

Appendix 3G

Notification of issue, conversion or payment up of equity +securities

Part 1 – Entity and announcement details

Question no	Question	Answer
1.1	*Name of entity <i>We (the entity here named) give notice of the issue, conversion or payment up of the following unquoted +securities.</i>	Clean Seas Seafood Limited
1.2	*Registration type and number <i>Please supply your ABN, ARSN, ARBN, ACN or another registration type and number (if you supply another registration type, please specify both the type of registration and the registration number).</i>	ABN 61 094 380 435
1.3	*ASX issuer code	CSS
1.4	*This announcement is <i>Tick whichever is applicable.</i>	<input checked="" type="checkbox"/> A new announcement <input type="checkbox"/> An update/amendment to a previous announcement <input type="checkbox"/> A cancellation of a previous announcement
1.4a	*Reason for update <i>Mandatory only if "Update" ticked in Q1.4 above. A reason must be provided for an update.</i>	N/A
1.4b	*Date of previous announcement to this update <i>Mandatory only if "Update" ticked in Q1.4 above.</i>	N/A
1.4c	*Reason for cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	N/A
1.4d	*Date of previous announcement to this cancellation <i>Mandatory only if "Cancellation" ticked in Q1.4 above.</i>	N/A
1.5	*Date of this announcement	10 January 2020

Part 2 – Type of issue

Question No.	Question	Answer
2.1	<p>*The +securities the subject of this notification are:</p> <p><i>Select whichever item is applicable.</i></p> <p><i>If you wish to notify ASX of different types of issues of securities, please complete a separate Appendix 3G for each type of issue.</i></p>	<p><input type="checkbox"/> +securities issued as a result of options being exercised or other +convertible</p> <p><input type="checkbox"/> +securities being converted and that are not to be quoted on ASX</p> <p><input type="checkbox"/> partly paid +securities that have been fully paid up and that are not to be quoted on ASX</p> <p><input checked="" type="checkbox"/> +securities issued under an +employee incentive scheme that are not being immediately quoted on ASX</p> <p><input type="checkbox"/> other [please specify]</p> <p><i>If you have selected 'other' please provide the circumstances of the issue here:</i></p>
2.2a.1	<p>Please state the number and type of options that were exercised or other +convertible securities that were converted (including their ASX security code if available)?</p> <p><i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i></p>	N/A
2.2a.2	<p>And the date the options were exercised or other +convertible securities were converted:</p> <p><i>Answer this question if your response to Q2.1 is "securities issued as a result of options being exercised or other convertible securities being converted and that are not to be quoted on ASX".</i></p> <p><i>Note: If this occurred over a range of dates, enter the date the last of the options was exercised or convertible securities was converted.</i></p>	N/A
2.2b.1	<p>Please state the number and type of partly paid +securities that were fully paid up (including their ASX +security code if available)?</p> <p><i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i></p>	N/A
2.2b.2	<p>And the date the +securities were fully paid up:</p> <p><i>Answer this question if your response to Q2.1 is "partly paid securities that have been paid up and that are not to be quoted on ASX".</i></p> <p><i>Note: If this occurred over a range of dates, enter the date the last of the securities was fully paid up.</i></p>	N/A

2.2c.1	<p>Please state the number and type of +securities (including their ASX security code) issued under an +employee incentive scheme that are not being immediately quoted on ASX</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	518,120 CSS Share Rights granted as FY20 Long Term Incentive (LTI).						
2.2c.2	<p>*Please attach a document or provide details of a URL link for a document lodged with ASX detailing the terms of the +employee incentive scheme or a summary of the terms.</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	<p>Share rights granted as FY20 Long Term Incentive (LTI). No amount is payable on vesting or exercise. Vesting is subject to performance hurdles, service period requirement and agreed terms and conditions. All share rights remain unvested at time of announcement.</p> <p>Refer to Annexure A for the full terms and conditions of the Company's Equity Incentive Plan.</p>						
2.2c.3	<p>*Are any of these +securities being issued to +key management personnel (KMP) or an +associate</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	Yes						
2.2c.3.a	<p>*Provide details of the recipients and the number of +securities issued to each of them.</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX" and your response to Q2.2c.3 is "Yes". Repeat the detail in the table below for each KMP involved in the issue. If the securities are being issued to the KMP, repeat the name of the KMP or insert "Same" in "Name of registered holder". If the securities are being issued to an associate of a KMP, insert the name of the associate in "Name of registered holder".</i></p> <table border="1" data-bbox="339 1330 1362 1429"> <thead> <tr> <th>Name of KMP</th><th>Name of registered holder</th><th>Number of +securities</th></tr> </thead> <tbody> <tr> <td>David J. Head</td><td>David J. Head</td><td>518,120</td></tr> </tbody> </table>		Name of KMP	Name of registered holder	Number of +securities	David J. Head	David J. Head	518,120
Name of KMP	Name of registered holder	Number of +securities						
David J. Head	David J. Head	518,120						
2.2d.1	<p>*The purpose(s) for which the entity is issuing the securities is:</p> <p><i>Answer this question if your response to Q2.1 is "Other".</i></p> <p><i>You may select one or more of the items in the list.</i></p>	<p><input type="checkbox"/> to raise additional working capital</p> <p><input type="checkbox"/> to fund the retirement of debt</p> <p><input type="checkbox"/> to pay for the acquisition of an asset [provide details below]</p> <p><input type="checkbox"/> to pay for services rendered [provide details below]</p> <p><input type="checkbox"/> other [provide details below]</p> <p><i>Additional details:</i></p>						

2.2d.2	Please provide any further information needed to understand the circumstances in which you are notifying the issue of these +securities to ASX, including why the issue of the +securities has not been previously announced to the market in an Appendix 3B <i>Answer this question if your response to Q2.1 is "Other".</i>	N/A
2.3	*The +securities being issued are: <i>Tick whichever is applicable</i>	<input type="checkbox"/> Additional +securities in an existing unquoted class that is already recorded by ASX ("existing class") <input checked="" type="checkbox"/> New +securities in an unquoted class that is not yet recorded by ASX ("new class")

Part 3B – number and type of +securities being issued (new class)

Answer the questions in this part if your response to Q2.3 is "new class".

Question No.	Question	Answer
3B.1	*Security description	
3B.2	*Security type <i>Select one item from the list</i> <i>Please select the most appropriate security type from the list. This will determine more detailed questions to be asked about the security later in this section. Select "ordinary fully or partly paid shares/units" for stapled securities or CDIs. For interest rate securities, please select the appropriate choice from either "Convertible debt securities" or "Non-convertible debt securities". Select "Other" for performance shares/units and performance options/rights or if the selections available in the list do not appropriately describe the security being issued.</i>	<input type="checkbox"/> Ordinary fully or partly paid shares/units <input type="checkbox"/> Options <input type="checkbox"/> +Convertible debt securities <input type="checkbox"/> Non-convertible +debt securities <input type="checkbox"/> Redeemable preference shares/units <input checked="" type="checkbox"/> Other
3B.3	ISIN code <i>Answer this question if you are an entity incorporated outside Australia and you are issuing a new class of securities other than CDIs. See also the note at the top of this form.</i>	N/A
3B.4	*Number of +securities being issued	518,120
3B.5a	*Will all the +securities issued in this class rank equally in all respects from the issue date?	Yes
3B.5b	*Is the actual date from which the +securities will rank equally (non-ranking end date) known? <i>Answer this question if your response to Q3B.5a is "No".</i>	
3B.5c	*Provide the actual non-ranking end date <i>Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "Yes".</i>	
3B.5d	*Provide the estimated non-ranking end period <i>Answer this question if your response to Q3B.5a is "No" and your response to Q3B.5b is "No".</i>	

3B.5e	<p>*Please state the extent to which the +securities do not rank equally:</p> <ul style="list-style-type: none"> • in relation to the next dividend, distribution or interest payment; or • for any other reason <p><i>Answer this question if your response to Q3B.5a is "No".</i></p> <p><i>For example, the +securities may not rank at all, or on a pro rata basis for the next dividend, distribution or interest payment; or the +securities may not rank at all or on a pro rata basis or be entitled to participate in some other event, such as an entitlement issue.</i></p>	
3B.6	<p>Please attach a document or provide a URL link for a document lodged with ASX setting out the material terms of the +securities being issued</p> <p><i>You may cross reference a disclosure document, PDS, information memorandum, investor presentation or other announcement with this information provided it has been released to the ASX Market Announcements Platform.</i></p>	Refer to Annexure A for the full terms and conditions of the Company's Equity Incentive Plan.
3B.7	<p>*Have you received confirmation from ASX that the terms of the +securities are appropriate and equitable under listing rule 6.1?</p> <p><i>Answer this question only if you are an ASX Listing. (ASX Foreign Exempt Listings and ASX Debt Listings do not have to answer this question).</i></p> <p><i>If your response is "No" and the securities have any unusual terms, you should approach ASX as soon as possible for confirmation under listing rule 6.1 that the terms are appropriate and equitable.</i></p>	No

Part 4 – Issue details

Question No.	Question	Answer
4.1	*Have the +securities been issued yet?	Yes
4.1a	<p>*What was their date of issue?</p> <p><i>Answer this question if your response to Q4.1 is "Yes".</i></p>	9 January 2020
4.1b	<p>*What is their proposed date of issue?</p> <p><i>Answer this question if your response to Q4.1 is "No".</i></p>	
4.2	<p>*Are the +securities being issued for a cash consideration?</p> <p><i>If the securities are being issued for nil cash consideration, answer this question "No".</i></p>	No
4.2a	<p>*In what currency is the cash consideration being paid</p> <p><i>For example, if the consideration is being paid in Australian Dollars, state AUD.</i></p> <p><i>Answer this question if your response to Q4.2 is "Yes".</i></p>	

4.2b	<p>*What is the issue price per +security</p> <p><i>Answer this question if your response to Q4.2 is "Yes" and by reference to the issue currency provided in your response to Q4.2a.</i></p> <p><i>Note: you cannot enter a nil amount here. If the securities are being issued for nil cash consideration, answer Q4.2 as "No" and complete Q4.2c.</i></p>	
4.2c	<p>Please describe the consideration being provided for the +securities</p> <p><i>Answer this question if your response to Q4.2 is "No".</i></p>	Share rights granted as FY20 Long Term Incentive (LTI).

Part 5 – Unquoted +securities on issue

Following the issue of the +securities the subject of this application, the unquoted issued +securities of the entity will comprise:

Note: the figures provided in the table in section 5.1 below are used to calculate part of the total market capitalisation of the entity published by ASX from time to time. Please make sure you include in the table each class of unquoted securities issued by the entity.

Restricted securities should be included in table 5.1.

5.1		
	*ASX +security code and description	*Total number of +securities on issue
	Share rights – FY18 Equity Incentive Plan	992,842
	Share rights – FY19 Equity Incentive Plan	620,627
	Share rights – FY20 Equity Incentive Plan	518,120

Part 6 – Other Listing Rule requirements

The questions in this Part should only be answered if you are an ASX Listing (ASX Foreign Exempt Listings and ASX Debt Listings do not need to complete this Part) and:

- *your response to Q2.1 is "+securities issued under an +employee incentive scheme that are not being immediately quoted on ASX"; or*
- *your response to Q2.1 is "Other"*

Question No.	Question	Answer
6.1	<p>*Are the securities being issued under Listing Rule 7.2 exception 13¹ and therefore the issue does not need any security holder approval under Listing Rule 7.1?</p> <p><i>Answer this question if your response to Q2.1 is "securities issued under an employee incentive scheme that are not being immediately quoted on ASX".</i></p>	No – the Share Rights are being issued pursuant to Shareholder approval obtained under ASX Listing Rule 10.14.

¹ **Exception 13** An issue of securities under an employee incentive scheme if within 3 years before the issue date:

- (a) in the case of a scheme established before the entity was listed – a summary of the terms of the scheme and the maximum number of equity securities proposed to be issued under the scheme were set out in the prospectus, PDS or information memorandum lodged with ASX under rule 1.1 condition 3; or

6.2	<p>*Has the entity obtained, or is it obtaining, +security holder approval for the issue under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No".</i></p>	No – the Share Rights are issued pursuant to Shareholder approval obtained under ASX Listing Rule 10.14.
6.2a	<p>*Date of meeting or proposed meeting to approve the issue under listing rule 7.1</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "Yes".</i></p>	Share Rights are issued pursuant to Shareholder approval obtained under ASX Listing Rule 10.14 on 29 November 2019.
6.2b	<p>*Are any of the +securities being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i></p>	No
6.2b.1	<p>*How many +securities are being issued without +security holder approval using the entity's 15% placement capacity under listing rule 7.1?</p> <p><i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2b is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure B to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1 to issue that number of securities.</i></p>	N/A
6.2c	<p>*Are any of the +securities being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A (if applicable)?</p> <p><i>Answer this question if the response to Q6.1 is "No" and the response to Q6.2 is "No".</i></p>	N/A
6.2c.1	<p>*How many +securities are being issued without +security holder approval using the entity's additional 10% placement capacity under listing rule 7.1A?</p> <p><i>Answer this question if the response to Q6.1 is "No", the response to Q6.2 is "No" and the response to Q6.2c is "Yes".</i></p> <p><i>Please complete and separately send by email to your ASX listings adviser a work sheet in the form of Annexure C to Guidance Note 21 confirming the entity has the available capacity under listing rule 7.1A to issue that number of securities.</i></p>	N/A

Introduced 01/12/19

Annexure A – Equity Incentive Plan

Clean Seas Seafood Limited

Equity Incentive Plan

Rules

Prepared: June 2017

Adopted: 23 June 2017

Version: 1.1

Clean Seas Seafood Limited Equity Incentive Plan

Rules

1 Purpose

The objects of the Plan include:

- i. to align the interests of Eligible Employees with those of shareholders;
- ii. to provide incentives to attract, retain and/or motivate Eligible Employees in the interests of the Company; and
- iii. to provide Eligible Employees with the opportunity to acquire Rights, and ultimately Shares, in accordance with these Rules.

The purpose of the Plan is to enable the Board to issue Rights as part of the Company's remuneration arrangements.

The Plan is subject to subdivision 83A-C of the Income Tax Assessment Act 1997 to the extent an offer is made to an Eligible Employee with terms and conditions that meet the requirements of that subdivision.

2 Commencement of Plan

The Plan will commence on the date determined by the Board.

3 Grant of Rights

3.1 Board to make grant

- (a) The Board may, from time to time, in its discretion make offers for Eligible Employees to apply for a grant of Rights upon the terms of the Plan and such additional terms and conditions (including any Conditions, Disposal Restrictions or terms of expiry) as the Board determines.
- (b) The Board will determine the procedure for the offering and granting of Rights, including the form and content of any offer, grant or acceptance procedure.
- (c) Notwithstanding rule 3.1(b) the Board may decide to reject an application for Rights from an Eligible Employee at the time of receipt of an application for a grant of Rights.
- (d) Unless the Board determines otherwise, no payment is required for the grant of Rights.
- (e) Rights may be granted to an Eligible Employee by a Group Company as an element of pre-tax remuneration of that Eligible Employee.
- (f) Unless the Board determines otherwise, no offer to apply for a grant of Rights may be made if the offer or grant does not comply with ASIC Class Order 14/1000, any subsequent or replacement class order or other relief in respect of employee incentive schemes or any specific relief granted by ASIC to the Company in respect of the Plan.

3.2 Acceptance of application

- (a) An Eligible Employee who applies for a grant of Rights is deemed to have agreed to be bound by these Rules, any additional terms specified in the terms of offer and, upon

allocation of a Share, to have agreed to become a member of the Company and to be bound by the constitution of the Company.

- (b) If an offer is issued to an Eligible Employee pursuant to rule 3.1, the Board will, upon acceptance of his or her application, grant Rights as specified in that offer to that Eligible Employee and provide the Eligible Employee with a Certificate for those Rights.

3.3 Information to be provided

The Board will advise each Eligible Employee of the following minimum information in respect of the Rights at the time of making the offer pursuant to rule 3.1

- (a) the number or maximum value of Rights that are the subject of the offer, or the method for determining the number or maximum value;
- (b) any applicable Conditions;
- (c) the time or times at which Rights may vest and become exercisable;
- (d) any amount that will be payable upon exercise of a Right, if any, or the method for calculating that amount;
- (e) the period or periods during which Rights may be exercised and the procedure for exercising the Rights;
- (f) the date, time and/or circumstances when Rights lapse; and
- (g) any other relevant terms and conditions attaching to Rights or Shares held under the Plan, including any Disposal Restrictions.

3.4 Title to Rights

- (a) Unless the Board determines otherwise, Rights may only be registered in the name of a Participant.
- (b) A Participant may at any time exercise a vested Right in accordance with rule 4.4 but is prohibited from disposing of a Right other than in accordance with rule 3.4(c) or with the approval of the Board.
- (c) A Right granted under, and subject to, these Rules is only transferable by force of law or with the approval of the Board.
- (d) Where a Participant purports to transfer a Right other than in accordance with rule 3.4(c), the Right immediately lapses.

3.5 Prohibition against hedging

- (a) A Participant must not enter into any scheme, arrangement or agreement (including options and derivative products) under which the Participant may alter the economic benefit to be derived from a Right that remains subject to these Rules, irrespective of future changes in the market price of Shares.
- (b) Where a Participant enters, or purports to enter, into any scheme, arrangement or agreement described in rule 3.5(a), the Right will immediately lapse.

4 Vesting, exercise and lapse of Rights

4.1 Vesting of Rights

- (a) Subject to rules 4.1(b) (Board discretion), 7 (cessation of employment), 8 (fraud or dishonesty), 9 (reorganisations and divestment), 10 (change of control) and 12.3 (Board powers), a Right granted under the Plan will not vest unless the Conditions relating to that Right advised to the Participant pursuant to rule 3.3 have been satisfied or waived.

- (b) The Board must advise a Participant when any Condition relating to a Right granted to the Participant is satisfied or waived by the Board in its discretion.
- (c) The Board may, in its discretion, determine that a Right vests prior to the date specified by the Board for the purposes of rule 3.3.
- (d) Granting a Right does not confer any right or interest, whether legal or equitable, in Shares until all Conditions in respect of that Right have been satisfied or waived by the Board in its absolute discretion and the Right has been exercised in accordance with rule 4.4.
- (e) The Board's decision as to the satisfaction, achievement or waiver of any Condition may be made in the Board's absolute discretion and a determination as to the interpretation, effect, application, achievement, satisfaction or waiver of a Condition is final, conclusive and binding on the Participant. The Board will only exercise its discretion to waive (in whole or in part) any Condition for a Qualifying Reason.

4.2 Lapse of Rights

Subject to the Board's overriding discretion, an unvested Right of a Participant will lapse upon the earliest to occur of:

- (a) the date specified by the Board for the purposes of rule 3.3;
- (b) an event described in rules 3.4 (title), 8 (fraud or dishonesty), 9 (reorganisations and divestments) or 10 (change of control);
- (c) failure to meet the Conditions; and
- (d) the fifteenth anniversary of the date the Right was granted.

4.3 Exercise of vested Rights

- (a) Rights that have vested and that have not expired or lapsed under rule 4.2 may be exercised by a Participant at any time and in any period notified to the Participant by the Board under rule 3.3 and in the manner specified in the relevant offer.
- (b) The Board may determine whether the Company will, upon exercise of vested Rights:
 - (i) issue or procure the transfer to:
 - (A) the Participant (or his or her personal representative); or
 - (B) a trustee who is to hold Shares on behalf of the Participant,
 the number of Shares (including fractions of a Share) to which the Participant is entitled in respect of each Right as outlined in the terms of offer pursuant to rule 3.3, which may include a formula for calculating the relevant number of Shares (**Equity Settled**); or
 - (ii) pay a cash amount equivalent to the Market Price of a Share at the exercise date multiplied by the number of Shares contemplated under rule 4.3(b)(i) in full satisfaction of the Shares that would otherwise have been allocated on exercise of the Right (**Cash Settled**); or
 - (iii) issue, procure the transfer or pay a combination of (i) and (ii) above.
- (c) Where Rights are Equity Settled, the parties may agree that the Company will sell on behalf of the Participant the required number of Shares in order to provide the funds required to fund the payment of any applicable tax or other amounts required by law to be withheld.

4.4 Method of exercising vested Rights

- (a) A Participant may exercise a vested Right at any time up to and including the Expiry Date by delivering a properly executed Exercise Notice to the Company and paying the Exercise Price if any as specified in the relevant offer.

- (b) Subject to rule 4.3, the Company must ensure that Shares will be transferred or issued and allocated to a Participant within fifteen (15) business days after the Participant submits a properly executed Exercise Notice to the Company.

5 Exercise Notice

- (a) An Exercise Notice must:
- (i) specify the number and type of Rights being exercised;
 - (ii) be accompanied by payment of the Exercise Price if any specified in the offer (by such means and in such manner as approved by the Board); and
 - (iii) be accompanied by the Certificate.
- (b) The giving of an Exercise Notice for part only of the number of Rights held by a Participant from time to time does not prevent the Participant from exercising all or part of the balance of such Rights at any time thereafter during the term of those Rights, subject to rule 4.4 as applicable.
- (c) If a Participant exercises fewer than the total number of Rights referred to in the Certificate for those Rights then that Participant:
- (i) must surrender the Certificate to the Company; and
 - (ii) the Company will cancel that Certificate and re-issue a Certificate to the Participant for the unexercised balance of the Rights.
- (d) The Company or the Trustee must provide the Participant with a Share certificate for all Shares held by or on behalf of the Participant under the Plan if such is the case.
- (e) Where Shares are to be held by a Trustee, subject to the Trustee receiving from the Company sufficient funds to subscribe for or acquire the Shares, the Board may, in its absolute discretion, instruct the Trustee to either subscribe for new Shares or acquire Shares from existing shareholders, to be held on a Participant's behalf but nothing prevents the Trustee acting according to the terms of the relevant Trust Deed.

6 Allocation of Shares

6.1 Ranking of Shares

All Shares issued under the Plan will rank equally in all respects with other Shares for the time being on issue, except with regard to any rights attaching to such other Shares by reference to a record date prior to the date of allocation of those Shares provided that any benefit arising from those rights with a prior record date has been reflected in the number of Shares to be issued on exercise of the Rights.

6.2 Listing on ASX

If listed on the ASX, the Company will apply for quotation of Shares issued under the Plan within the period required by the ASX.

6.3 Dividends and voting rights of Shares held by a Trustee

In the event Shares allocated on exercise of Rights are held by a Trustee on behalf of the Participant:

- (i) the dividends payable on those Shares will be paid by the Company to the Trustee, and the Trustee will pay any such dividends to the Participant as soon as reasonably practicable after those dividends are paid by the Company to the Trustee;

- (ii) in relation to resolutions upon which the Participant is entitled to vote, the Participant may direct the Trustee by notice in writing as to how to exercise the voting rights attaching to those Shares held on the Participant's behalf by the Trustee, either generally or in respect of a particular resolution, by way of proxy. In the absence of any such direction, the Trustee must not exercise the voting rights attaching to the Shares held on behalf of the Participant by the Trustee. The Trustee must not vote in respect of any Shares it holds on behalf of a Participant if the vote occurs by show of hands; and
- (iii) the Company must, or by direction of the Board, the Trustee must, forward to a Participant a copy of any notices of meetings of members of the Company received by the Trustee, unless the Participant has notified the Trustee in writing that the Participant does not wish to receive such notices.

6.4 Disposal Restrictions

- (a) The Board may, in its discretion, impose any Disposal Restrictions in respect of Shares issued or transferred on the exercise of Rights.
- (b) The Board must provide a Participant with details of any such requirements or restrictions at the time of offer pursuant to rule 3.3.
- (c) The Board may implement any procedure it considers appropriate to restrict a Participant from trading in Shares while they remain subject to these Rules including, without limitation, imposing a holding lock (as defined in the ASX Listing Rules) on the Shares or arranging for the Shares to be held on trust.

7 Cessation of employment

7.1 Unvested Rights

- (a) Where a Participant holding an unvested Right ceases to be an employee of the Group, that Right immediately lapses unless the terms of the offer pursuant to rule 3.1(a) prescribe a treatment other than the immediate lapse of unvested Rights.
- (b) Notwithstanding rule 7.1(a), where a Participant holding an unvested Right ceases to be an employee of the Group due to a Qualifying Reason, the Board may, in its discretion, determine the treatment of that unvested Right.
- (c) The Board will give written notice to the Participant of the number of Rights that vest or may vest pursuant to rule 7.1(b).

7.2 Forfeiture of Shares allocated on exercise of Rights

The Board may, at its discretion, determine that a Participant will forfeit his or her interest in any Shares that are allocated to the Participant on exercise of Rights that are subject to Disposal Restrictions if, during the Disposal Restriction period:

- (a) the Participant resigns as an Employee of the Group other than in circumstances of mutual agreement or the terms of the offer pursuant to rule 3.1(a) prescribe a treatment other than the immediate forfeiture of Shares that are subject to Disposal Restrictions;
- (b) the Participant is dismissed as an Employee by a Group Company for cause; or
- (c) the Participant's employment with the Group is terminated in circumstances that, in the opinion of the Board, involve a failure by the Participant to meet acceptable performance requirements in connection with his or her employment.

7.3 When employment ceases

For the purposes of this Plan, a Participant will only be treated as ceasing employment when the Participant is no longer an employee or a director within the Group.

7.4 Limitation on benefit provided

In the event of termination of a Participant's employment the board determines that it may exercise its discretion to provide a benefit to the Participant that may not otherwise have been provided and the provision of such benefit constitutes a termination benefit for the purposes of Part 2D.2 of the Corporations Act, nothing in these Rules or in the Participant's Offer letter requires the board to provide the benefit if the provision of the benefit will constitute a breach of the Corporations Act.

In addition, neither these Rules nor the Participant's Offer Letter will require the board to seek shareholder approval for the provision of the benefit.

For the avoidance of doubt, this Rule 7.4 prohibits the board from providing a benefit that would put the company in breach of Part 2D.2 of the Corporations Act.

8 Fraud, material dishonesty or material misstatement

8.1 Action of Participant

Where there is proven misconduct (as determined by a court or tribunal) to the effect that based on clear and verifiable evidence, a Participant or former Participant:

- (a) acts fraudulently or with material dishonesty; or
- (b) is in material breach of his or her obligations to the Group; or
- (c) is deliberately involved in any act resulting in a material misstatement of financial statements;

then the Board may determine that:

- (d) the Conditions and/or Performance Period applying to Rights should be altered or reset (as the case may be);
- (e) all or any Rights of the Participant that have not vested shall lapse;
- (f) all or any Rights of the Participant that have vested but have not been exercised are forfeited;
- (g) all or any Shares held by the Participant following exercise of Rights are forfeited;
- (h) where Rights have been Cash Settled, the cash amount paid to the Participant must be repaid; and/or
- (i) where Shares that have been allocated to the Participant following exercise of Rights have been sold, that the Participant must repay all or part of the net proceeds of such a sale to the Company.

This rule applies where information or events relating to the performance period come to light after the initial award was made which materially undermines the Group's performance, financial standing or reputation (as determined by Non-Executive Directors). In exercising this discretion, the Non-Executive Directors will have regard for matters of procedural fairness. The Non-Executive Directors reserve the right to pursue available legal recourse as appropriate within the terms of this rule.

8.2 Actions of others

Where, in the opinion of the Board, a Right vests, or may vest, to a Participant as a result of the fraud, material dishonesty, material breach of obligations or knowing material misstatement of financial statements relating to items or matters of which the Board was not aware by an employee of the Group other than the Participant and, in the opinion of the Board, the Right would not otherwise have vested, the Board may determine that the Right has not vested and may, subject to applicable laws, determine any treatment in relation to the Right (including resetting Conditions, deeming Rights to be forfeited and/or new Rights be granted)

to ensure that no unfair benefit is obtained by the Participant as a result of the actions of another person.

9 Participation in future issues, reorganisations and business divestments

9.1 Participation generally

A Participant cannot participate in new issues of Shares or other securities to holders of Shares unless the Shares in respect of the Rights held by the Participant have been issued or transferred, as the case requires, to and registered in the name of the Participant before the record date for determining entitlements to the new issue.

9.2 Bonus issue, rights issue and capital reorganisations

If:

- (a) Shares are issued pro rata to shareholders generally by way of a bonus issue;
- (b) Shares are offered to Shareholders by way of a pro rata rights issue; or
- (c) any reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company is effected,

and a Participant holds Rights at the record date for determining entitlements to the new issue or when the reorganisation is effected (as applicable) then:

- (d) the number of Shares to be delivered to each Participant in respect of each Right (or other terms and conditions applicable to the Rights, including any amount payable for the Shares) will be adjusted or reorganised:
 - (i) if applicable, in accordance with the requirements of the ASX Listing Rules (if listed), the Corporations Act and any other applicable law; and
 - (ii) subject to rule 9.2(d)(i), in the manner determined by the Board in order to minimize or eliminate any material advantage or disadvantage to the Participant.

9.3 Divestment of material business or subsidiary

- (a) Where the Group divests a business or Subsidiary designated by the Board for the purposes of this rule 9.3 as 'material', the Board may determine special rules that apply to Participants in that business in relation to the Rights or Shares held pursuant to the Plan (and any other entitlements that may arise in relation to those Shares). Without limiting the Board's discretion, such rules may include:
 - (i) varying the Conditions and/or Period applying to the Participant's Rights to take into account the divestment of the business or Subsidiary; and
 - (ii) deeming that the Participant remains a Group employee for a specified period.
- (b) In order to bind a Participant, any special rules made under this rule 9.3 must be notified to the Participant in accordance with rule 11.5.

10 Change of control

10.1 Takeover bid or scheme of arrangement

- (a) If an Event as described in rule 10.1(d) occurs before Participants' Rights have vested then all unvested Rights will vest and the Shares issued on exercise of these Rights will not be subject to Disposal Restrictions. This also applies to any Rights that the Board has agreed to offer to a Participant but those Rights have not yet been granted for reasons including awaiting the approval of a resolution by shareholders at an Annual General Meeting.
- (b) If an Event occurs after Rights are exercised, all Shares issued or transferred (as applicable) on exercise of the Rights that remain subject to Disposal Restrictions under the Plan will be released from such Disposal Restrictions.

- (c) If an Event occurs after Rights have vested but before Rights are exercised, all Rights will be automatically exercised and Shares issued or transferred (as applicable) on exercise of the Rights will not be subject to Disposal Restrictions.
- (d) An **Event** occurs where:
 - (i) in the case of a Takeover Bid, a person who previously had voting power in the Company of less than 50% obtains voting power of more than 50%; or
 - (ii) a Takeover Bid is made for the Company and the bid is declared unconditional at a time prior to the bidder being entitled to 50% of the issued Shares; or
 - (iii) a court convenes a meeting of Shareholders to be held to vote on a proposed scheme of arrangement pursuant to which control of the majority of Shares may change;
 - (iv) composition of the Board changes such that more than half of the Non-Executive Directors were not Directors at the date the Rights were issued to the Participant, with the exception of replacement of Paul Steere and Hagen Stehr upon their planned retirement from the Board in FY18 and the appointment of Terry O'Brien to the Board in February 2017, or
 - (v) any transaction or event is proposed that, in the opinion of the Board, may result in a person or persons becoming entitled to exercise control over the Company.

10.2 Acquisition of securities in another company

If a company (the **Acquiring Company**) obtains control of the Company and each of the Company, the Acquiring Company and the Participant agree, then a Participant may be provided with securities in the Acquiring Company (or its parent or subsidiary) in substitution for Rights, on substantially the same terms and conditions as the Rights, including those detailed in rule 10.1, but with appropriate adjustments to the number and kind of shares the subject of the Rights.

10.3 Notification of vesting

The Board will give written notice to the Participant of the extent to which Rights vest pursuant to this rule 10.

11 Trustee

11.1 Trustee may take advice

The Board and the Trustee may take and rely upon independent professional or expert advice in relation to the exercise of any of their powers under these Rules or the Trust Deed.

11.2 Completion and return of documents

The Trustee and the Company may each require a Participant to complete and return such other documents, as may be required by any applicable law to be completed by the Participant or which the Trustee or the Company considers should, for legal or taxation reasons, be completed by the Participant.

11.3 Agreements with the Trustee

The Board may determine and conclude agreements with the Trustee, and enforce or prosecute any rights and obligations under such agreements, without reference or recourse to the Participants under this Plan. Subject to the terms of the Trust Deed and without limiting the Company's rights in this regard, the Company may, pursuant to and in accordance with any such agreements:

- (a) provide funds to the Trustee in order to allow the Trustee to subscribe for and/or acquire Shares to be held under this Plan;
- (b) pay the Trustee for services provided in connection with this Plan and the Trust;

(c) remove the Trustee and appoint a new trustee (and make any necessary arrangements or provisions for the transfer of Shares held by the Trustee for Participants to a new trustee); and

(d) otherwise exercise any rights, responsibilities or powers afforded to it under the Trust Deed.

11.4 Costs of the Trust

The Board may determine the manner in which any costs associated with the Trust and the costs incurred in the course of the performance by the Trustee of its role and duties under this Plan and the Trust Deed are to be borne.

11.5 Trustee must administer the Trust

The Trustee must administer the Trust and hold Shares under the Plan in accordance with this Plan, the Trust Deed and any procedures determined by the Company and as agreed to between the Board and the Trustee.

11.6 Trustee may acquire Shares

The Trustee may in accordance with the instructions received from the Company acquire Shares on market in advance of exercise of a Right and hold such Shares pending such exercise.

11.7 Registration of Shares

Unless the Board determines otherwise, where Shares are held by the Trustee on behalf of a Participant, those Shares will be registered in the name of the Trustee.

12 Administration of Plan

12.1 Compliance with laws

An offer may only be made in compliance with the Constitution, the ASX Listing Rules, the Corporations Act and any other applicable law.

12.2 Amendment of the Rules

(a) The Board may at any time, amend, add to, vary, omit from or substitute any of these Rules, provided that any such amendment may not, without the written agreement of a Participant, materially reduce or otherwise prejudicially affect the rights attaching to the Rights granted or the Shares issued or transferred (as applicable) pursuant to, and still subject to, the Plan, other than an amendment introduced primarily:

- (i) for the purpose of complying with or conforming to present or future State, Commonwealth or relevant foreign jurisdiction legislation, the ASX Listing Rules or any requirement, policy or practice of ASIC or other foreign or Australian regulatory body;
- (ii) for the purpose of regulating the maintenance or operation of the Plan;
- (iii) to correct any manifest error or mistake; or
- (iv) to take into consideration possible adverse tax implications for the Company or the Participant arising from, among other things, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court or tribunal of competent jurisdiction.

(b) Any amendment made under this rule 12.2 must be notified as soon as reasonably practicable to any affected Participant in accordance with rule 12.5.

12.3 Board powers

Subject to any specific provisions in an Offer Letter, the Board has absolute and unfettered discretion in exercising any power or discretion concerning the Plan and may:

- (a) delegate to any person for the period and on the terms it decides, the exercise of any of its powers or discretions under the Plan;
- (b) determine appropriate procedures for administering the Plan consistent with these Rules, including the application forms and any other forms and notices to be issued under the Plan;
- (c) resolve conclusively all questions of fact or interpretation concerning these Rules and any dispute of any kind that arises under the Plan;
- (d) waive any provision of the Plan, or any term or condition (including a Condition or other restriction) relating to Rights or Shares;
- (e) determine to suspend or cease operation of the Plan at any time and take any actions required to effect the winding up of the Plan;
- (f) act or refrain from acting at its discretion under these Rules or in relation to Rights or Shares held under the Plan; and
- (g) waive any breach of a provision of the Plan.

12.4 Costs

- (a) The Company will pay all costs and expenses in relation to the establishment and operation of the Plan.
- (b) The Group may make any withholding or payment it is required by law to make in connection with Rights or Shares.
- (c) Any brokerage, commission, stamp duty or other transaction costs in connection with the disposal of a Participant's Shares acquired under the Plan will be paid for by the Participant.

12.5 Notices

- (a) A notice or other communication under or concerning the Plan is validly given:
 - (i) by the Company to an Eligible Employee or Participant (as the case may be), if delivered physically or electronically to the addressee or sent by prepaid post to his or her last known postal address, or sent to him or her physically or by email at his or her place of work; and
 - (ii) by an Eligible Employee or Participant (as the case may be) to the Company if delivered or sent by prepaid post addressed to the company secretary at the Company's registered office (unless the Board specifies another address for a particular purpose).
- (b) A notice or other communication sent:
 - (i) to the Company must be actually received by the Company by the date or within the period specified in these Rules or advised to the Participant pursuant to rule 3.3 in order to be effective; and
 - (ii) by the Company to an Eligible Employee or Participant (as the case may be) will be treated as being received immediately following the time it was sent or, if it is sent by post, it will be treated as received two (2) business days after it was posted.

12.6 Terms of engagement not affected

- (a) The rights and obligations of an Eligible Employee under the terms of his or her office, employment or contract with the Group are not affected by his or her participation in the Plan.
- (b) Participation in the Plan will only be offered to an Eligible Employee at the discretion of the Board. There is no guarantee of future offers being made under the Plan. Nothing in these Rules confers on an Eligible Employee the right to be granted Rights.
- (c) These Rules do not form part of, and will not be incorporated into, any contract of an Eligible Employee.

12.7 Non-residents of Australia

- (a) Notwithstanding any rule under the Plan, the Board may at any time, amend, add to, vary, omit from or substitute any of these Rules to ensure compliance with the requirements of, or impact of, any law or regulation in any jurisdiction outside of Australia.
- (b) This rule 12.7 applies in relation to any Participant who holds Rights or Shares under the Plan from time to time and who is resident, or may become resident, in any jurisdiction outside of Australia.
- (c) Any different rules that may apply must be notified to each affected Participant in writing.
- (d) For the purposes of clarification, any different rules that are adopted under rule 12.7(a) may have an adverse impact upon the Participant. However, any different rules must comply, to the extent that is legal and practicable, with the basic principles of the Plan.

12.8 Personal information

The Participant consents to the Company or its agents (and each of their related parties) collecting, holding and using personal information (including a Participant's tax file number) that the Participant provides in the application to participate in the Plan or otherwise provides to the Company or its agents (and each of their related parties) as part of their employment, in order to carry out the administration and operation of the Plan in accordance with the Plan Rules, including providing relevant information to:

- (a) the Plan manager or another entity that manages or administers the Plan on behalf of the Company;
- (b) any broker or external service provider, including a tax or financial adviser;
- (c) the trustee of any employee trust;
- (d) any Government department or body; and
- (e) any other person or body as required or authorised by law.

12.9 No rights

A Participant does not have any rights under this Plan to compensation or damages in consequence of the exercise by the Company of any right, power or discretion that results in the Participant ceasing to have title to the Rights or Shares held under the Plan.

12.10 Limitation on the Plan

No Shares may be allocated to a Participant under this Plan if, immediately after the allocation of those Shares, the Participant:

- (a) would hold a legal or beneficial interest in more than 10% of all other Shares for the time being on issue; or

(b) would be in a position to cast, or control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Company.

12.11 Maximum number of Shares

Unless the Board determines otherwise, no Rights may be offered and no Shares may be issued under this Plan or on the exercise of Rights, if to do so would contravene ASIC Class Order 14/1000, any subsequent or replacement ASIC class order in respect of new issues of securities under employee incentive schemes or an ASIC exempt arrangement of a similar kind.

12.12 Rounding

Where any calculation or adjustment to be made pursuant to this Plan produces a fraction of a cent, Right or Share, the fraction will be disregarded by rounding down to the nearest whole cent or whole number of Rights or Shares (as applicable).

12.13 ASIC relief

Notwithstanding any other provision of this Plan, every covenant or other provision set out in an exemption or modification granted from time to time by ASIC in respect of the Plan pursuant to its power to exempt and modify the Corporations Act and required to be included in the Plan in order for that exemption or modification to have effect, is deemed to be contained in the Plan.

To the extent that any covenant or other provision deemed by this rule to be contained in the Plan is inconsistent with any other provision in the Plan, the deemed covenant or other provision shall prevail.

12.14 Governing Law

The rules and conditions of this Plan are governed by the laws of South Australia and the Commonwealth of Australia.

13 Definitions and Interpretation

13.1 Definitions

In this Plan:

ASIC means the Australian Securities and Investments Commission

ASX means ASX Limited ACN 008 624 691, or the securities exchange that it operates, as the context requires

ASX Listing Rules means the official listing rules of ASX

Board means the directors of the Company or a committee of the Board or a delegate appointed by the Board or a committee for the purposes of the Plan

Certificate means the certificate issued by the Company in respect of a Right held by a Participant

Company means Clean Seas Seafood Limited ACN 094 380 435

Conditions means one or more conditions contingent on performance, service, or time elapsed since grant that must be satisfied before a Right vests, as determined by the Board

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

Disposal Restriction means such restriction on disposal or dealing in a Share to be delivered upon the exercise of a Right, as determined by the Board in its discretion and notified to a Participant at the time of the grant or offer of the Right in the Offer Letter

Eligible Employee means an employee of the Group or a non-executive director of the Group or another person determined by the Board as eligible to participate in the Plan

Exercise Notice means a notice in the form specified by the Board for the purposes of rule 4.4 from time to time

Exercise Period means the period between the time a Right vests and becomes exercisable and the time at which that Right lapses, as specified in the relevant offer

Exercise Price means the price payable in cash to exercise a Right, being such price determined by the directors in their absolute discretion and set out in the terms of the relevant offer

Expiry Date means the date a Right lapses and can no longer be exercised, as specified in the terms of the relevant offer

Group means the Company, any Subsidiary and any other entity declared by the Board to be a member of the group for the purposes of the Plan and **Group Company** means any one of them

Market Price means an amount equal to the volume weighted average price of Shares traded on the ASX over the 10 trading days immediately preceding the relevant date, or in the absence of such a price the value as determined by the directors having regard for all available information at the time

Offer means the proposal set out in the Offer Letter provided to a potential Participant

Offer Letter means a letter provided to a potential Participant setting out a proposal for issue of Rights pursuant to the Plan

Option means, subject to the Conditions determined by the Board, a Right to receive a Share and any further amounts specified in the offer following payment of any required Exercise Price

Participant means an Eligible Employee who is granted a Right under the Plan

Performance Period means the period or periods over which Conditions are measured as specified by the Board

Plan means the Clean Seas Seafood Limited Equity Incentive Plan, as constituted by these Rules

Qualifying Reason means:

- (a) the death, total and permanent disablement, redundancy or retirement from the workforce of the Participant as determined by the Board in its absolute discretion; or
- (b) any other reason as determined by the Board.

Right means a right to a Share and such additional shares (including a fraction of a Share) that may be specified in the relevant offer and that is subject to the Conditions determined by the Board, calculated on the basis set out in the terms of an offer, which may include a formula for calculating the relevant number of Shares and, for the avoidance of doubt, a Right includes an Option

Rules means these rules of the Plan, as amended from time to time

Share means a fully paid ordinary share in the Company

Subsidiary has the meaning given to it in section 9 of the Corporations Act

Takeover Bid has the meaning given in section 9 of the Corporations Act

Total and Permanent Disablement means disablement of a person where in the opinion of the Board the person is unlikely to ever be able to be engaged in an occupation for which he or she is qualified by education and training

Trust means the “Clean Seas Seafood Limited Employee Share Trust”, being a trust established by the Company for the sole purpose of subscribing for or acquiring and delivering, allocating and holding Shares in the Company for the benefit of the Participants and participants in other employee equity plans established by any member of the Group from time to time

Trust Deed means the trust deed to be entered into between the Company and the Trustee

Trustee means the corporate trustee to be appointed by the Company, and which has agreed to act, as the initial trustee of the Trust on the terms and conditions set out in the Trust Deed

Withdrawal Notice means a written notice given by a Participant to the Trustee and the Company requesting that some or all of the Participant’s Shares held by the Trustee on behalf of the Participant be sold or transferred to the Participant or as that Participant directs, which notice must:

- (i) be signed by the relevant Participant;
- (ii) specify the number of Shares to be sold or transferred; and
- (iii) be in a form approved by the Board.

13.2 Interpretation

To the extent there is any inconsistency between the Plan Rules and the Offer made to a Participant, the specific terms and conditions of the Offer will prevail.

In these Rules:

- (a) headings and boldings are for convenience only and do not affect the interpretation of these Rules and, unless the context requires otherwise;
- (b) words importing the singular include the plural and vice versa;
- (c) words importing a gender include any gender;
- (d) the word ‘includes’ in any form is not a word of limitation;
- (e) other parts of speech and grammatical forms of a word or phrase defined in these Rules have a corresponding meaning; and
- (f) any reference in the Plan to any enactment or the ASX Listing Rules is a reference to that enactment or those ASX Listing Rules (and to all regulations or instruments issued under them) in force at the time that a grant or offer is made under the Plan unless expressed to the contrary in the Rules, or determined otherwise by the Board pursuant to rule 12.3, or required at law.