



REMARKABLE SEAFOOD, RESPONSIBLE CHOICE

June 21, 2021

Ken McDonald, MP
Chair, Standing Committee on Fisheries and Oceans
Standing Committee on Fisheries and Oceans
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Correcting The Record - Testimony to the Committee, June 16, 2021

Dear Mr. McDonald,

We are writing to you today to correct the record regarding testimony to the Standing Committee on Fisheries and Oceans on June 16, 2021. On numerous occasions, the Committee was given factually inaccurate information regarding Clearwater operations, the Mi'kmaq Coalition, our strict adherence and respect for DFO regulations, and our commitment to coastal communities across the East Coast.

Indigenous Reconciliation

In January of this year, Premium Brands Holdings Corp. and Mi'kmaq First Nations reached a historic agreement in acquiring ownership of Clearwater Seafoods. The collective investment of these seven Mi'kmaq Nations in Clearwater represents the single largest investment in the seafood industry by any Indigenous group in Canada. This is truly a generational investment that will secure and create new jobs, advance meaningful reconciliation, and will continue Clearwater's international reputation for excellence in sustainable seafood.

Any assertion that this agreement divides Canadians or Indigenous peoples is irresponsible and does a disservice to Indigenous peoples in Nova Scotia and Newfoundland and Labrador, and coastal communities across Atlantic Canada.

Adherence to Owner Operator Fleet Separation Regulations

The recent change in ownership of Clearwater does not change the application of Owner Operator regulations. Further, Clearwater does not own and has no intention of owning licences that fall under the PIFCAF regulations.

The Clearwater transaction was a thoroughly vetted transaction among equal commercial parties. Premium Brands and the Mi'kmaq Coalition are equal partners in Clearwater. As a result, the two shareholders share equally in all aspects of the Corporation, including governance, operations, and financial opportunities.

Within the new Clearwater corporate entity structure FNC Quota Limited Partnership, which is 100% held by the Mi'kmaq Coalition, has been established as a new legal entity to hold the fishing licences within the corporate entity structure. FNC Quota Limited Partnership, as with the rest of the Clearwater corporate entity structure, is subject to fleet separation provisions and owner-operator provisions and cannot hold inshore licences.

We have always supported the owner-operator principle. As we stated in our remarks to the Committee on May 31, 2021, we strictly adhere to the rules established, first under the policy and now under regulation, to preserve the independence of the inshore fleet.

The Mi'kmaq Coalition and Individual Mi'kmaq Communities

The Mi'kmaq Coalition comprises seven Mi'kmaq Nations that own a 50% stake in Clearwater, and the fishing operations of the individual communities are separate and distinct.

The Mi'kmaq have embarked on a historic investment in Clearwater in partnership with Premium Brands. This is a long-term investment that will generate employment, value, and business opportunities for our communities. The Clearwater licences remain offshore commercial licences, and the company remains subject to the owner-operator and PIFCAF rules. The individual community fisheries operate separately and under an entirely different governance structure.

Any implication that we do not abide by PIFCAF rules is a clear misstatement of the record and fact.

Commitment to Vibrant Coastal Communities

Clearwater is honoured to employ thousands of Canadians in over 200 coastal communities across Atlantic Canada. In many cases, we are the largest single employer in a community, providing year-round middle-class jobs. These are cherished members of the Clearwater team. Since its founding, Clearwater has invested in science, communities, people and technological innovation, and resource management to sustain and grow its seafood resource. We take exception to any testimony that questions the integrity of our commitment to vibrant coastal communities and seafood excellence.

Canadian Roots and Ownership

In 1976, John Risley and Colin MacDonald founded Clearwater Seafoods with a pickup truck, a tremendous vision and a lot of entrepreneurial drive. Originating as a small lobster retailer in Nova Scotia, Clearwater has grown to be one of North America's largest vertically integrated seafood companies and one of Canada's leading seafood exporters. Today under the ownership of Premium Brands Holdings Corp., which is publicly traded on the Toronto Stock Exchange, and The Mi'kmaq Coalition, Clearwater remains Canadian.

Working Collaboratively For a Sustainable Seafood Excellence

In closing, we would like to reaffirm the unique partnership between Premium Brands and the Mi'kmaq and this monumental step towards reconciliation and greater Indigenous participation. We will continue to work collaboratively with all Members of Parliament to build a sustainable Canadian seafood industry

that supports thousands of jobs, generates significant economic activity on the east coast, and provides seafood products of the highest quality to people worldwide.

We hope and trust this letter has corrected the record for Members of the Committee and all Canadians. Thank you again for your continued leadership.

Kindest regards,



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Membertou Corporate



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cc.

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