

## 1. OBJECTIVE OF CHARTER

- 1.1 This Charter sets out the structure, role and responsibilities of the Remuneration and Nominations Committee (Committee) of Clean Seas Seafood Limited (“Clean Seas Seafood” or the “Company”).
- 1.2 The Committee is appointed and authorised by the Board of Directors of the Company, to assist the Board in fulfilling certain of its statutory, fiduciary and regulatory responsibilities.
- 1.3 In particular, the Committee is to undertake the functions of the respective nomination and remuneration committees as set out in Recommendations 2.1 and 8.1 of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (4<sup>th</sup> edition) (ASX Principles).
- 1.4 The authority of the Committee is sourced from:
  - a. the Company’s Constitution;
  - b. this Charter; and
  - c. separate Board delegations, resolutions and approvals granted to it from time to time.
- 1.5 The Board of Clean Seas Seafood recognises that the Company should pay director remuneration sufficient to attract and retain high quality Directors and design its executive remuneration to attract, motivate and retain high quality senior Executives and to align their interests with the creation of value for security holders.
- 1.6 The Board also appreciates that it must be comprised of persons who have the necessary range of skills expertise and experience to effectively discharge its duties and support Clean Seas Seafood’s strategic direction, long term growth and success.
- 1.7 This Charter outlines the manner in which Non-Executive Director fees and Executive Directors’ and Executives’ salaries are determined, structured and reviewed.
- 1.8 This Charter forms part of a broader corporate governance framework, consisting of the Clean Seas Seafood Constitution, Board Charter, other Committee charters, Clean Seas Seafood corporate governance policies and the law.

## 2. COMMITTEE STRUCTURE AND COMPOSITION

### 2.1 Membership

- a. The Committee shall consist of no less than three (3) Non-Executive Directors. The majority of the Committee must be independent.
- b. Members of the Committee will be determined by the Board and changed at the discretion of the Board.
- c. Independence of members of the Committee will be considered in accordance with the Company’s policy on independence of directors.

### 2.2 Chair

The Committee Chair:

- a. is appointed by the Board;
- b. must be independent; and
- c. must not be the Chair of the Board.

### 2.3 Committee Secretary

The Company Secretary, or such other person that the Clean Seas Seafood Board may nominate, will act as Secretary to the Committee and advise on governance matters.

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**3. ROLE**

**3.1 Selection and appointments**

The Committee provides advice, support and recommendations to the Board on:

- a. Board succession planning;
- b. The process for recruiting a new Director;
- c. Director selection and appointment practices;
- d. Board composition, size and tenure;
- e. Director induction and development and performance evaluation processes and criteria; and
- f. Diversity policy and diversity objective development and monitoring;

to ensure that the Board is of a size and composition conducive to making decisions expediently, with the benefit of a variety of perspectives and skills and in the best interests of Clean Seas Seafood as a whole.

The Committee also makes recommendations to the Board on succession planning for the Chief Executive Officer and his direct reports. The direct reports to the Chief Executive Officer are referred to in this Charter as the Executives.

**3.2 Remuneration**

The Committee provides advice, support and recommendations to the Board on remuneration policies for Clean Seas Seafood in accordance with the Company’s Remuneration Policy. The Committee also makes recommendations to the Board on remuneration strategies and practices for the Board, the Chief Executive Officer and the Executives, in accordance with the Company’s Remuneration Policy.

The Committee’s recommendations are based on the guiding principles that:

- a. Remuneration must reflect the market in which the Company operates;
- b. Key performance indicators will apply to deliver results to the Company;
- c. Remuneration is to be linked to the creation of value to shareholders; and
- d. Remuneration is to reward both financial and non-financial performance.

3.3 The Committee has no executive powers with regard to its recommendations.

**4. RESPONSIBILITIES – BOARD COMPOSITION AND PERFORMANCE**

*The Committee is responsible for:*

- 4.1 Developing, regularly reviewing and making recommendations to the Board regarding policy with respect to Director tenure, Director retirement, Board composition, strategic function and size.
- 4.2 In reviewing the composition and performance of the Board, the Committee will consider the term served by Non-Executive Directors so that, over time, new Directors are appointed to challenge existing approaches and to incorporate new ideas and energy. This is to be considered within the parameters that:

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- a. the Board should consist of members with an appropriate mix of skills, diversity, experience, expertise, gender, cultural background, ethnicity and age to enable the Board to be an effective decision-making body;
- b. an ongoing process of Board renewal is in place;
- c. a majority of the Board shall be Non-Executive Directors; and
- d. a sufficient number of Directors should also be independent of the Company such that a majority of the Board as a whole are both Non-Executive and independent.

- 4.3 Recommending procedures to be adopted by the Board to allow oversight and evaluation of the Board.
- 4.4 Developing and implementing the process for the evaluation of the performance and effectiveness of the Board as a whole, Board Committees and individual Directors including coordinating the Board’s review of its Chair’s performance – annually.
- 4.5 Ensuring that all existing Directors have access to and benefit from a regular continuing education program concerning the activities of the Company, issues and opportunities, governance issues generally and duties and responsibilities as Directors (including attendance at external courses), such program to be reviewed at least annually.
- 4.6 Reviewing Board, Chief Executive Officer and Executive succession plans and processes with a view to maintaining an appropriate balance of skills, experience, expertise, gender, cultural background, ethnicity and age.
- 4.7 Reviewing annually the time required to be committed to Clean Seas Seafood business by Non-Executive Directors, including reviewing the other commitments of Non-Executive Directors and the time involved in fulfilling those commitments.
- 4.8 Non-executive directors should inform the Chair of the committee before accepting any new appointment as a director of another listed entity, or any other position with a significant time commitment attached.

**5. RESPONSIBILITIES – APPOINTMENT**

*The Committee is responsible for:*

- 5.1 Implementing the Policy for the Selection and Appointment of Directors. This encompasses the identification of potential candidates to fill vacancies on the Clean Seas Seafood Board. In selecting and recommending the appointment of new Directors, the Committee:
  - a. will adopt a Board skills matrix to identify any deficient competencies in the skills and experience of the Board;
  - b. will assess candidates with regard to Clean Seas Seafood’s diversity objectives;
  - c. may engage external consultants where necessary to assist in the selection process of suitable candidates;
  - d. will recommend candidates who have the appropriate range of skills, experience and expertise that will best complement Board effectiveness; and
  - e. will undertake appropriate checks before putting forward these recommendations. These should include checks as to the person’s character, experience, education, criminal record and bankruptcy history.

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- 5.2 Identifying Board members qualified to fill vacancies on any Committee of the Board (including this Committee) and making recommendations that the Board appoint the identified member or members to the respective Committees, having regard to the factors set forth in the charter of the Committee, if any, as well as any other factors it deems appropriate, including without limitation the consistency of the candidate’s experience with the goals of the Committee and the interplay of the candidate’s experience with the experience of other Committee members.
- 5.3 Recommending protocols to be adopted by the Board in relation to the induction of new Directors and the evaluation of the effectiveness of the processes followed.
- 5.4 Considering and making recommendations to the Board on the confirmation of the appointment of Executives (after reviewing the Chief Executive Officer’s recommendation in relation to those appointments).

**6. RESPONSIBILITIES – DIVERSITY**

*The Committee is responsible for:*

- 6.1 Formulating strategies on Board gender diversity and diversity in general (which includes age, ethnicity, culture and religion) and recommending to the Board appropriate policies and strategies to address Board diversity.
- 6.2 Making recommendations to the Board regarding:
  - a. Clean Seas Seafood’s policy in relation to Board diversity;
  - b. strategies to facilitate greater gender diversity in management and leadership roles;
  - c. strategies to enhance gender remuneration relativity; and
  - d. new ways to entrench diversity as a cultural priority across the organisation.
- 6.3 Reviewing and reporting to the Board at least annually on the relative proportion of women and men in the workforce at all levels and on compliance with the Diversity Policy, including assessing the effectiveness of related initiatives designed to identify, support and develop talented women with leadership potential.

**7. RESPONSIBILITIES - REMUNERATION**

*The Committee is responsible for:*

**7.1 Remuneration policy**

The Committee will review and make recommendations to the Board in relation to any remuneration policy or any other policy relating to the following:

- a. Remuneration of Directors;
- b. Executive remuneration including fixed and variable components with both a short term and long-term focus;
- c. Succession planning for Executive positions;
- d. Incentive schemes and related performance target and bonus strategies;
- e. Employee equity-based remuneration practices;
- f. Recruitment, retention and termination policies for Executives;

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- g. Superannuation arrangements;
- h. Personnel practices; and
- i. Industrial relation strategies.

The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

The Committee’s objectives in determining the remuneration and incentive framework are to:

- a. ensure remuneration structures are equitable and aligned with both the Company’s long-term interests and those of its shareholders;
- b. encourage Directors and Executives to align their interests with those of shareholders;
- c. attract and retain skilled Executives;
- d. structure short- and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns;
- e. align individual and team reward with business performance in both the short term and long term;
- f. encourage Executives to perform to their fullest capacity;
- g. be business focused and flexible;
- h. be competitive and cost effective in each relevant employment market;
- i. be internally consistent; and
- j. ensure any termination benefits are justified and appropriate.

**7.2 Remuneration for Non-Executive Directors**

The Committee makes recommendations to the Board annually on the remuneration of Non-Executive Directors, taking into account:

- a. competitive market practices and trends;
- b. the level of complexity of the Clean Seas Seafood business; and
- c. the accountability and commitments required of each Non-Executive Director.

The Board’s focus is on long-term strategic direction and overall performance of the Company. As a consequence, Non-Executive Director remuneration is not directly related to short term results, instead it is related to long-term performance.

The remuneration of Non-Executive Directors is structured separately from that of Executive Directors and Executives.

Non-Executive Directors:

- a. receive a cash fee for service;
- b. have no entitlement to any performance-based remuneration or participation in any share-based incentive schemes; and
- c. are not entitled to receive a retirement benefit beyond the statutory superannuation obligations.

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The Committee may from time to time seek independent advice in relation to the remuneration of Non-Executive Board members and may make recommendations to members in relation to any total fee increase.

**7.3 Remuneration for Executive Directors, Chief Executive Officer and Executives**

The Committee makes annual recommendations to the Board on the remuneration of Executive Directors, the Chief Executive Officer and the Executive team – the latter based on the recommendations of the Chief Executive Officer. The Committee’s review considers individual performance, comparative remuneration in the market and where appropriate, external advice.

Recommendations relate to contractual terms, annual remuneration, any incentive scheme participation, equity-based remuneration, superannuation arrangements and other employee provisions.

Annual individual performance is measured against criteria agreed each year with each Executive Director and Executive and is predominately based on operational outcomes which the Board would expect to translate into Company profits and shareholder value. Bonuses and incentives are usually linked to predetermined performance criteria.

Where a performance-based component forms part of an Executive Director’s or Executive’s remuneration package it may consist of cash and options for outcomes-based events. With respect to the cash component, the KPIs are set annually with a certain level of consultation. The measures are specifically tailored to the areas each Executive Director and Executive is involved in and has a level of control over and are mainly related to production targets that will influence profit and revenue.

Performance in relation to the KPIs is assessed annually with bonuses being awarded depending on the level of achievement against each KPI. Following the assessment, the KPIs are reviewed by the Committee in light of desired and actual outcomes and their efficiency assessed in relation to the Company’s goals and shareholder returns, before the KPIs are set for the following year.

The Committee works with the Chief Executive Officer to determine the appropriate level and structure of remuneration of the Executive team based on the guiding principle that Executive Director and Executive remuneration is to be set at levels and structured to attract, motivate, reward and retain good performers to drive the business effectively.

**7.4 Employee incentive plans and equity-based remuneration**

For any incentive schemes or equity-based plans which are adopted, the Committee is responsible for:

- a. reviewing and making recommendations to the Board with respect to their terms (including eligibility criteria and any performance hurdles for equity-based plans). In making those recommendations the Committee will have regard to the Remuneration Policy and to the total cost of each plan;
- b. reviewing and making recommendations to the Board, within the parameters of the plan, on any amendments to the terms of existing plans;

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- c. reviewing and approving the terms of any trust deed applying in relation to the plans and of any amendment to any such trust deed, including authorising the execution of any such trust deed or amending deed on behalf of the Company;
- d. overseeing their administration including, but not limited to, determining disputes and resolving questions of fact or interpretation;
- e. considering whether shareholder approval is required for the schemes or plans and for any changes to them and making recommendations to the Board thereon; and
- f. ensuring that payments and awards of equity are made in accordance with their terms and any shareholder approval obtained.

In particular, the Committee will:

- g. recommend to the Board for approval (within the scope approved by shareholders if relevant) the rules of all incentive plans including the delegation of powers, as appropriate, to management to operate those plans;
- h. keep all plans under review in the light of legislative, regulatory and market developments;
- i. for each plan, determine each year whether awards will be made under that plan including the allotment and issue of shares and/or the approval of the acquisition of Clean Seas Seafood shares for the purpose of any equity plan;
- j. review and recommend to the Board for approval the total proposed awards under each plan;
- k. recommend to the Board awards under each plan to the Executive Directors and Chief Executive Officer;
- l. review and recommend to the Board for approval the proposed awards under each plan (as recommended by the Chief Executive Officer) to the Executives and to other management as appropriate;
- m. review and recommend to the Board how its discretions, if any, in the rules of each equity plan should be exercised; and
- n. constantly keep under review the performance targets to be used and the performance of each incentive plan.

In the event of serious misconduct or if the results on which any STI or LTI type reward was based are subsequently found by the Board to have been the subject of deliberate management misstatement, the Committee may recommend to the Board to require repayment of the relevant STI and LTI, in addition to any other disciplinary actions

**7.5 Disclosure of Remuneration and the Remuneration Report**

The Committee shall:

- a. provide a report to the Board in relation to the disclosure of remuneration in the annual financial statements of the Company;
- b. oversee the disclosures made on remuneration;
- c. approve the annual Remuneration Report and make recommendations to the Board with regard to the inclusion of the annual Remuneration Report in Clean Seas Seafood’s Annual Financial Report, including the approval of any statement on Clean Seas Seafood’s remuneration policy and Executive compensation disclosures;

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that may be:

- required by any Listing Rule, legislation, regulatory body or other regulatory requirement; or
- proposed for inclusion in the Directors’ Report (including the Remuneration Report) as included in Clean Seas Seafood Annual Financial Report.

The Chief Executive Officer and Chief Financial Officer will design, maintain and evaluate policies, procedures, internal controls and verification processes in order to satisfy the objective of safeguarding the integrity of Clean Seas Seafood’s annual Remuneration Report in accordance with best practice and to meet provisions of the relevant legislation regarding disclosure of remuneration.

## 8. RESOURCES

### 8.1 Internal resources

The Committee and each Committee member, shall have direct access to appropriate internal resources to assist in the discharge of the responsibilities set out in this Charter, including without limitation the Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of People & Culture.

Administrative support is available upon request.

### 8.2 External resources

The Committee acknowledges that there will be occasions where matters of particular complexity or sensitivity warrant the use of external advisers. The Committee shall have access to appropriate funds to engage external advisers or specialists to advise on all matters relevant to the discharge of the responsibilities set out in this Charter.

## 9. COMMITTEE MEETINGS AND PROCESS

### 9.1 Meetings

Meetings and proceedings of the Committee are governed by the provisions of Clean Seas Seafood’s Constitution regulating Meetings and proceedings of the Board and Committees of the Board in so far as they are applicable and, to the extent they are not inconsistent with those provisions of this Charter.

### 9.2 Frequency

The Committee shall meet often enough to undertake its role effectively, but not less than two (2) times per calendar year. Special Meetings may be convened as required.

The Chair will be required to call a Meeting of the Committee if requested to do so by the Clean Seas Seafood Board, the Chief Executive Officer or a Committee member.

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**9.3 Notice**

A notice of each Meeting confirming the date, time, venue and agenda shall be distributed to each member of the Committee, and copied to each other Director, within a reasonable period in advance of each Meeting.

Relevant supporting papers for the agenda items to be discussed will be made available to each member of the Committee via Diligent.

**9.4 Annual program**

The Committee shall develop and agree an annual program.

**9.5 Quorum**

A quorum shall be no less than two (2) members, with at least one member being an independent Director. If the Committee Chair is not present within fifteen minutes after the scheduled time for the commencement of a Meeting, the Committee shall appoint a Committee member who is an independent Director as Chair of the Meeting.

**9.6 Attendance**

It is anticipated that the Committee will invite members of management or external advisers to Meetings as and when required. In particular, it is likely that the Chief Executive Officer, Head of People and Culture, Chief Financial Officer and Company Secretary would attend Meetings of the Committee as required.

Management attendance at such Meetings of the Committee is always at the discretion of the Committee and the Chair may, in their absolute discretion, withdraw an invitation.

The Chairman of the Clean Seas Seafood Board shall have a standing invitation to attend Committee Meetings and Directors who are not Committee members are also entitled to attend Committee Meetings.

**9.7 Report to the Board**

The Committee will regularly update the Board about Committee activities and make appropriate recommendations. The Chair of the Committee (or delegate) will report to the Board, at the Board Meeting next following a Meeting of the Committee, on any matters under consideration by it within this Charter.

**9.8 Minutes**

- a. Minutes of proceedings and resolutions of the Committee shall be kept by the Secretary of the Committee.
- b. Minutes will be given preliminary approval by the Committee Chair.
- c. At each Committee Meeting, Committee members will be given copies and confirm the minutes of the previous Meeting.
- d. Minutes are to be included in the papers of the next full Board Meeting after each Committee Meeting.
- e. Minutes, agenda and supporting papers will be made available to every Director providing no conflict of interest exists.

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## 10. COMMITTEE PERFORMANCE EVALUATION

- 10.1 The Committee will review its performance and composition at least annually to determine whether it is functioning effectively by reference to current best practice.
- 10.2 The performance evaluation will have regard to the extent to which the Committee has met its responsibilities under this Charter.
- 10.3 The Committee evaluation will be presented to the Board.

## 11. REVIEW OF CHARTER

- 11.1 The Committee will review the contents and the continuing adequacy of this Charter at least annually and make recommendations to the Board as to any changes it considers should be made.
- 11.2 The Charter may be amended by resolution of the Board.

## 12. DISCLOSURE

- 12.1 The Board will make appropriate disclosure to shareholders in Clean Seas Seafood's Corporate Governance Statement and Appendix 4G of the key aspects of this Charter, including explaining any departure from the best practice recommendations set out in the ASX.
- 12.2 This Charter is publicly available on the Company’s website and may be accessed within the “Investor Information” section.

## 13. BEST PRACTICE GOVERNANCE

- 13.1 In carrying out all of its functions the Committee will have due regard to the provisions of the ASX Principles and to the ASX Listing Rules with a view to ensuring that Clean Seas Seafood seeks to adhere to the highest standards of corporate governance.

## 14. WHO TO CONTACT

- 14.1 Any questions relating to the interpretation of this Charter should be forwarded to the Company Secretary.

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