
CLEAN SEAS SEAFOOD LIMITED

ACN 094 380 435

NOTICE OF GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 1.30pm (ACST)

DATE: 25 May 2020

ACCESS: <https://web.lumiagm.com>
Meeting ID **351-088-211**

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 1.30pm (ACST) on 23 May 2020.

BUSINESS OF THE MEETING

AGENDA

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES TO BONAFIDE IN AUGUST 2019

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,241,506 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely Bonafide Wealth Management AG, IFM Independent Fund Management AG ATF Bonafide Investment Fund – Best Catches (AIF - Fund) and IFM Independent Fund Management AG ATF Bonafide Global Fish Fund (UCTIS – Fund)) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES TO GCI CSS (HOFSETH & NEVERA) LLC (TRANCHE 1) IN APRIL 2020

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 4,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or is a counterparty to the agreement being approved (namely GCI CSS (Hofseth & Nevera) LLC) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. RESOLUTION 3 – APPROVAL TO ISSUE SHARES TO GCI CSS (HOFSETH & NEVERA) LLC (TRANCHE 2)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 6,000,000 Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) (namely, GCI CSS (Hofseth & Nevera) LLC) or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Dated: 24 April 2020

By order of the Board

Robert Gratton
Chief Financial Officer and Joint Company Secretary

Voting by proxy

To vote by proxy, please complete and sign the enclosed Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (2) proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

If you sign the enclosed Proxy Form and no direction is given, the Chair will be appointed as your proxy. The Chair intends to vote undirected proxies on, and in favour of, all Resolutions.

Voting in person

You will not be able to physically attend the Meeting in line with the Australian Government's public health restrictions on large public gatherings in response to the COVID-19 pandemic. However, you can attend and participate in the Meeting (including voting on Resolutions) via the online virtual platform (refer below for further detail).

Use of technology

In accordance with the Constitution, the Company may hold a meeting of its members at 2 or more venues using any technology that gives the members as a whole a reasonable opportunity to participate. If a separate meeting place is linked to the main place of a general meeting by an instantaneous audio-visual communication device which, by itself or in conjunction with other arrangements:

- (a) gives the general body of members in the separate meeting place a reasonable opportunity to participate in proceedings in the main place;
- (b) enables the chair to be aware of proceedings in the other place; and
- (c) enables the members in the separate meeting place to vote on a show of hands or on a poll,

a member present at the separate meeting place is taken to be present at the general meeting and entitled to exercise all rights as if he or she was present at the main place.

If the communication device encounters a technical difficulty, whether before or during the meeting, which results in the matters set out in paragraphs (a) to (c) above at the separate meeting place not being satisfied, the meeting may still be held or continue in the main place (and any other place which is linked via an instantaneous audio-visual communication device) and transact business, even if the members in the separate meeting place are unable to participate.

Virtual participation in the Meeting

Shareholders who wish to participate in the Meeting online may do so:

- from their computer, by entering the URL into their browser: <https://web.lumiagm.com> and entering the Meeting ID **351-088-211** when prompted
- from their mobile device by either entering the URL in their browser: <https://web.lumiagm.com> and entering the Meeting ID **351-088-211** when prompted **or** by using the Lumi AGM app, which is available by downloading the app from the Apple App Store or Google Play Store.

If you choose to participate in the Meeting online or through the Lumi AGM app, you can log in to the Meeting by entering:

- the meeting ID, which is **351-088-211**;
- your username, which is your Boardroom S number (located on any recent statement or documentation);
- your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the user guide for their password details; and
- if you have been nominated as a third-party proxy, please contact Boardroom on 1300 737 760.

Attending the Meeting online enables Shareholders to view the Meeting live and to cast votes on Resolutions at the appropriate times whilst the Meeting is in progress.

If you wish to ask the Chair a question with regards to the business of the Meeting, please submit your question in writing to rob.gratton@cleanseas.com.au at least 10 days **before** the commencement of the Meeting.

Please note that if you have previously submitted a Proxy Form and you elect to vote online at the Meeting your proxy's authority to vote will be revoked for any resolutions where you have cast an online vote.

More information regarding participating in the Meeting online can be found by visiting the Company's website at <http://www.cleanseas.com.au/investors/asx-releases>

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 434 148 979.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES TO BONAFIDE IN AUGUST 2019

1.1 General

As announced on 21 August 2019, the Company entered into a subscription agreement with Bonafide Wealth Management AG, a major shareholder of the Company, and its related entities (**Bonafide**) (**Bonafide Subscription Agreement**), under which Bonafide agreed to subscribe for, and the Company agreed to issue, 8,241,506 Shares at an issue price of \$0.8008 per Share to raise approximately \$6,600,000 (**Placement Shares**).

On 23 August 2019, the Company issued the Placement Shares in accordance with the Bonafide Subscription Agreement and as follows:

- (a) 4,491,506 Shares were issued to IFM Independent Fund Management AG ATF Bonafide Investment Fund – Best Catches (AIF -Fund) at an issue price of \$0.8008 per Share to raise \$3,596,798; and
- (b) 3,750,000 Shares were issued to IFM Independent Fund Management AG ATF Bonafide Global Fish Fund (UCTIS – Fund) at an issue price of \$0.8008 per Share to raise \$3,003,000.

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The issue of the Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Placement Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Placement Shares.

1.2 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the Placement Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue with Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

If Resolution 1 is not passed, the Placement Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Placement Shares.

1.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 1:

- (a) the Placement Shares were issued to the following entities, who are not related parties of the Company:
 - (i) 4,491,506 Shares were issued to IFM Independent Fund Management AG ATF Bonafide Investment Fund – Best Catches (AIF -Fund); and
 - (ii) 3,750,000 Shares were issued to IFM Independent Fund Management AG ATF Bonafide Global Fish Fund (UCTIS – Fund);
- (b) 8,241,506 Placement Shares were issued and the Placement Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Placement Shares were issued on 23 August 2019;
- (d) the issue price was \$0.8008 per Placement Share. The Company has not and will not receive any other consideration for the issue of the Placement Shares;
- (e) the purpose of the issue of the Placement Shares was to raise \$6,600,000, which was applied towards funding the Company's "Vision 2025" strategy, which includes:
 - (i) international expansion, particularly in North America and Asia;
 - (ii) investment in sales and marketing resources, particularly in North America;
 - (iii) continued investment in Chef Activation Products in select markets;
 - (iv) implementation of Global Wholesaler Activation Program to support market expansion and enhance customer understanding;
 - (v) new product development and leveraging of SensoryFresh product capability to explore in market processing;
 - (vi) investment in automation and selective breeding processes;

- (vii) establishment of new processing facilities capable of processing higher volumes through large scale automation; and
- (viii) general working capital to fund the Company's growth;
- (f) the Placement Shares were issued under the Bonafide Subscription Agreement. A summary of the material terms of the Bonafide Subscription Agreement is set out in Section 1.1 above; and
- (g) a voting exclusion statement is included in Resolution 1 of the Notice.

2. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES TO GCI CSS (HOFSETH & NEVERA) LLC (TRANCHE 1) IN APRIL 2020

2.1 General

As announced on 6 April 2020, the Company has entered into a subscription agreement with GCI CSS (Hofseth & Nevera) LLC (a Delaware limited liability company) (**Subscriber**) (**Subscription Agreement**) under which the Subscriber agreed to subscribe for, and the Company agreed to issue, a total of 10,000,000 Shares at an issue price of \$0.50 per Share to raise \$5,000,000, as follows:

- (a) 4,000,000 Shares at an issue price of \$0.50 to raise \$2,000,000 (**Tranche 1 Shares**) to be issued pursuant to the Company's placement capacity under Listing Rule 7.1 within 5 business days of execution of the Subscription Agreement (**Tranche 1**); and
- (b) 6,000,000 Shares at an issue price of \$0.50 to raise \$3,000,000 (**Tranche 2 Shares**) to be issued subject to Shareholder approval (being, the subject of Resolution 3 (**Tranche 2**)).

The Company has agreed to do all things reasonably practicable to obtain the Shareholder approval for the issue of the Tranche 2 Shares as soon as possible following the execution of the Subscription and in any event, by no later than 31 May 2020 (or such other date as the Company and the Subscriber may agree in writing).

The Tranche 1 Shares were issued on 9 April 2020 in accordance with the Subscription Agreement.

As summarised in Section 1.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

The issue of the Tranche 1 Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 for the 12 month period following the date of issue of the Tranche 1 Shares.

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Shares.

Resolution 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Shares.

2.2 Technical information required by Listing Rule 14.1A

If Resolution 2 is passed, the Tranche 1 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of equity securities the Company can issue with Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Shares.

If Resolution 2 is not passed, the Tranche 1 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of equity securities that the Company can issue without Shareholder approval over the 12 month period following the date of issue of the Tranche 1 Shares.

2.3 Technical information required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to Resolution 2 :

- (a) the Tranche 1 Shares were issued to GCI CSS (Hofseth & Nevera) LLC, the Subscriber, who is not a related party of the Company;
- (b) 4,000,000 Tranche 1 Shares were issued and the Tranche 1 Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Tranche 1 Shares were issued on 9 April 2020;
- (d) the issue price was \$0.50 per Tranche 1 Share. The Company has not and will not receive any other consideration for the issue of the Tranche 1 Shares;
- (e) the purpose of the issue of the Tranche 1 Shares was to raise \$2,000,000, which will be applied towards the Company's working capital requirements;
- (f) the Tranche 1 Shares were issued to the Subscriber under the Subscription Agreement. A summary of the material terms of the Subscription Agreement is set out in Section 2.1; and
- (g) a voting exclusion statement is included in Resolution 2 of the Notice.

3. RESOLUTION 3 – APPROVAL TO ISSUE SHARES TO GCI CSS (HOFSETH & NEVERA) LLC (TRANCHE 2)

3.1 General

As set out in Section 2.1, the Company has entered into the Subscription Agreement with GCI CSS (Hofseth & Nevera) LLC, the Subscriber, under which the Subscriber agreed to subscribe for, and the Company agreed to issue, a total of

10,000,000 Shares at an issue price of \$0.50 per Share. 4,000,000 of the Shares were issued under Tranche 1 of the subscription on 9 April 2020.

The Company seeks Shareholder approval for the issue of the balance of the Shares (being 6,000,000 Shares) to be issued to the Subscriber pursuant to Tranche 2 of the subscription under this Resolution 3.

As summarised in Section 1.1 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the Tranche 2 Shares does not fall within any of these exceptions and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

3.2 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the Company will be able to proceed with the issue of the Tranche 2 Shares. In addition, the issue of the Tranche 2 Shares will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 3 is not passed, the Company will not be able to proceed with the issue of the Tranche 2 Shares and will not raise an additional \$3,000,000 from the Subscriber.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the Tranche 2 Shares.

3.3 Technical information required by Listing Rule 7.1

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to Resolution 3:

- (a) the Tranche 2 Shares will be issued to GCI CSS (Hofseth & Nevera) LLC, the Subscriber, who is not a related party of the Company;
- (b) the maximum number of Tranche 2 Shares to be issued is 6,000,000. The Tranche 2 Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (c) the Tranche 2 Shares will be issued no later than 3 months after the date of the Meeting and it is intended that issue of the Tranche 2 Shares will occur on the same date;
- (d) the issue price of the Tranche 2 Shares will be \$0.50 per Tranche 2 Share. The Company will not receive any other consideration for the issue of the Tranche 2 Shares;
- (e) the purpose of the issue of the Tranche 2 Shares is to raise capital, which the Company intends to use in the manner set out in Section 2.3(e) above;
- (f) the Tranche 2 Shares are being issued to the Subscriber under the Subscription Agreement. A summary of the material terms of the Subscription Agreement is set out in Section 2.1 above;

- (g) the Tranche 2 Shares are not being issued under, or to fund, a reverse takeover; and
- (h) a voting exclusion statement is included in Resolution 3 of the Notice.

3.4 Dilution

Assuming no Options are exercised, no convertible securities are converted or other Shares issued and the maximum number of Tranche 2 Shares are issued, the number of Shares on issue would increase from 99,977,370 (being the number of Shares on issue as at the date of this Notice) to 105,977,370 and the shareholding of existing Shareholders (with the exception of the Subscriber) would be diluted by approximately 6%.

GLOSSARY

\$ means Australian dollars.

ACST means Australian Central Standard Time as observed in Adelaide, South Australia.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Clean Seas Seafood Limited (ACN 094 380 435).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

General Meeting or **Meeting** means the meeting convened by the Notice.

Listing Rules means the Listing Rules of ASX.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Section means a section of the Explanatory Statement.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.
