for executive officers of the Corporation, see "*Part 3 – Executive Compensation*".

The HRDC Committee is composed of five members: Jane Craighead (Chair), Brendan Paddick, Mickey MacDonald, Stan Spavold and Karl Smith, all of whom are independent except for Mickey MacDonald and Stan Spavold. The HRDC Committee engages external consultants as deemed necessary to support the overall responsibilities of the Committee. The HRDC Committee has engaged external counsel with respect to the development of the Corporation's compensation plans.

Orientation and Continuing Education

New directors are provided with an orientation and education program, which includes written information about the corporate policies, documents from recent Board meetings, opportunities for meetings and discussions with senior management and other directors and invitations to attend vessel and plant tours. The details of the orientation of each new director are tailored to that director's individual needs and areas of interest.

Continuing education is also tailored to a director's individual needs and areas of interest. Management offers education opportunities and information to the Board on a regular basis on a wide variety of topics including financial results operations of the business, significant and key risks, and awareness of current issues. In addition, the Board ensures all directors receive presentations on the short-term and long-term objectives of the Corporation and direct access to executive management for open communication and knowledge.

Assessments and Term Limits

The Governance Committee is responsible for making a regular assessment of the overall performance of the Board, the committees, and of each individual director's contributions, as well as for 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. The results of such reviews are used to identify any areas where the directors and/or management believe that the Board could make a better collective contribution to overseeing the affairs of Clearwater and meeting its overall responsibilities. The process includes review of a skills and knowledge matrix by the Governance Committee in consultation with third parties as well as a director self-assessment under the matrix. The Governance Committee also issues and oversees the results of an annual Board survey which provides all members of the Board with an opportunity to conduct a self-assessment of the Board and its committees on a range of governance issues, and to offer comments and recommendations on how the structure and operation of the Board and its committees might be improved.

The Corporation has considered but not imposed term limits for directors because the Board is small and the majority of the Corporation's shares are closely held.

Ethical Business Conduct

Clearwater has a written Code of Business Conduct, Employees' Conflict of Interest Policy and Directors' Conflict of Interest Policy, copies of which are provided at the time of hire. Compliance is monitored through an "Ethics Hotline" that allows individuals to report illegal or unethical business practices, fraud, theft and financial controls and audit matters via phone or e-mail. There have been no reports filed pertaining to the conduct of a director or executive officer that constitutes a departure from the Code of Business Conduct or the Conflict of Interest Policy.

The Code of Business Conduct of the Corporation is available on SEDAR at www.sedar.com and on the Corporation's website. Upon request from any Shareholder, the Corporation will promptly provide a copy of its Code of Business Conduct free of charge.

The directors of the Corporation are required to disclose conflicts of interest. Directors with conflicts of interest are excluded from final discussion and voting on such matters. To ensure the exercise of independent judgment in situations of potential conflict, non-members of the Board may 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 Governance Committee.

The Board meets regularly to ensure that a clear line of communication remains open and reviews the policies of the Corporation to ensure that proper processes are in place to promote ethical business conduct, compliance and makes recommendations and revisions when necessary.

Diversity and Women Representation on Board and in Management

Board Representation

On the recommendation of the Corporate Governance Committee, the Corporation has adopted a diversity policy that includes consideration of women in the selection criteria of new Board members (the "**Diversity Policy**"). The objective of the Diversity Policy is to enhance diversity within the Corporation, including gender diversity on its Board and executive management. The Corporation recognizes the benefits arising from diversity, including gender diversity, in providing a broader pool of high-quality talent, improving retention, accessing different perspectives and ideas and benefiting from all available talent. The Corporation recruits, retains, rewards and develops its people based on their abilities and contributions. Individuals are to be accorded equality of employment opportunity based upon merit and ability.

The Board is designed to be large enough to provide a diversity of expertise and opinion. Its composition is intended to provide the best mix of skills and experience to guide the long-term strategy and ongoing operations. Board composition will take into account the desirability of maintaining a reasonable diversity of background, including gender diversity. The Corporation will endeavour to increase the diversity throughout the organization including at the Board and executive levels. Management is responsible for implementing the policy, achieving diversity initiatives determined by the Board and reporting to the Board on progress. The Board and management may from time to time engage external search firms to identify candidates who meet the expertise and skill criteria for a position to help achieve its diversity goals.

The Diversity Policy was implemented in February, 2015. Since implementation, there has been an increase in the diversity of directors and executive officers. Jane Craighead was appointed as a director in 2015; Teresa Fortney was hired as CFO on March 24, 2016; and Vicki McKibbon was appointed as a director in 2018.

The implementation of the Diversity Policy is the responsibility of the Board and Governance Committee. The Board and the Governance Committee considers the level of representation of women on the Board by overseeing the director identification and nominating process. In order to ensure effective implementation of the Diversity Policy, the Board and the Governance Committee require that sufficient numbers of women and other diverse candidates are included in the slate of candidates for consideration by the Board. The Board and the Governance Committee consider the effectiveness of the Diversity Policy on a continuous basis as part of its ongoing assessment of current Board composition, potential director candidates, and more formally on an annual basis as part of its review of the

Corporation's corporate governance policies. They also consider the effectiveness of this policy as part of the annual Board assessment process.

Executive Officer Appointments

In accordance with its Diversity Policy, the Corporation considers diversity, including gender diversity, in the selection criteria of new executive officer appointments.

In identifying and considering potential candidates for executive appointments, the Corporation looks first to individuals within the Corporation and its subsidiaries and considers diversity, as well as factors such as years of service, competencies, mobility, merit, experience and qualification. The Board does not set specific gender representation targets when identifying potential candidates for executive officer positions, but does consider diversity and seeks to ensure that a representative list of females is included among the group of prospective candidates for executive positions.

Targets

In accordance with its Diversity Policy, the Corporation has not adopted a target or quota regarding women on its Board or executive management, as it considers gender diversity to be part of a broader diversity goal that includes age, gender, ethnicity, cultural background, disability or other personal factors. Diversity, including gender diversity, is one aspect of merit which includes an individual's skills, performance, values, leadership and other job related criteria. While the Board is not setting any targets initially, it will monitor progress and could decide to do so in the future if progress is not being made in maintaining appropriate representative diversity.

Number of Women on the Board and in Executive Officer Positions

The table below sets out the number and proportion of women on the Board in the current year to date and over the last two financial years:

	# of Women on Board	**Total # of Board Members**	**%**
2019	2	10	20%
2018	2	10	20%
2017	1	9	11%

The table below sets out the number and proportion of women in executive officer positions in the current year to date and over the last two financial years:

	# of Women Executive Officers	**Total # of Executive Officers**	**%**
2019	2	7	29%
2018	2	7	29%
2017	2	9	22%

Committee Reports

The reports of the committees of the Board below describe each committee's key responsibilities, activities and meetings during the last financial year. The members listed are the committees' members as of December 31, 2018.

Audit Committee Report

Members
Larry Hood (Chair)
Jim Dickson

The Audit Committee is responsible to the Board for the policies and practices relating to the integrity of financial and regulatory reporting as well as internal controls to achieve the objectives of reliability of information and compliance with policies and laws. The

Vicki McKibbon
Karl Smith

Meetings: 4

Audit Committee is also responsible for identifying the principal risks for Clearwater and ensure appropriate risk management techniques are used. Committee members review and discuss interim and annual financial statements, Management, Discussion and Analysis ("MD&A"), material press release and the Annual Information Form, including discussing financial information with management and external auditors.

In 2018, the Audit Committee continued to focus on understanding and ensuring the key risks and opportunities of the Corporation are clearly communicated to investors in disclosure documents.

2018 Highlights

- Obtained quarterly updates on significant risks affecting Clearwater, including risk identification, assessment and monitoring and disclosure requirements from management.
- Obtained an update on internal controls surrounding financial reporting.
- Received reports regarding SAP stabilization and finance department reorganization.
- Approved auditors' fees proposal.

In 2019, the Audit Committee will continue to focus on ensuring that our investors get a full and balanced view of the financial results, risks, opportunities and future prospects of the business in each and every disclosure document.

Additional information about the Audit Committee, including its charter and the fees paid to KPMG LLP, the Corporation's auditor, in 2018, can be found in Clearwater's Annual Information Form under the heading "Audit Committee".

In August 2018, Ms. McKibbon and Mr. Smith joined the Audit Committee and Messrs. Paddick and Spavold left the Audit Committee.

In March 2019, Mr. Hood retired from the Audit Committee and was replaced by Mr. Smith as Chair of the Audit Committee.

Human Resource Development and Compensation Committee Report

Members:
Jane Craighead (Chair)
Mickey MacDonald
Brendan Paddick
Stan Spavold
Karl Smith

Meetings: 5

The mandate of the HRDC Committee is to provide advice and recommendations to the Board of Directors with respect to the appointment, performance and compensation of the CEO and executives of the Corporation. The HRDC Committee is responsible for reviewing succession and development plans for executive officers. It is also responsible for ensuring the Corporation's compensation practices continue to be aligned with shareholder interests through linking annual and long-term incentive plans to individual performance and the creation of shareholder value.

The Committee meets at least four times during the year before each regularly scheduled quarterly Board meeting. The Committee also meets on an ad hoc basis as required.

2018 Highlights:

- Reviewed succession and individual development plans for the CEO and executive officers as well as development for high potential leaders for future career growth and succession opportunities.
- Reviewed and recommended to the Board the incentive compensation granted to the CEO and the Corporation's executive officers and leadership team.
- Reviewed the benchmarking of compensation and compensation design to market.
- Reviewed and provided input on the Corporation's management of post-restructuring expenses.
- Reviewed executive share ownership.
- Worked with Corporate Governance Committee for purposes of reviewing short- and long-term incentive arrangements.
- Reviewed the long-term incentive plan and approved plan amendments for

implementation in 2019.

In August 2018, Mr. Smith and Mr. Spavold joined the HRDC Committee.

Corporate Governance Committee Report

Members:
Jim Dickson (Chair)
Larry Hood
Stan Spavold
Brendan Paddick

Meetings: **4**

The Corporate Governance Committee's primary function is to assist the Board in carrying out its responsibilities with respect to the development and implementation of the highest standards of governance and ethics across our entire business. This includes the development and implementation of principles and systems of corporate governance, monitoring compliance with the Corporation's overall governance system and principles, identifying qualified individuals for Board and committee membership, evaluating Board, committee and director performance, and assessing the integrity of the executive officers to ensure that the Corporation, through its policies and practices, maintains a culture of highest integrity.

The Committee meets at least four times during the year before each regularly scheduled quarterly Board meeting. The Committee also meets on an ad hoc basis as required.

2018 Highlights:

- Conducted a Board assessment consisting of a confidential survey completed by directors.
- Reviewed the summary of director competencies to identify any gaps or potential areas of improvement.
- Worked with third party recruiter(s) to successfully complete two new director recruitment placements.
- Reviewed trading blackout policy and compliance.
- Reviewed and confirmed the Board Diversity Policy.
- Reviewed and confirmed the Corporation's director Share Ownership Policy and reviewed compliance with the same.
- Jointly approved the Corporation's Management Information Circular.
- Reviewed director compensation models and industry trends using bench-marking of comparables.
- Worked with HRDC Committee for purposes of reviewing short- and long-term incentive arrangements.
- Reviewed conflicts of interests and securities disclosure requirements.
- Initial planning for a review of Board compensation to be conducted in 2019, with assistance from external consultants.

On March 7, 2019, Ms. McKibbon replaced Mr. Dickson as Chair of the Corporate Governance Committee.

Finance Committee Report

Members:
Stan Spavold (Chair)
John Risley
Brendan Paddick
Jane Craighead
Vicki McKibbon
Karl Smith

Meetings: 5

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

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

2018 Highlights:

- Reviewed the Corporation’s foreign exchange policy and execution within policy.
- Reviewed the capital expenditures program and reviewed and recommended capital expenditures to the Board in accordance with the Corporation’s approval policy.
- Reviewed update of quarterly performance against budget and forecasts for the year.
- Reviewed dividend policy and quarterly recommendations by management and recommended quarterly dividend to the Board.
- Reviewed quarterly treasury reports and analyst reports.
- Worked with HRDC Committee on setting performance goals, and reviewed performance by the Corporation against those goals for purposes of short- and long-term incentive arrangements.
- Reviewed annual operating plan with CFO.
- Monitored the capital markets and lender relationships.

In August 2018, Ms. McKibbon and Mr. Smith joined the Finance Committee.

Part 5 – Other Information

Proposals by Shareholders

Pursuant to the *Canada Business Corporations Act*, resolutions intended to be presented by Shareholders for action at the next annual meeting must comply with the provisions of the *Canada Business Corporations Act* and be deposited at the Corporation's head office not later than January 23, 2020, in order to be included in the management information circular relating to the next annual meeting.

Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information is provided in the Corporation's comparative financial statements and management discussion & analysis ("**MD&A**") for its most recently completed financial year. To request copies of the Corporation's financial statements and MD&A, Shareholders should contact Clearwater's Investor Relations team, 757 Bedford Highway, Bedford, Nova Scotia, B4A 3Z7, by phone at 1-888-722-5567 or by e-mail at investorinquiries@clearwater.ca. The financial statements and MD&A are also available on SEDAR at www.sedar.com and on the Corporation's website.

Approval of Circular

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

Dated at Halifax, Nova Scotia, this 22nd day of April, 2019.

(signed) Colin MacDonald

Chairman

Appendix A

Board of Directors Mandate

1.0 COMPOSITION AND TERM

1.1 The Board shall be comprised of such number of directors as are elected by the shareholders from time to time within the minimum and maximum number of directors contemplated by the Corporation's Articles, the majority of whom shall be "independent" (as defined in National Instrument 52-110 – *Audit Committees*).

1.2 Directors shall be elected by the shareholders at the annual meeting of shareholders of the Corporation in each year and shall serve until the next such annual meeting or until the position is otherwise vacated.

2.0 RESPONSIBILITIES

2.1 The Board is responsible to:

(a) **Provide Strategic Stewardship**

(i) Adopt a strategic planning process and approve a strategic plan for the Corporation developed in collaboration and consultation with the Chief Executive Officer ("**CEO**");

(ii) Devote sufficient time at Board meetings to consider strategic issues developed by and under the leadership of the CEO with other members of management;

(iii) Review and approve the strategic goals of the Corporation, which should be strongly tied to relevant metrics; and

(iv) Remain abreast of emerging trends and their implications on the Corporation's business and provide strategic advice and direction to the CEO.

(b) **Approve Annual Business Plan and Monitor Performance**

(i) Approve the annual budget and business plan of the Corporation (the "**Annual Budget and Business Plan**");

(ii) Approve the annual and interim financial reports of the Corporation and related news releases with oversight of the Audit Committee, and other continuous disclosure documents (including management's discussion and analysis, annual information form and any management information circular of the Corporation), subject to any corporate disclosure and corporate governance policies, for submission to the shareholders and securities regulatory authorities, as applicable;

(iii) Approve any other material documents filed with securities regulatory authorities, such as prospectuses; and

(iv) Approve any material (as determined by the Board from time to time) change to the Corporation's Annual Budget and Business Plan.

(c) **Maintain Effective Risk Management**

(i) Review and assess the Corporation's policies, controls and procedures that are in place to ensure the integrity of the Corporation's disclosure and internal controls, management information system and risk-management activities in other areas of enterprise risk;

(ii) Review and assess the Corporation's risk management policy and system that is in place to effectively identify, assess and mitigate strategic, operational and emerging risks to the Corporation;

(iii) Review and identify strategic risks, in conjunction with the CEO and other members of management, and provide strategic advice on the effective mitigation of those risks;

(iv) Review the Corporation’s capital structure, corporate development activity, financial strategies and other financial risks, in conjunction with the Finance Committee and management, to develop short, medium and long-term capital structures aligned with the Corporation’s strategic plan; and

(v) Receive and consider reports on the Corporation’s key risks and review and assess the Corporation's management of these risks.

(d) **Monitor the Performance of the CEO**

(i) With the assistance of the Human Resource Development and Compensation Committee (“**HRDCC**”):

(A) establish specific annual performance targets and results to be achieved by the CEO;

(B) evaluate the CEO annually against agreed upon performance targets; and

(C) establish a CEO succession plan; and

(ii) Provide advice on significant and/or strategic issues to the CEO.

(e) **Ensure the Board’s Effectiveness**

(i) In conjunction with the Corporate Governance Committee, develop and approve Board governance policies and procedures;

(ii) Implement processes to ensure the discharge of specific duties imposed on the Board;

(iii) Assist, where appropriate, with the development and implementation of corporate governance principles and guidelines developed by the Corporate Governance Committee;

(iv) Approve the mandates of Board committees;

(v) With the assistance of the Corporate Governance Committee, assess, at least annually, the effectiveness of the Board as a whole, its Committees and the performance of individual directors, including consideration of the appropriate size of the Board and the competencies and skills of the directors;

(vi) With the assistance of the Corporate Governance Committee, remove or replace Board committee members or fill any vacancies in the membership of a Board committee;

(vii) Review and assess the orientation and education program for new appointees to the Board and identify appropriate continuing education opportunities for all directors;

(viii) With the assistance of the Corporate Governance Committee, consider what competencies and skills the Board, as a whole, should possess and review the competencies and skills each existing director possesses; and

(ix) Review and assess the Corporation’s Code of Business Conduct that governs the behaviour of directors, officers and employees.

(f) **Discharge its Fiduciary Duties**

(i) Act at all times in good faith, with loyalty and in the best interests of the Corporation in adherence to its corporate and legal responsibilities;

(ii) Engage in continuous learning;

(iii) Devote time to enhancing personal knowledge of the Corporation's business;

(iv) Ask questions, seek information and challenge management; and

(v) Require the CEO and other members of management to provide information:

(A) *For decision*: Decision information is put before the Board in order to make decisions or provide requisite approvals (i.e. to approve a recommendation of management on a subject matter requiring Board approval);

(B) *For monitoring*: Monitoring information is used to gauge whether previous Board matters or directions have been satisfied and to assess performance against specific goals and objectives; and

(C) *For knowledge*: Information that may be required by or useful to the Board that would not otherwise be required to make decisions or monitor results.

(g) **Supervision over Executive Compensation**

(i) Oversee the Corporation's approach to human resources and compensation policies, with recommendations from the HRDCC;

(ii) With the assistance of the HRDCC, approving the compensation frameworks for senior management, including alignment of those frameworks with applicable regulatory principles;

(iii) Ensuring that the Corporation's executive compensation policies continue to meet the objectives of attracting, retaining and motivating skilled executives; and

(iv) In conjunction with the HRDCC, ensuring that appropriate human resource management practices, including annual and long-term incentive compensation plans, are in place for senior management.

3.0 EXPECTATIONS

3.1 Directors are expected to attend all meetings of the Board unless absence is unavoidable.

3.2 Directors are expected and required to have reviewed Board materials in advance of the meeting and to come to Board meetings prepared to discuss such materials and to participate fully in the meeting, which materials are to be provided to the Board by management sufficiently in advance to allow the Board to reasonably complete a review of the materials.

4.0 DIRECTORS' FEES

4.1 Directors shall receive compensation for serving on the Board, in such amount and on such terms as the Board may approve based on the recommendation of the Corporate Governance Committee.

5.0 REVIEW OF MANDATE

5.1 The Board shall review and assess the adequacy of this Mandate at least annually and, if appropriate, revise this Mandate as required.