

18 September 2020

INVITATION TO CLEAN SEAS SEAFOOD LIMITED'S AGM

Dear Shareholder,

I am pleased to invite you to attend the 2020 Annual General Meeting ('AGM') of Clean Seas Seafood Limited, to be held as a virtual meeting on **Tuesday 20 October 2020, commencing at 3.30pm (Adelaide time) / 4:00pm (Melbourne time)**.

Please find enclosed the Online Attendance Instructions for the AGM which details the items of business to be dealt with at the Meeting. If you have elected to receive the Company's FY20 Annual Report in hard copy it is also attached, otherwise it is available on the Company's website at www.cleanseas.com.au under Investors / ASX Releases.

At the Meeting our Acting CEO, Mr Robert Gratton, and I will take the opportunity to update Shareholders on our progress and outlook. The onset and impacts of COVID-19 has certainly been unprecedented, making FY20 quite unique. I would encourage you to read Clean Seas' Annual Report for FY20 for further information about our challenges and achievements during the past year, together with our outlook and priorities for FY21 and beyond.

This year's Meeting will involve the usual business of receiving and considering the Financial Statements, Directors' Report and Independent Auditor's Report, and the Remuneration Report.

At the 2019 AGM, the majority of shareholder votes cast (71.1%) were in favour of adopting the 2019 Remuneration Report. However, 28.9% of the total votes received were against adopting the remuneration report, constituting a 'second strike' under the Corporations Act 2001. As a result of the 'second strike' a conditional spill resolution was then put to shareholders at the 2019 AGM. This resolution was not carried, with 80.5% of shareholder votes cast against.

The Board continues to be mindful of shareholder feedback with regard to remuneration, and has adopted a number of initiatives to further improve the alignment of remuneration with the creation of value for shareholders, particularly in the context of ongoing COVID-19 disruptions and the impact on Company performance. These initiatives include:

- Following Helen Sawczak retirement as a Non-Executive Director, the Board elected not to find a replacement, which reduced the number of Board members from 6 to 5;
- Reducing Board fees by 20% until further notice;
- Restructuring and reducing the Executive Team;
- Implementing salary freezes for the Executive Team;
- Granting shares instead of cash payments for certain Executive Team entitlements to preserve cash;
- Suspending the Company's LTI scheme until FY21; and
- Deferring consideration of activating the Company's STI scheme for FY21 until December 2020.

You will note in the Notice of Meeting that the Board has decided to put all Directors forward for election at this AGM. Given the current economic climate uncertainty, it is essential that the current Board is able to execute its forward strategic direction with the confidence of a refreshed shareholder mandate behind it. Accordingly, the Board has determined that all Directors will offer themselves up for re-election at this year's AGM.

As I noted above, the onset of COVID-19 has impacted and will continue to impact Clean Seas. In addition to recent ASX Announcements, the Chairman's Report in the Company's 2020 Annual Report provides an overview of the Board's strategic response to date and the intended forward pathway.

In conjunction with a continued drive to effectively reposition and lower the Company's cost base, the planned entry into retail product distribution is expected to deliver long-term growth from new channels that will complement Clean Seas' existing restaurant and premium food service business as these channels recover post COVID-19.

The Company recently announced the retirement of its long serving Managing Director and CEO, Mr David Head. Mr Head has very professionally and with great energy led the Company over his tenure and on behalf of the Company, Board Management, and our Shareholders, I wish him well in his next endeavours.

Resolution 7 relates to Mr Head's unvested long term incentive (LTI) awards that were approved by shareholders at the 2018 and 2019 Annual General Meeting. The 2018 and 2019 Notice of Meeting stated that under the terms of the LTI award, all unvested rights would vest in certain 'good leaver' circumstances. Mr Head is ceasing employment with the Group as a 'good leaver'. Accordingly, shareholders are now asked to approve the vesting of all unvested rights for the purposes of Mr Head's termination benefits, in accordance with the 'good leaver' treatment approved by shareholders in 2018 and 2019.

Please exercise your opportunity to vote on these important matters. The Directors recommend that Shareholders vote in favour of all resolutions and the Chairman intends to vote all available proxies in favour of Resolutions 1-8.

The AGM will commence at 3.30pm (Adelaide time) / 4:00pm (Melbourne time) and you will be able to register your attendance from one hour prior to the scheduled start time. **If you are unable to attend the virtual AGM, I encourage you to participate by completing the enclosed Appointment of Proxy Form and lodging it** in the manner outlined in the Notice of Meeting.

Thank you for your continued investment and support. I, my fellow Board colleagues, our Acting CEO and senior management representatives are looking forward to being part of the virtual AGM with you.

Yours sincerely



Terry O'Brien
Chairman