



**MMA**  
OFFSHORE

## ASX Announcement

27 October 2017

### Notice of 2017 Annual General Meeting and Proxy Form

The Listing Manager  
ASX Ltd  
Level 4, Stock Exchange Centre  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

Pursuant to Listing Rule 3.17.1, please find **enclosed** a copy of the following documents which have been mailed to the Company's shareholders today:

- Notice of 2017 Annual General Meeting; and
- Proxy Form.

A copy of the Company's 2017 Annual Report was released to the ASX on 19<sup>th</sup> September 2017 and is available on the Company's website: [www.mmaoffshore.com](http://www.mmaoffshore.com).

Kind Regards  
**MMA OFFSHORE LIMITED**

**DYLAN ROBERTS**  
Company Secretary / General Manager Legal



## Notice of 2017 Annual General Meeting

Notice is hereby given that the Annual General Meeting (**AGM** or **Meeting**) of shareholders of MMA Offshore Limited ABN 21 083 185 693 (**Company** or **MMA**), (**Shareholders**) will be held at the Endeavour Shed, 1 Mews Road, Fremantle, Western Australia on Thursday, 30 November 2017 at 10.30am (Perth time).

This notice of meeting (**Notice**) should be read in conjunction with the Explanatory Statement accompanying and forming part of this Notice.

### **IMPORTANT INFORMATION ENCLOSED**

Shareholders should be aware that the AGM will consider a number of important resolutions, some of which have been requisitioned by a substantial shareholder of MMA and the outcomes of which have the potential to affect the future of the Company.

**They should be given your full attention, so please read this document in its entirety.**

For the reasons set out within, your Board of Directors<sup>1</sup> recommends that Shareholders vote FOR Resolutions 1, 2 and 3 and AGAINST Resolutions 4, 5, 6 and 7.

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<sup>1</sup> Note: Because of their respective interests in the outcomes of Resolution 4 (in the case of Mr Anthony (Tony) Howarth AO) and Resolution 5 (in the case of Mr Jeffrey Weber) and as set out elsewhere in this Notice, Mr Howarth and Mr Weber do not make a recommendation in respect of the applicable Resolution.

## CHAIRMAN'S LETTER

27 October 2017

Dear Shareholder,

I am pleased to invite you to attend the 2017 AGM of our Company.

The AGM will be held at our offices, at the Endeavour Shed, 1 Mews Road, Fremantle, Western Australia, on Thursday, 30 November 2017 at 10.30am (Perth time).

The Company's AGM provides an opportunity for Shareholders to consider and vote on a number of resolutions which are outlined in this Notice. It also provides Shareholders with the opportunity to meet with the Board and management, hear from our Managing Director, and ask questions.

The business to be considered at the AGM includes resolutions which have been requisitioned by a substantial shareholder of the Company, Halom Investments Pte Ltd (**Halom**). These resolutions (Resolutions 4, 5, 6 and 7) seek to remove MMA's former Chairman, Mr Anthony (Tony) Howarth AO (who has previously informed the Board and shareholders that he will step down from the Board at the conclusion of the AGM, regardless of the outcome of the resolution), and current Managing Director, Mr Jeffrey Weber, as directors of the Company, replacing them with two directors proposed by Halom, namely Mr Ajaib Hari Dass and Mr Jeffrey Mews. Together, Resolutions 4, 5, 6 and 7 are referred to as the **Requisitioned Resolutions** in this Notice.

While the Board recognises the rights of shareholders to make such requisitions, and believes that it is important for Shareholders to exercise their rights as owners of the Company as a healthy part of corporate democracy, the package of Requisitioned Resolutions put forward by Halom for consideration at this AGM is not supported by the Board<sup>2</sup>. In particular, the Board is concerned that, if the package of Requisitioned Resolutions were passed, Halom's representation on the Board would be disproportionate to its 18% shareholding in the Company and could position it to potentially seek to exert disproportionate influence over the governance and strategic direction of the Company. As discussed further below, the changes to the Board which would result from passing the package of Requisitioned Resolutions, combined with Halom's plan to replace the current CEO, risk destabilising the Company's recovery strategy.

Halom's stated reasons for making these requisitions are set out in its Member's Statement, which is attached to this Notice as Attachment C. In that Member's Statement, Halom has made a number of assertions which are refuted by the Board and not supported by the findings of a report completed by Pareto Securities, a specialist international maritime investment bank. A copy of the

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<sup>2</sup> Note: Mr Howarth (in the case of Resolution 4 only) and Mr Weber (in the case of Resolution 5 only) do not make a recommendation by reason only of their interest in the outcome of the applicable resolution.

Pareto Securities report has been released to ASX and will also be sent to Shareholders with this Notice (and, to avoid any doubt, this report is separate to the strategic review that MMA has undertaken with Pareto Securities – see further below). The findings of the Pareto Securities report support the Board's view that *“the Company has demonstrated a clear and sensible strategic direction”*.

The outcome of the Requisitioned Resolutions to be considered at the AGM, particularly those to remove Mr Jeffrey Weber as a director of the Company and appoint Mr Jeffrey Mews and Mr Ajaib Hari Dass as directors, has the potential to destabilise the Company's recovery strategy. It is for this reason that the Board<sup>3</sup> is recommending that you vote **against** these Requisitioned Resolutions.

The Board acknowledges that the last three years have been very difficult for Shareholders, but I would urge you to continue to support stability at the Company, to ensure that ALL Shareholders have the opportunity to participate in the market recovery which general industry consensus suggests is now underway. Major research houses, including Pareto Securities AS (Equity Research), have published market research reports supporting that consensus, copies of which are available on the MMA website at [www.mmaoffshore.com](http://www.mmaoffshore.com).

## Business Strategy

There has been a severe downturn in spending in the oil and gas sector during the past three years, with global exploration and production spending reducing by approximately 50%, or US\$1 trillion, since 2013 levels. This has led to significant declines in the market capitalisations of almost all of the companies in the international offshore vessel market, with a number of such companies undertaking major capital reconstructions.

MMA has been actively developing, refining and implementing a strategy to respond to the challenging market conditions. The Board and management have worked together to streamline the business by reducing costs, repaying debt and focussing on the market segments where MMA can generate the most value over time. This has included the sale of specifically targeted non-core assets, such as the Company's Dampier and Broome Supply Bases and vessels which are no longer core to the Company's future strategy, in line with the changed market conditions.

Most importantly, the Company's current operational strategy is understood and supported by our clients. This ongoing support will depend upon continuing client confidence in the Board and management to oversee and deliver operational excellence and safety performance. Despite the difficult market conditions, MMA has won some critical contracts over the last 12 months and we have successfully and profitably deployed our two new build Inspection Maintenance and Repair (IMR) vessels, the MMA Pinnacle and MMA Prestige, into new markets with new clients.

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<sup>3</sup> Note: Mr Weber (in the case of Resolution 5 only) does not make a recommendation by reason only of his interest in the outcome of the resolution.

During this period of downturn, the Company has also actively managed its balance sheet, with the support of its lenders. With the exception of \$10M of proceeds maintained in an escrow account, the net proceeds of the sale of non-core assets have been applied to the repayment of debt such that, during FY2017, the Company made principal repayments of \$67.3M and has reduced its debt by approximately \$124M since FY2014.

This debt reduction has been integral to our ability to work co-operatively with the Company's lenders to achieve a deferral of fixed principal repayments until the facility expiry in September 2019. This deferral has provided time to progress the implementation of an appropriate long term capital management strategy. We continue to have the full support of our lenders, which is crucial to the current and future viability of our business.

MMA's recovery strategy has enabled the Company to proactively manage its financial commitments so that our existing shareholders are positioned to benefit as much as possible from a return to more normal trading conditions.

Sentiment has improved and the general industry consensus is that the market is showing definite signs of improvement. The Board is confident that the Company's recovery strategy is working and that it will translate into better financial performance. By contrast, Halom's plans are much less clear, indicating only an intention to seek to appoint a new CEO and have the reconstituted Board conduct a further strategic and operational review in order to formulate (potentially) an alternate plan.

In summary, contrary to Halom's assertion, the Company does have, and has been pursuing, a clear plan to withstand the downturn and drive sustainable returns as the cycle normalises.

The Board is concerned that, through its pursuit of changes to the composition of the Board and its plan to appoint a new CEO, Halom could be seeking to exert disproportionate influence (relative to its shareholding) over the strategic direction of the Company. Further, that such changes could destabilise the strong relationships the Company currently enjoys with its clients and its lenders which are crucial to the successful continuation of the recovery strategy in place.

### Strategic review

As previously announced, the Company has undertaken a strategic review with Pareto Securities, a specialist international maritime investment bank. The review focused on an assessment of the Company's operating strategy and balance sheet options. The strategic review is now complete and the Board is considering the key findings. Pages 18 to 20 of this Notice expand further on the strategic review, and the Board's initial views.

In summary, the strategic review affirmed the Company's operational strategy and highlighted the benefits of an orderly, structured and timely equity raising, coupled with amended and extended debt facilities. Until formal negotiations with the lenders are completed, the Board cannot specify what these amendments might entail, but given the previous support from our lenders and coupled with an appropriately structured equity raising, the Board considers this to be an achievable and sound approach. The Board is actively considering the structure and timing of a potential equity raising, to ensure the best possible outcome for all shareholders.

### Board renewal

As previously announced, the Board has accelerated its Board renewal program.

As part of that renewal program, I have recently assumed the role of Chairman and Tony Howarth will step down as a Director at the AGM.

The Board is very pleased that Mr Peter Kennan, who is the founder of Black Crane Capital (which manages a substantial shareholder of MMA, Black Crane Asia Opportunities Fund), has agreed to join the Board as a non-executive Director, and we will seek Shareholder approval of Peter's election as a Director at the AGM.

### Conclusion

In summary, the existing Board has a clear strategy and believes that the Company is on a path to recovery. The existing Board is concerned that, if passed, the package of Requisitioned Resolutions has the potential to destabilise this recovery.

Ultimately, it is up to you, the Shareholders, to decide which pathway you wish to pursue. I encourage you to read the documentation in full and to vote in accordance with the Board's recommendation, which is to vote:

- FOR Resolutions 1, 2 and 3; and
- AGAINST Resolutions 4, 5, 6 and 7.<sup>4</sup>

Yours sincerely,



Andrew Edwards  
Chairman

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<sup>4</sup> Note: Mr Howarth (in the case of Resolution 4 only) and Mr Weber (in the case of Resolution 5 only) do not make a recommendation in respect of these Requisitioned Resolutions by reason only of their interest in the outcome of the applicable resolution.

## BUSINESS

### Ordinary Business

#### Annual Financial Report, Directors' Report and Auditors Report

To receive and consider the annual financial report of the Company, the Directors' report and the Auditor's report for the financial year ended 30 June 2017.

#### Resolution 1 – Adoption of the Remuneration Report

To consider and, if thought fit, pass the following as a **non-binding ordinary resolution**:

*"That, for the purpose of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Remuneration Report for the financial year ended 30 June 2017 be adopted by the Shareholders on the terms and conditions described in the Explanatory Statement."*

**Note:** The vote on Resolution 1 is an advisory vote of Shareholders only, and does not bind the Directors or the Company.

#### Voting Prohibition Statement for Resolution 1

A vote on Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the key management personnel details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party of such a member.

However, a person described above may cast a vote on Resolution 1 if the vote is not cast on behalf of a person described above and either:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on Resolution 1; or
- (b) the person is the chair of the meeting and the appointment of the chair as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 1; and
  - (ii) expressly authorises the chair to exercise the proxy, even if the resolution is connected directly or indirectly with the remuneration of a member of key management personnel for the Company (or its consolidated group).

Key management personnel and their closely related parties are prohibited under the *Corporations Act 2001* (Cth) from voting in a manner contrary to the above. The Chairman of the Meeting intends to vote all available undirected proxies in favour of Resolution 1.

#### Resolution 2 – Re-election of Ms Eva Alexandra (Eve) Howell as a Director

The Board (except Ms Howell, who does not make a recommendation due to her interest in the outcome of the resolution) recommends shareholders vote **FOR** the following resolution.

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*"That Ms Eva Alexandra Howell, who retires as a Director in accordance with rule 3.6(a) of the Company's Constitution, and being eligible, offers herself for re-election, be re-elected as a Director."*

### Resolution 3 – Election of Mr Peter David Kennan as a Director

The Board (except Mr Kennan, who does not make a recommendation due to his interest in the outcome of the resolution) recommends shareholders vote **FOR** the following resolution.

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*"That Mr Peter David Kennan, who was appointed as a Director on 22 September 2017 and who retires in accordance with rule 3.3 of the Company's Constitution, be elected as a Director."*

### Special Business

#### Resolution 4 – Removal of Mr Anthony (Tony) Howarth as a Director

The Board (except Mr Howarth, who does not make a recommendation due to his interest in the outcome of the resolution) recommends shareholders vote **AGAINST** the following resolution.

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*"That, in accordance with the section 203D of the Corporations Act 2001 (Cth), Mr Anthony Howarth be removed from office as a director of the Company with effect from close of the meeting."*

**Note:** This resolution has been proposed by Halom, a substantial shareholder of the Company.

As announced to ASX on 25 September 2017, Mr Howarth will resign as a Director at the conclusion of the AGM, such that this resolution has no practical effect (regardless of the outcome). Nonetheless, Halom has determined not to withdraw the resolution and the Company is required to include it in the Special Business of the Meeting.

#### Resolution 5 – Removal of Mr Jeffrey Andrew Weber as a Director

The Board (except Mr Weber, who does not make a recommendation due to his interest in the outcome of the resolution) recommends shareholders vote **AGAINST** the following resolution.

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*"That, in accordance with the section 203D of the Corporations Act 2001 (Cth), Mr Jeffrey Weber be removed from office as a director of the Company with effect from close of the meeting."*

**Note:** This resolution has been proposed by Halom, a substantial shareholder of the Company.

### Resolution 6 – Election of Mr Jeffrey Mews as a Director

The Board recommends shareholders vote **AGAINST** the following resolution.

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*"That Mr Jeffrey Mews be appointed as a director of the Company, with effect from the close of the meeting."*

**Note:** This resolution has been proposed by Halom, a substantial shareholder of the Company.

### Resolution 7 – Election of Mr Ajaib Hari Dass as a Director

The Board recommends shareholders vote **AGAINST** the following resolution.

To consider and, if thought fit, pass the following as an **ordinary resolution**:

*"That Mr Ajaib Hari Dass be appointed as a director of the Company, with effect from the close of the meeting."*

**Note:** This resolution has been proposed by Halom, a substantial shareholder of the Company.

### Other Business

Shareholders are invited to ask questions about or make comments on the management of the Company and to raise any other business which may lawfully be brought before the Meeting.

### BY ORDER OF THE BOARD



**Dylan Darbyshire-Roberts**  
Company Secretary  
Fremantle, Western Australia  
Date: 27 October 2017

The Notice of Meeting, Explanatory Statement and proxy form should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek professional advice from their accountant, solicitor or other professional adviser prior to voting.

## Information about voting and attendance

These notes form part of the Notice.

### Entitlement to attend and vote

The Company has determined that persons who are registered holders of fully paid ordinary shares of the Company (**Shares**) at 4.00pm (Perth time) on Tuesday, 28 November 2017 will be entitled to attend and vote at the AGM.

### Attending the Meeting

If you attend the Meeting, please bring your personalised proxy form with you to assist with registration and (if possible) arrive at the venue 15 to 30 minutes before the start of the Meeting. Representatives from the Company's share registry, Computershare Investor Services Pty Limited (**Share Registry**) will verify your shareholding against the Company's Share Registry and note your attendance. If you do not bring your form with you, you will still be able to attend the Meeting but you will need to verify your identity.

### Voting by proxy

A Shareholder entitled to attend and vote at the AGM may appoint a proxy. A proxy need not be a shareholder of the Company and can be either an individual or a body corporate. If a body corporate is appointed as a proxy, it must ensure that it appoints a corporate representative to exercise its powers as proxy at the Meeting (see below).

The proxy form accompanying this Notice should be used for the AGM and provides further details on appointing proxies and lodging the proxy forms. An additional proxy form will be supplied by the Company on request.

A Shareholder entitled to cast two or more votes at the AGM may appoint two proxies and may specify the proportion or number of votes that each proxy is entitled to exercise. If a Shareholder does not specify the proportion or number of that Shareholder's votes, each proxy may exercise half of the votes.

In the case of an individual, a proxy form must be signed by the individual or his or her attorney duly authorised in writing and, in the case of a corporation, a proxy form must be executed by the corporation pursuant to section 127 of the *Corporations Act 2001* (Cth) (**Corporations Act**) or be signed by a duly authorised officer or attorney of that corporation.

To be effective, a proxy appointment form (and, if the proxy appointment is signed by the Shareholder's attorney, the original power of attorney or other authority, or certified copy of that power of attorney or other authority under which the proxy is signed) must be received not later than 48 hours before the commencement of the Meeting, i.e. no later than 10.30am (Perth time) on Tuesday, 28 November 2017. Proxy forms received after that time will be invalid.

Proxy forms must be received by one of the following methods:

- By post:** Computershare Investor Services Pty Limited  
GPO Box 242, Melbourne, Victoria, 3001
- By facsimile:** (within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555
- By Mobile:** Scan the QR Code on your Proxy form and follow the prompts
- Online:** Shareholders may submit their proxy instructions electronically online to the Company's Share Registry by visiting [www.investorvote.com.au](http://www.investorvote.com.au). For Intermediary Online Subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions.
- By hand:** Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace, Perth WA 6000

#### Voting by attorney

A Shareholder may appoint an attorney to attend and vote on its behalf. For an appointment to be effective for the Meeting, the original instrument effecting the appointment (or a certified copy of it) must be received by the Company's Share Registry at the addresses listed above at least 48 hours prior to the commencement of the Meeting.

#### Corporate representatives

A body corporate which is a Shareholder may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of the Company's members. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a resolution. The representative will need to bring to the Meeting the appropriate appointment document, including any authority under which the appointment is signed, which will need to be produced prior to admission to the Meeting, unless it has previously been given to the Company.

A form of appointment may be obtained by telephoning the Company's Share Registry (1300 850 505 within Australia or +61 3 9415 4000 outside Australia) or at [www.computershare.com](http://www.computershare.com) by downloading the form "Appointment of Corporate Representative".

Sections 250BB and 250BC of the Corporations Act apply to voting by proxy. Generally, these sections mean that if proxy holders vote, they must cast all directed proxies as directed, and any directed proxies that are not voted will automatically default to the Chairman of the Meeting, who must vote the proxies as directed. If the proxy has two or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands.

### **Express authorisation for undirected proxies on Resolution 1 (Adoption of Remuneration Report)**

As a member of the Company's key management personnel, the Chairman can only vote undirected proxies on Resolution 1 (Adoption of Remuneration Report) if the proxy appointment expressly authorises the Chairman to vote those undirected proxies on the Resolution, even though the Resolution is connected directly or indirectly with the remuneration of a member of key management personnel for the Company (or its consolidated group).

If you appoint the Chairman as your proxy in relation to Resolution 1 but do not complete any of the boxes "For", "Against" or "Abstain" opposite that Resolution on the proxy form, you will **be expressly authorising** the Chairman to vote on the Resolution in accordance with the Chairman's stated voting intention, even though the Resolution is connected directly or indirectly with the remuneration of a member of the key management personnel of the Company (or its consolidated group). The Chairman of the Meeting intends to cast (where appropriately authorised) all undirected proxies on Resolutions 1, 2 and 3 **in favour** of each Resolution and all undirected proxies on Resolutions 4, 5, 6 and 7 **against** each Resolution. Therefore, if a Shareholder appoints the Chairman of the Meeting as its proxy, without a voting direction, that Shareholder's votes will be cast **for** Resolution 1.

If a Shareholder wishes to appoint the Chairman as proxy with a direction to vote against, or abstain from voting, on Resolution 1, the Shareholder **must** specify this by completing the "Against" or "Abstain" boxes opposite Resolution 1 on the proxy form.

Please pay particular attention when completing the proxy form.

Under the Corporations Act, voting restrictions apply to the Company's key management personnel and their closely related parties for Resolution 1. The term "closely related party" in relation to a member of key management personnel includes a spouse, dependent and certain other close family members, as well as any companies controlled by the key management personnel. Please refer to the Notice for more details.

#### [AGM webcast](#)

The AGM will be broadcast live online and will also be recorded and a webcast will be made available to Shareholders on the Company's website after the AGM at [www.mmaoffshore.com](http://www.mmaoffshore.com).

#### [2017 Annual Report](#)

The Company's 2017 Annual Report is available for Shareholders on the Company's website at [www.mmaoffshore.com/investors/investor\\_centre.phtml](http://www.mmaoffshore.com/investors/investor_centre.phtml).

If you would like to receive a hard copy of the 2017 Annual Report, at no charge, please contact the Company, who will arrange to mail you a hard copy. Shareholders who have previously elected to receive a hard copy of the 2017 Annual Report will receive it in the mail.

## EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice and provides information to Shareholders about the items of business to be conducted at the Meeting.

Shareholders should read this Explanatory Statement, together with the Notice, in its entirety before deciding how to vote in respect of the Resolutions.

### **Ordinary Business of the Meeting: Items 1 to 4 (Resolutions 1 to 3)**

#### **Annual Financial Report, Directors' Report and Auditor's Report**

The Corporations Act requires the annual financial report, Directors' report and the Auditor's report to be received and considered at the AGM. A copy of the Company's 2017 Annual Report, including the annual financial report, the Directors' report and the Auditor's report for the year ended 30 June 2017, is available on the Company's website at [www.mmaoffshore.com/investors/investor\\_centre.phtml](http://www.mmaoffshore.com/investors/investor_centre.phtml).

When you access the Company's 2017 Annual Report online, you can view it and print a copy of it. Please note that if you have elected to continue to receive a hard copy of the Company's 2017 Annual Report, it will be mailed to you no later than 21 days before the AGM.

However, if you did not elect to continue to receive a hard copy of the Company's 2017 Annual Report and now (or at some time in the future) wish to receive a hard copy of the Company's 2017 Annual Report, please contact the Company, who will arrange to mail you a hard copy.

The Corporations Act does not require members to approve these reports. However, members will be given a reasonable opportunity to:

- ask questions about, or make comments on, the management of the Company; and
- ask the Company's Auditor or the Auditor's representative questions relevant to:
  - the conduct of the audit;
  - the preparation and content of the Auditor's report;
  - the accounting policies adopted by the Company in relation to the preparation of financial statements; and
  - the independence of the Auditor in relation to the conduct of the audit.

Shareholders are encouraged to submit any question that they may have regarding the above matters, in writing (including by email), to the Company by no later than 5.00pm (Perth time) on Thursday, 23 November 2017. This will allow the Company time to prepare and present a comprehensive response to Shareholders at the AGM.

A Shareholder who is entitled to cast a vote at the AGM may also submit a written question to the Auditor, if the question is relevant to:

- the content of the Auditor's report to be considered at the AGM; or
- the conduct of the audit of the reports to be considered at the AGM.

A written question to the Auditor may only be submitted by giving the question to the Company (for the attention of the Company Secretary, MMA Offshore Limited) by no later than 5.00pm (Perth time) on Thursday, 23 November 2017, which the Company will then pass on to the Auditor. The Company will allow a reasonable opportunity for the Auditor's representative to answer the written questions submitted to the Auditor.

The Company will make available to Shareholders attending the AGM copies of the list of Shareholder questions presented to the Auditor, which the Auditor considers relevant.

### Resolution 1 – Adoption of the Remuneration Report

The Remuneration Report, which is set out in the Company's 2017 Annual Report for the year ended 30 June 2017, includes:

- information about the remuneration policy for determining the nature and amount of remuneration of the Directors and key management personnel of the Company;
- a description of the relationship between the remuneration policy and the Company's performance; and
- details of the remuneration arrangements for the Directors and key management personnel of the Company for the year ended 30 June 2017.

Section 250R(2) of the Corporations Act requires a resolution that the Remuneration Report to be adopted be put to the vote at the Company's annual general meeting. Section 250R(3) of the Corporations Act provides that the vote on the adoption of the Remuneration Report is for advisory purposes only and will not bind the Directors or the Company.

However, if a company's Remuneration Report receives an "against" vote of 25 per cent or more at two consecutive annual general meetings, a resolution must be put at the later annual general meeting that another meeting be held (within 90 days) at which all directors (other than the Managing Director) who were in office at the date of that resolution must stand for re-election. So, in summary, Shareholders will be entitled to vote in favour of holding a general meeting to re-elect the board if the Remuneration Report receives "2 strikes".

In addition, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25 per cent or more of votes cast at the annual general meeting, the Company's subsequent remuneration report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes.

The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% “no” vote.

The Company’s Remuneration Report did not receive a “no” vote of 25% or more at the Company’s previous AGM held on 24 November 2016.

The Chairman of the AGM will allow a reasonable opportunity for Shareholders to ask questions about, or comment on, the Remuneration Report at the AGM.

The Board considers that the current remuneration practices adopted by the Company are appropriately structured commensurate with the overall performance of the Company, current market conditions and the need to retain and motivate quality management personnel who can continue to guide the Company through ongoing, challenging conditions and work constructively with all stakeholders to achieve the best outcomes for the Company’s business and its shareholders.

MMA has reduced its headcount significantly, so the demands we have placed on our remaining staff (particularly those in key management positions) in seeking to position the Company to withstand challenging market conditions and respond to the expected recovery, have increased considerably.

In addition, the Company has made material salary package reductions (in response to prevailing circumstances) that comprised:

- no annual remuneration increases for the past three years;
- the reduction of the Board's and key senior executives' fixed remuneration by at least 10%; and
- no short or long-term bonuses being paid for the past three years.

In consequence, the total remuneration for the Company’s directors and key management personnel will reduce by approximately 42% between FY2014 and the current financial year.<sup>5</sup>

### ***Directors’ Recommendation***

On the above basis, the Board recommends that Shareholders vote FOR the adoption of the Remuneration Report.

### **Resolution 2 – Re-election of Ms Eva Alexandra (Eve) Howell as a Director**

Resolution 2 seeks Shareholders’ approval of the re-election of Ms Eva Alexandra (Eve) Howell, who is retiring as a Director pursuant to rule 3.6(a) of the Company’s Constitution. Ms Howell, being eligible for re-election under the Company’s Constitution, offers herself for re-election.

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<sup>5</sup> Note: The 42% reduction in total remuneration between FY2014 and the current financial year is attributable to a reduction in headcount (24% of the total percentage reduction) and a reduction in salary (76% of the total percentage reduction).

The Company's Constitution provides that:

- an election of Directors must be held at each annual general meeting; and
- a Director (other than the Managing Director) must retire from office at the third annual general meeting after the Director was elected or last re-elected.

Ms Howell has been in office for a period of three years since her last re-election and must retire from office and seek re-election at the AGM.

Ms Howell has been in office for over five years in total, having been appointed as a Non-Executive Director on 27 February 2012. She has over 40 years of experience in the Australian and international oil and gas industry in a number of technical, managerial and executive roles.

Ms Howell is currently a Non-Executive Director of Downer EDI Ltd and Buru Energy Ltd. She is also a Senior Adviser to African Geopolitics, a socio-political advisory group helping enterprises work successfully in Africa.

Ms Howell was an Executive Vice President for Woodside Energy Ltd for over five years, initially as the executive in charge of the North West Shelf Project (Australia's largest petroleum resource project). In addition to her Woodside role, she was also CEO of the North West Shelf Venture (BP, BHP, Chevron, Shell, Woodside and Mitsubishi/Mitsui) from 2006 to 2010. In her final eighteen months with Woodside, she served as the Executive Vice President for Health, Safety & Security for all Woodside's activities worldwide. Prior to Woodside, she held the position of Managing Director at Apache Energy Ltd.

Ms Howell has previously served on a number of Boards, including Tangiers Petroleum Ltd, the Fremantle Port Authority, the Australian Petroleum Production & Exploration Association and was a Board member and President of the Australian Mines and Metals Association.

Ms Howell holds a Bachelor of Science (with Honours in Geology and Mathematics) from King's College, University of London, an MBA from the Edinburgh Business School and is a graduate of the Australian Institute of Company Directors.

Ms Howell is Chair of the Company's Nomination and Remuneration Committee and a member of the Company's Audit and Risk Committee.

The Board considers that Ms Howell is an independent Director and has received confirmation from Ms Howell that she has sufficient time to fulfil her responsibilities as a non-executive director of the Company.

#### ***Directors' Recommendation***

The Board is of the view that it has benefited and will continue to benefit from the skills, knowledge and experience that Ms Howell brings to the Company. Her ongoing contribution to the Company would be extremely valuable given the importance of MMA's client relationships and her understanding of the Exploration & Production industry. The Board **SUPPORTS** the re-election of

Ms Howell as a Director and recommends that Shareholders **VOTE FOR** Resolution 2. Ms Howell does not make a recommendation due to her interest in the outcome of Resolution 2.

### Resolution 3 – Election of Mr Peter David Kennan as a Director

Resolution 3 seeks Shareholders' approval of the election of Mr Peter David Kennan, who is retiring as a Director pursuant to rule 3.3 of the Company's Constitution. Mr Kennan, being eligible for election under the Company's Constitution, offers himself for election.

The Company Constitution provides that:

- the Board may appoint a person to be a Director at any time except during a general meeting; and
- any Director so appointed automatically retires at the next annual general meeting and is eligible for election by that general meeting.

Mr Kennan was appointed by the Board on 22 September 2017 as part of a Board renewal program, and must retire from office and seek election at the AGM.

Mr Kennan is currently Managing Partner and CIO of Black Crane Capital. His 23 years of corporate finance experience across a diverse range of sectors and transactions with Black Crane and previously with UBS Asia and Australia will be an important asset for MMA as it continues to assess the best financial pathway for the Company.

The Black Crane Asia Opportunities Fund, managed by Black Crane Capital, is a major shareholder of MMA, holding 10.38% of the Company.

Mr Kennan established Black Crane in 2009. Prior to that, he was the Head of Asian Industrials Group for UBS Asia, a corporate finance sector team covering energy, infrastructure, resources, consumer/retail and general industrial companies. He achieved number 1 team rating in Asia.

Mr Kennan was also the Head of Telecoms and Media sector team for UBS Australia specialising in M&A, advising on many large, complex transactions. Prior to UBS, Mr Kennan spent 7 years with BP in a variety of engineering and commercial roles.

#### ***Directors' Recommendation***

The Board is of the view that Mr Kennan brings to the Company considerable investment and corporate finance skills that will contribute significantly to MMA's capability and the Company's recovery strategy. Mr Kennan is demonstrating a strong commitment to the Company by joining the Board and supporting MMA's ongoing recovery strategy. The Board **SUPPORTS** the election of Mr Kennan as a Director and recommends that Shareholders **VOTE FOR** Resolution 3. Mr Kennan does not make a recommendation due to his interest in the outcome of Resolution 3.



## **Special Business of the Meeting: Items 5 to 8 (Resolutions 4 to 7)**

### **Requisitioned Resolutions (the Board recommends Shareholders vote AGAINST these resolutions)**

A substantial shareholder of the Company, Halom Investments Pte Ltd (**Halom**), has proposed resolutions under section 203D and 249N of the Corporations Act to remove Mr Anthony (Tony) Howarth AO and Mr Jeffrey Weber as Directors, and to elect Mr Jeffrey Mews and Mr Ajaib Hari Dass as Directors (together, these are referred to as the **Requisitioned Resolutions**).

Halom has also requested, pursuant to section 249P of the Corporations Act, that the Member's Statement set out in Attachment C to this Notice is provided to Shareholders.

To avoid any doubt, the Board does not endorse or agree with the statements made by Halom in Attachment C to this Notice (or otherwise in connection with the Requisitioned Resolutions) and takes no responsibility for the accuracy or completeness of those statements. Responsibility for those statements is attributed solely to Halom.

In its Members' Statement, Halom has made a number of assertions which are refuted by the Board and not supported by the findings of a report completed by Pareto Securities, a specialist international maritime investment bank. A copy of the Pareto Securities report has been released to ASX and will also be sent to Shareholders with this Notice.

### ***Directors' Recommendation and Reasons***

While the Board recognises the rights of shareholders to make such requisitions, and believes that it is important for Shareholders to exercise their rights as owners of the Company as a healthy part of corporate democracy, the package of Requisitioned Resolutions put forward by Halom for consideration at this Meeting is not supported by the Board. In particular, the Board is concerned that, if the package of Requisitioned Resolutions were passed, Halom's representation on the Board would be disproportionate to its 18% shareholding in the Company and could position it to potentially seek to exert disproportionate influence over the governance and strategic direction of the Company. As discussed further below and elsewhere in this Notice, the changes to the Board which would result from passing the package of Requisitioned Resolutions risk destabilising the Company's recovery strategy.

The Board, save for Mr Howarth (in the case of Resolution 4 only) and Mr Weber (in the case of Resolution 5 only), strongly and collectively believes that the outcomes contemplated by the Requisitioned Resolutions are not in the best interests of the Company or its Shareholders as a whole, for the reasons set out below.

Mr Howarth (in the case of Resolution 4 only) and Mr Weber (in the case of Resolution 5 only) do not make a recommendation in respect of those Requisitioned Resolutions by reason only of their interest in the outcome of the applicable resolution.

Mr Howarth's and Mr Weber's statements in response to the corresponding Requisitioned Resolutions, both of which are fully endorsed by the other members of the Board, are included in Attachment A and Attachment B (respectively) to this Notice.

In the interests of ongoing stability, the Board's current intention is that Mr Weber should continue in an executive capacity as Chief Executive Officer of MMA should the resolution to remove Mr Weber from the Board be passed by Shareholders.

The key reasons that the MMA Board does not support the package of Requisitioned Resolutions are set out below.

**1. *MMA has a clear operating strategy and is well positioned to take advantage of a return to more favourable market conditions***

Contrary to Halom's assertions, MMA has been pursuing a clear recovery and operational strategy to respond to the downturn in the offshore vessel market over the past three years.

The strategy has focussed on streamlining the business by:

- sustainably reducing costs without compromising on the Company's world class safety and operating standards;
- rationalising the fleet to dispose of older and more commoditised vessels which are not core to MMA's future strategy;
- disposing of the Company's Australian Supply Base assets in recognition of the decline in offshore construction activity and the commensurate reduction in demand for supply base services in the region. The Board does not expect the demand for supply base services in the region to recover in the foreseeable future, and as such the Board considered that these assets no longer retained their previous strategic value; and
- reducing debt, the details of which are set out elsewhere in this Notice.

The Board considers that the strategy is delivering results and believes that the Company is now well positioned to take advantage of a return to more favourable market conditions.

*Operating Strategy*

MMA's operating strategy was recently affirmed by Pareto Securities in its recent strategic review of the business, the conclusions of which can be broadly summarised as follows:

1. The non-core asset sale program the Company is working through is appropriate in the circumstances as it has allowed the Company to:
  - (a) Reduce debt by 30% since FY2014, which is significant amongst MMA's peers on a global scale;
  - (b) Preserve cash that otherwise would have been spent on holding vessels in lay-up;

- (c) Preserve MMA's market leading position in Australia, while streamlining the fleet into markets that are recovering (such as the maintenance and subsea sector) or are expected to recover earlier (such as the jack-up rig drilling support market);
  - (d) Reduce the age of the core fleet to approximately 5 years, which is one of the youngest fleets amongst MMA's peers; and
  - (e) Ensure that the fleet was focused on high value add vessels rather than commoditised vessels that had no pricing power.
2. The regional structure of Australia/New Zealand, South East Asia and the Middle East/Africa (as the geographical focus for the Company's operational strategy) is appropriate for MMA's fleet and organisational structure.
  3. The Subsea IMR business is a new sector for MMA and MMA would benefit from increased scale and value adding services to extract more leverage from these assets.
  4. Significant progress has been made in eliminating costs from the business and permanently lowering MMA's cost structure while maintaining operational excellence.

Importantly, MMA's operating strategy is well understood and supported by its clients and lenders. Halom's plans are much less clear, indicating only an intention to seek to appoint a new CEO and have the reconstituted Board conduct a further strategic and operational review in order to formulate (potentially) an alternate plan, meaning that there is potential to jeopardise these critical relationships by signalling (through Halom's proposed changes in Board composition) a potential change in future operating strategy.

The Board considers that the Requisitioned Resolutions, coupled with Halom's plan to appoint a new CEO, have the potential to destabilise the Company's critical relationships with its clients and lenders and therefore put the Company's ongoing recovery strategy at risk.

## ***2. The Company is pursuing a capital management strategy in an orderly and structured manner***

The Board acknowledges that, until MMA's earnings return to more normalised levels, the Company's existing debt is higher than would prudently be supported by our current earnings and this is weighing on the Company's share price.

The Board has been actively progressing a capital management strategy and has negotiated an extension of MMA's debt facilities to September 2019, which gives the Company sufficient time to progress an orderly, structured and timely balance sheet solution. Our cash flow forecast for FY2018 supports the view that the Company will have sufficient liquidity to service the debt facility over this FY2018 period and earnings are on budget for the first quarter. Nevertheless, the Board is cognisant of the need to implement an appropriate capital management strategy which will position the Company for the longer term.

As previously indicated, the Company engaged Pareto Securities, a leading maritime investment bank to conduct a strategic review of the Company's balance sheet options.

The conclusions of the Pareto Securities strategic review, insofar as it relates to the Company's capital management options, are summarised as follows:

*Financial Strategy*

1. The Company is stable with sufficient runway to progress an orderly, structured and timely balance sheet solution.
2. The market is improving and is expected to revert towards a more normalised level over time.
3. There is increasing interest in the offshore segment as investors focus on the key indicators that foreshadow an improvement in the market.
4. The Company could consider a suitably timed and priced equity raising, as a means to support the extension of the Company's debt facilities beyond 2019, while also positioning the Company to take advantage of the opportunities that are expected to arise in an improving market.

Having just assessed the strategic review, the Board is now considering a suitably timed and priced equity raising, coupled with negotiating amended and extended debt facilities with the Company's lenders. This will involve negotiations with both debt and equity providers (some of which are already underway) to ensure the best possible outcome for ALL stakeholders. Until formal negotiations with the lenders are completed, the Board cannot specify what these amendments might entail, but given the previous support from our lenders and coupled with an appropriately structured equity raising, the Board considers this to be an achievable and sound approach.

MMA's second largest shareholder, Black Crane Asia Opportunities Fund (managed by Black Crane Capital), supports the current recovery strategy and Mr Peter Kennan, Managing Partner and CIO of Black Crane Capital, has joined the Board as further demonstration of Black Crane Capital's support and confidence in the Company, its Board and its management.

In the Board's view, it remains critical to the Company's ability to deliver optimal, long term funding arrangements in the best interests of all stakeholders that there is continuity in the Company's engagement with its lender group, and Mr Weber (together with Mr Edwards, as Chairman) are best placed to provide that.

The Board is concerned that, if the package of Requisitioned Resolutions were passed, it may jeopardise a balance sheet solution that is ultimately in the best interests of all stakeholders, given the critical role Mr Weber has to play in delivering on the ongoing recovery strategy.

**3. *The Board is concerned that the representation of Halom's nominees on the Board would be disproportionate to its shareholding and has the potential to cast doubt on the Company's ability to deliver on its current recovery strategy***

As noted in an article in *The West Australian* newspaper<sup>6</sup>, MMA received a recapitalisation proposal from Halom (through its advisors Moelis & Company). The recapitalisation proposal was not supported by the Board on the basis that it was considered to not be in the best interests of the Company and all of its shareholders at the time.

However, MMA has remained open to constructive engagement with Halom, as the Company's largest shareholder, and this remains the case. By way of example:

- Halom was invited to participate in the Company's recent strategic review but rejected the opportunity.
- Halom was offered a single board seat, which the Board considers is proportionate relative to Halom's shareholding, however this was rejected.
- MMA requested that Halom withdraw its resolution to remove Mr Howarth as a Director given Mr Howarth has already indicated that he would step down at the AGM, however this was rejected.

The Board is concerned that Halom's package of Requisitioned Resolutions, involving the proposed appointment of two Halom nominated directors and removal of the Company's Managing Director, would result in Halom's nominees having disproportionate representation on the Board, with the potential to cast doubt on the Company's ability to deliver on its current recovery strategy developed and being implemented by the existing Board and management.

**4. *Halom has made a number of assertions which are refuted by the Board and not supported by the findings of a report by Pareto Securities***

Halom's stated reasons for making the Requisitioned Requisitions are set out in Attachment C to this Notice. Halom has made a number of assertions which are refuted by the Board and not supported by the findings of a report completed by Pareto Securities, a specialist international maritime investment bank.

Halom asserts that "*general consensus is that the oil price recovery is not on the horizon yet. Halom expects gross oversupply of OSVs and rigs could take several years to balance out.*"

However, in the Board's view, the reality is that the market is recovering:

- The oil price has increased more than 100% since the bottom in early 2016 and has now stabilised above USD 50/bbl.

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<sup>6</sup> Peter Williams, 'Rejection sparked reshuffle', *The West Australian* (Western Australia), 30 September 2017, 96 (available at <https://thewest.com.au/business/contracting/rejection-sparked-reshuffle-on-decks-of-mma-ng-b88612988z>).

- Oil companies are generally cash flow positive above USD 50/bbl and as a result many of those are starting to increase spending.
- OSV demand has already begun picking up with working units up 5% since the bottom in early 2017.
- Although there is a supply overhang, industry experts believe this is inflated with old and non-competitive vessels.

Pareto Securities' full report can be found at the Company's website and on ASX. A copy of the Pareto Securities report will also be sent to Shareholders with this Notice (and, to avoid any doubt, this report is separate to the strategic review that MMA has undertaken with Pareto Securities).

#### **Summary of Board recommendations**

For the reasons outlined above, the Board **DOES NOT SUPPORT**, and recommends that Shareholders **VOTE AGAINST**, each of the Requisitioned Resolutions (that is, each of Resolutions 4, 5, 6 and 7), with Mr Howarth (in the case of Resolution 4 only) and Mr Weber (in the case of Resolution 5 only) not making a recommendation on those Requisitioned Resolutions by reason only of their interest in the outcome of the applicable resolution.

**Important Note:** The Chairman of the Meeting intends to vote any undirected proxies held by him **AGAINST** each of Resolutions 4, 5, 6 and 7.

#### **Statement by Mr Anthony (Tony) Howarth**

Under section 203D of the Corporations Act, Mr Howarth is entitled to put a statement to Shareholders in relation to Resolution 4.

Mr Howarth's statement appears in Attachment A to this notice.

The other members of the Board wish to emphasise that they agree fully with the comments made by Mr Howarth in the statement in Attachment A.

#### **Statement by Mr Jeffrey Weber**

Under section 203D of the Corporations Act, Mr Weber is entitled to put a statement to Shareholders in relation to Resolution 5.

Mr Weber's statement appears in Attachment B to this notice.

The other members of the Board wish to emphasise that they agree fully with the comments made by Mr Weber in the statement in Attachment B, and that he continues to have the full support of the Board as the Company's Managing Director.

## ATTACHMENT A – Statement by Mr Anthony (Tony) Howarth AO

Fellow MMA Shareholders,

As you are aware from recent announcements, I will step down from the MMA Board of Directors at the conclusion of this Annual General Meeting. It has been a privilege for me to have been involved with MMA both through the good times in the offshore oil and gas industry and through the challenging times over the past three years.

The recent strategic review undertaken by the Company indicated that during what has been one of the most severe downturns in the Offshore Oil & Gas industry, MMA has in fact performed on par or better than its' relevant peers on most metrics [see page 5 of the Pareto report that MMA released to ASX on 27 October 2017 (**Pareto Report**)].

Additionally, there is now real evidence emerging of the beginnings of a recovery in the Offshore Oil & Gas industry (again, see page 9 of the Pareto Report).

However, none of this takes away from the fact that MMA, along with its industry peers, has seen a significant decline in shareholder value over the past three years. I am very much aware of the challenges the Company has faced during this time and I am grateful for the ongoing support you have given me to lead your Company as Chairman.

With a pathway to recovery from the Offshore Oil & Gas sector downturn starting to emerge, the timing is right for the company to instigate a Board renewal program, as announced to the market on 25 September 2017. However, it is important for our Shareholders, banks and clients that this be undertaken in a managed way that considers each of their interests and maintains the momentum of the Company's recovery plan.

I am particularly pleased with the addition of Peter Kennan to the Company's Board. Peter represents our second largest shareholder, The Black Crane Asia Opportunities Fund (managed by Black Crane Capital), and brings to the Board considerable skills in investment and corporate finance. Also, I am grateful for the opportunity to provide a smooth succession of the Chairmanship to Andrew Edwards. Andrew is a highly competent and respected company director. Andrew is currently Chairman of the Company's Audit and Risk Committee, and will continue to bring to bear his considerable experience in financial management and oversight in helping to guide the Company through its recovery strategy.

I do not believe that a change in both Chairman and Managing Director at the same time is in the best interests of the Company and its shareholders. I have worked closely with Jeff Weber since his appointment as Managing Director of MMA in 2002, and our working relationship with MMA's lender group has been fundamental to the Company's ability to retain the support of its lenders through the challenging conditions the Company has faced. I am confident that Jeff and Andrew Edwards will work well together in maintaining and further developing that relationship, and strongly believe that they are the best combination to lead the Company forward.

I have full support for Jeff Weber as Managing Director and Chief Executive Officer of the Company, and I consider he is the right person to lead the Company and its people through this ongoing, difficult time in the industry.

I was disappointed that Halom did not take up the Board's offer to nominate a director on the Board along with Peter Kennan. My view is that that Halom's requisitions for the appointment of two directors would provide it with Board representation in excess of that normally accorded to an 18% shareholder.

For the reasons outlined above, I strongly advise you to vote:

**AGAINST** the removal of Mr Jeffrey Weber as a director of the Company (Resolution 5); and

**AGAINST** the appointment of Mr Jeffrey Mews (Resolution 6) and Mr Ajaib Hari Dass (Resolution 7) as directors of the Company.

Yours sincerely,



Tony Howarth AO

## ATTACHMENT B – Statement by Mr Jeffrey Weber

Dear Shareholders,

I am writing to you in response to the resolution proposed by Halom Investments Pte Ltd (**Halom**) to remove me as Managing Director of MMA at the upcoming AGM.

The MMA Board of Directors has confirmed its unanimous support for me to continue as Managing Director of the Company and I am seeking your support as a shareholder of MMA in voting AGAINST the proposed resolution.

As you are no doubt aware, the past three years have seen an unprecedented downturn in the offshore oil and gas industry, with the collapse of the oil price precipitating a massive reduction in spending which resulted in rates and utilisation falling to historically low levels. All companies in our industry have suffered major declines in profitability and consequently share prices have fallen significantly across the board. MMA is no different, but in relative terms I think we have performed better than many other companies in our industry. However, that's not to say that our Shareholders haven't suffered just the same, and I am very much aware of that and grateful for your ongoing support for our Company.

Over this period of volatility and challenge, MMA has taken a number of difficult yet prudent decisions to: manage its way through the downturn without taking drastic action that could disproportionately impact shareholder value; position the Company for a return to more normal trading conditions; and buy us sufficient time to undertake an orderly, structured and timely consideration of our financing and capital structuring options in the interests of all stakeholders.

Gaining and maintaining the support of our clients and our banks has been an ongoing priority for me as Managing Director, and it serves all of our shareholders' interests.

Our clients and banks alike value open, honest and productive relationships and I strongly believe that I have fostered those relationships in implementing the Company's recovery strategy and pursuing the best interests of ALL shareholders.

We are grateful for the enduring, strong support of our clients and MMA has continued to be successful in winning long term contracts in a highly competitive market. The reality is that client contracts are the key assets of this Company and contracts rely on people and performance. MMA has managed to retain a core of highly respected safety, commercial and technical expertise that continues to differentiate our Company in the market.

Our banks value transparency and consultation, and they rightly expect their interests to be suitably considered in any strategic decision we make as a Company. They have shown confidence in my ability to serve the Company's best interests, whilst being mindful of maintaining their support of our Company and its recovery plan. Recent renegotiation of the terms of our debt facilities is indicative of the constructive working relationship I have enjoyed with our banks.

I have been unwavering in my focus on ongoing operational excellence and safety performance. Notwithstanding the potential distraction of significantly challenging market conditions, under my leadership our team has overseen an operational strategy that includes the following key points:

1. Looking after our clients, focusing on long term production support contracts and continuing to operate our vessels safely and reliably; key achievements have included:
  - Securing a 5 year contract for the MMA Inscription with ConocoPhillips;
  - Securing 5 year contracts with INPEX for the MMA Plover and MMA Brewster; and
  - Significant contract extensions for the MMA Privilege in Cote D'Ivoire.
2. Completing our new build program and expanding into new market segments (including completion of the MMA Pinnacle and MMA Prestige securing ongoing IMR work with tier-one clients in Malaysia, India, the Middle East and Australia).
3. Stripping out overhead and operating costs through headcount reductions, wage freezes or wage reductions and supplier negotiations.
4. Reducing our debt, interest costs and cash holding costs by identifying and selling non-core assets in a considered manner.
  - MMA has reduced its debt by 30% over the last two years which is significant on a global basis in relation to our peers.
5. Driving a safety culture in the organisation that has resulted in an 80% improvement over the last five years and a world class safety performance overall.

It has been a very difficult three years for our Company and our Shareholders, but as a Board and Management team we have addressed the reality and focused on the things that are directly under our control and executed a strategy to deal with them in the most appropriate manner. The recovery strategy to this point has stabilised our balance sheet and positioned the Company for the next phase, and I believe we are now at a point where we can dare to look forward with some optimism. However, it is critical that the Company retains the confidence and support of its clients and our banks if we are going to make the most of what lies ahead, and stability is key to that confidence and continuity of support.

I would urge you to support this stability and use your vote to maintain a stable platform for MMA to build from through the expected recovery in the Oil and Gas service industry.

Publicly listed companies operate for the benefit of ALL shareholders and your right to vote is key to having your voice heard.

The MMA Board recommends that shareholders vote FOR Resolutions 1, 2 and 3 and AGAINST Resolutions 4, 5, 6 & 7 and I humbly endorse this recommendation and seek your support.

Yours sincerely,



Jeff Weber  
Managing Director



**MMA**  
OFFSHORE

ATTACHMENT C – Member's Statement (from Halom)

## Member's Statement

Halom Investments Pte Ltd (**Halom**) is the largest shareholder of MMA Offshore Limited (**MMA**, or the **Company**), holding approximately 18.09% interest. Over the past 18 months, we are increasingly concerned with the direction of MMA under current leadership.

It's time for change. It's time for corrective action to salvage MMA from its unsustainable capital structure, drive a new strategic vision for the Company and restore value for shareholders that has been destroyed.

As MMA's largest shareholder, we are leading this change.

Halom has proposed resolutions for consideration at MMA's upcoming AGM to:

1. Remove Tony Howarth (Chairman) and Jeff Weber (CEO/MD) as directors; and
2. Elect two non-executive directors to MMA's Board, being Jeffrey Mews and Haridass Ajaib.

### Track record of Chairman and CEO

As Chairman and CEO respectively, Tony Howarth and Jeff Weber have presided over:

1. The poorly timed, top-of-cycle acquisition of Jaya Holdings Ltd for A\$550 million<sup>1</sup>, using of US\$227 million in new debt funding which has materially contributed to the Company's current balance sheet troubles. Pro-forma debt post-acquisition was A\$447 million<sup>1</sup>.
2. A collapse in MMA's market capitalisation of A\$882 million<sup>2</sup>, equating to a significant share price decline from A\$4.076 on 28 February 2013 to A\$0.185 on 11 September 2017.
3. Total reported losses of \$522 million over the past two financials years<sup>3</sup>, with high prospects of further losses being incurred in FY18.
4. A remuneration regime that remains excessive (notwithstanding recent changes) and not commensurate with challenging market conditions and MMA's substantial losses.

As shareholders, we have seen limited accountability from the Chairman and CEO for the events that have seriously manifested under their leadership. Limited corrective action has been taken since 2014 to salvage MMA apart from cutting costs and to sell allegedly 'non-core' assets at 'fire sale' prices.

### MMA's precarious position

Halom is very concerned about the future of MMA. Our concerns include:

- **Unsustainable debt levels** – MMA has \$324m debt on balance sheet as at 30 June 2017. This is an unsustainable 18x FY17 EBITDA<sup>4</sup> of \$18.0m in FY17. A realistic approach is required to solve the Company's balance sheet challenges.
- **'Fire sale' of vessels and sale of strategic assets** – MMA is selling vessels at distressed prices, in a protracted downturn with grossly oversupplied vessel sales markets to repay lenders. It has also sold a strategic asset – Dampier Supply Base & Slipway – again to repay debtholders. This erodes value and optionality for all stakeholders.
- **Oil/OSV market** – General consensus is that oil price recovery is not on the horizon yet. Halom expects gross oversupply of OSVs and rigs could take several years to balance out.

<sup>1</sup> MMA investor presentation, 25/02/2014.

<sup>2</sup> Source: Bloomberg, IRESS. Market capitalisation \$951m on 28/02/2013 and \$69m on 11/09/2017.

<sup>3</sup> MMA FY17 financial report p4.

<sup>4</sup> From continuing operations.

- **Serious liquidity risks** – MMA's liquidity position appears challenged. Earnings are insufficient to pay interest and capex. MMA is burning cash at a \$22m per-annum run-rate (see below). This compares to \$18.8m of non-escrowed cash<sup>5</sup>. Unless decisive action is taken, MMA may simply run out of money and face an insolvency scenario, where shareholders may receive nothing.

<u>(Estimates based on public information)</u>	<u>A\$m</u>
EBITDA (FY17) <sup>4</sup>	\$18.0
Interest <sup>6</sup>	(\$24.6)
Capex (estimated as 50% of FY17 level)	(\$15.6)
<b>Estimated operating cash flow</b>	<b>(\$22.2)</b>

- **Lack of strategic direction** – MMA has no strategic vision or clear plan to derive sustainable returns through present cycle. Current leadership has failed to adapt to evolving market conditions, like shifting more of the business towards a production-and-maintenance phase of the O&G industry. Halom believes that, after 15 years, fresh management expertise is required.
- **Unsustainable cost structure** – MMA's cost containment efforts have been inadequate. EBITDA margin has fallen to 8.1%<sup>5</sup>. A further focus on operational efficiency is required.

Previously, we have attempted to address these matters with MMA's leadership and do not consider corrective action has been taken.

#### **New directors proposed**

In light of these issues, we have lost faith in the Chairman and CEO. We are proposing two new directors be appointed to MMA's Board to drive change (the **Proposed Directors**):

- **Jeffrey Mews** – Jeff was non-executive director of MMA from its IPO in 1999 until November 2009. Jeff, previously a tax consulting partner of PricewaterhouseCoopers (1976-1998), was formerly a member of the WA Salaries and Allowances Tribunal. He is a Fellow of the Institute of Chartered Accountants and Taxation Institute of Australia.
- **Haridass Ajaib** – Haridass is director of SGX-listed and Temasek-linked Sembcorp Industries Limited and Sembcorp Marine Limited, amongst others. He is a prominent admiralty, general/marine insurance and commercial lawyer, practicing as an admitted Advocate/Solicitor in Singapore since 1976 and an English Bar member. Haridass is an accredited arbitrator and mediator. He was recognised by *Chambers Global – The World's Leading Lawyers* as a preeminent shipping and dispute resolution litigator. He was a magistrate of the State Courts of Singapore and currently sits as Referee of the Small Claims Tribunal.

#### **Renewed strategic vision**

The Proposed Directors, once appointed and working constructively with their fellow directors, would seek to:

- **Appoint a new CEO** after conducting a comprehensive search to identify the right person.
- **Conduct a holistic strategic and operational review** to formulate a realistic plan to protect stakeholder value in MMA, reposition the business to be sustainable through-the-cycle and ultimately restore earnings/cashflow generation.
- **Properly address MMA's leverage problems** without resorting to solely 'fire sales' of assets.

<sup>5</sup> MMA investor presentation, 28/08/2017.

<sup>6</sup> 7.6% on \$324m debt. FY17 financial report p21.

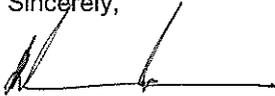
**Halom is ideally positioned to drive the turnaround**

Halom, MMA's largest shareholder, is backed by Michael Kum. Mr Kum has over three decades' experience in the OSV market, having co-founded Offshore Equipment Pte Ltd in 1976 to charter OSVs to the O&G industry in the Middle East (including Egypt), India, Australia and South-East Asia. Mr Kum also co-founded Miclyn Express Offshore, which was listed on the ASX in 2010.

MMA needs to chart a new course to ride through current market conditions. It requires imminent change.

Herewith, we implore our fellow shareholders to support our resolutions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael Kum', written over a horizontal line.

Michael Kum

Halom



**MMA**  
OFFSHORE  
ABN 21 083 185 693



MRM  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
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**Control Number: 999999**

**SRN/HIN: I9999999999 PIN: 99999**

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

**For your vote to be effective it must be received by 10:30am (Perth time) Tuesday, 28 November 2017**

**How to Vote on Items of Business**

All your securities will be voted in accordance with your directions.

**Appointment of Proxy**

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

**Signing Instructions for Postal Forms**

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

**Attending the Meeting**

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

# Proxy Form

Please mark  to indicate your directions

## STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of MMA Offshore Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of MMA Offshore Limited to be held at the Endeavour Shed, 1 Mews Road, Fremantle, Western Australia on Thursday, 30 November 2017 at 10:30am (Perth time) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note: The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1, 2 and 3. The Chairman of the Meeting intends to vote undirected proxies against Resolutions 4, 5, 6 and 7.** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting by marking the appropriate box in Step 2 below.

## STEP 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

### ORDINARY BUSINESS

#### The Board recommends that you vote **FOR** Resolutions 1, 2 and 3

- Resolution 1 Adoption of the Remuneration Report
- Resolution 2 Re-election of Ms Eva Alexandra (Eve) Howell as a Director
- Resolution 3 Election of Mr Peter David Kennan as a Director

	For	Against	Abstain
Resolution 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### SPECIAL BUSINESS

#### The Board recommends that you vote **AGAINST** Resolutions 4, 5, 6 and 7

- Resolution 4 Removal of Mr Anthony (Tony) John Howarth AO as a Director
- Resolution 5 Removal of Mr Jeffrey Andrew Weber as a Director
- Resolution 6 Election of Mr Jeffrey Mews as a Director
- Resolution 7 Election of Mr Ajaib Hari Dass as a Director

	For	Against	Abstain
Resolution 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Refer to the notice of annual general meeting for full details regarding the Board's recommendations.

The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1, 2 and 3. The Chairman of the Meeting intends to vote undirected proxies against Resolutions 4, 5, 6 and 7. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /