

# Corporate Governance Statement

for the year ended 30 June 2021



**MMA**  
OFFSHORE

# Corporate Governance Statement

For the year ended 30 June 2021

MMA Offshore Limited (**MMA** or **Company**) is committed to a high level of corporate governance and promoting a culture that values trust, cooperation and mutual respect. Our Board is a strong advocate of good corporate governance and believes that a high standard of corporate governance is paramount for sustainable long-term performance and value creation.

Our Board is committed to fulfilling its corporate governance obligations and responsibilities in the best interests of the Company and its stakeholders.

This Corporate Governance Statement outlines the Company's key corporate governance policies and practices for the financial year ended 30 June 2021 and is current as at 30 August 2021 (**Statement**). This Statement has been approved by the Board.

This Statement and our ASX Appendix 4G was lodged with the ASX on 30 August 2021.

## Compliance with Australian Corporate Governance Principles and Recommendations

As at the date of this Statement, we comply with the 4<sup>th</sup> edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (**Principles and Recommendations**).

### Access to policies and documents

The corporate governance policies and documents referred to in this Statement, as well as our ASX Appendix 4G and 2021 Annual Report, can be found on the Corporate Governance page of our website at [www.mmaoffshore.com/investor-centre/corporate-governance](http://www.mmaoffshore.com/investor-centre/corporate-governance).

## PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recommendation	Compliance and explanation	Complies
<p><b>Recommendation 1.1</b></p> <p>A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management</p>	<p>The Board is responsible for approving the objectives and direction of the Company, for guiding and monitoring the management of the Company to achieve its strategic plans.</p> <p>The Board aims to increase shareholder value by maximising the Company's performance while taking into account the interests of other stakeholders, including the wider community in which it operates.</p> <p>The Company has a Board Charter which clearly establishes the relationship between the Board and Management and describes their separate roles and responsibilities (see sections 1 and 3 of the Board Charter for the delineation of their separate roles and responsibilities). A copy of the Board Charter can be found on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p> <p>The Board has delegated to the Managing Director and Management authority over the day-to-day management of the Company and its operations.</p> <p>Despite this delegation of authority, the Board maintains ultimate responsibility for strategy and control of the Company and its businesses</p>	<p>✓</p>



	(including challenging Management and holding it to account).	
<p><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive, or putting someone forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director</p>	<p>Our process for the selection, nomination and appointment of Directors involves a formal selection process coordinated by the Nomination and Remuneration Committee.</p> <p>As part of this process, the Nomination and Remuneration Committee makes recommendations to the Board on the necessary and desirable competencies of directors to ensure that the Board has an appropriate mix of skills, experience, expertise and diversity to enable it to discharge its responsibilities and deliver the Company's corporate objectives.</p> <p>The Nomination and Remuneration Committee works with the Board to set the criteria about the general qualifications and experience, as well as the specific qualifications that a candidate should possess.</p> <p>Prior to the Nomination and Remuneration Committee recommending that a potential candidate be appointed to the Board, appropriate checks are undertaken on the candidate, including checks as to the candidate's character, experience, education, criminal record and bankruptcy history and any other checks the Nomination and Remuneration Committee considers appropriate.</p> <p>As previously announced by the Company:</p> <ul style="list-style-type: none"><li>○ Mr Andrew Edwards retired as a Director of the Company on 28 January 2021;</li><li>○ Ms Eve Howell retired as a Non-Executive Director of the Company with effect from 30 April 2021;</li><li>○ The Board appointed Ms Susan Murphy AO as a Non-Executive Director of the Company with effect from 30 April 2021; and</li><li>○ The Board appointed Ms Sally Langer as a Non-Executive Director of the Company with effect from 6 May 2021.</li></ul> <p>As part of the selection and appointment process for each of Ms Murphy and Ms Langer, the Company undertook appropriate checks as to their character, experience, education, criminal record and bankruptcy history.</p> <p>Further details about the procedure for the selection and appointment of new directors, re-election of incumbent directors and the Board's policy for the nomination and appointment of directors is set out in the Nomination and Remuneration Committee Charter. A copy of the Nomination and Remuneration Committee Charter can be found on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p> <p>The Company also provides shareholders with all material information in our possession that is relevant to a decision whether or not to elect or re-elect a Director (including any material findings arising as a result of background checks run in respect of new Directors) in our Notices of Meeting.</p>	✓
<p><b>Recommendation 1.3</b></p> <p>A listed entity should have a written agreement with each director and senior executive setting out the</p>	<p>We have written agreements in place with each of our Directors and senior executives which set out the terms of their appointment.</p> <p>During the reporting period, the Company entered into new agreements with Ms Susan Murphy and Ms Sally Langer in respect of their</p>	✓



<p>terms of their appointment</p>	<p>appointments as Non-Executive Directors of the Company.</p> <p>A summary of the key terms of the employment contracts that we have in place with the Managing Director and senior executives can be found in the Director's Report on page 54 of our 2021 Annual Report.</p>	
<p><b>Recommendation 1.4</b></p> <p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board</p>	<p>The Company Secretary reports directly to the Board through the Chairman, on all matters to do with the proper functioning of the Board and all Directors have access to the Company Secretary.</p> <p>The Company Secretary's role in respect of matters relating to the proper functioning of the Board includes:</p> <ul style="list-style-type: none"> <li>○ advising the Board and its Committees on governance matters;</li> <li>○ monitoring compliance with Board and Committee policies and procedures;</li> <li>○ coordinating the timely completion and dispatch of Board and Committee papers;</li> <li>○ ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and</li> <li>○ helping to organise and facilitate the induction and professional development of the Directors (if required).</li> </ul> <p>Details of the Company Secretary's experience and qualifications are set out on page 39 of our 2021 Annual Report.</p>	<p>✓</p>
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a diversity policy;</p> <p>(b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and;</p> <p>(c) disclose in relation to each reporting period:</p> <p style="margin-left: 20px;">a. the measurable objectives set for that period to achieve gender diversity</p> <p style="margin-left: 20px;">b. the entity's progress towards achieving them those objectives; and</p>	<p>During the reporting period, the Company has adopted and implemented an updated Diversity and Inclusion Policy which is available on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p> <p>We recognise the benefits to be gained from a workforce that brings together a range of skills, backgrounds and experiences. By promoting and maintaining a diverse and inclusive workforce, we seek to attract and retain the best talent to deliver the best results for both the Company and our shareholders.</p> <p>We believe that diversity and inclusion within the MMA Group will contribute to achieving our overall strategic objectives by:</p> <ul style="list-style-type: none"> <li>○ driving business results;</li> <li>○ encouraging greater innovation;</li> <li>○ enhancing our reputation; and</li> <li>○ attracting, recruiting, engaging and retaining a diverse and inclusive team of high-quality people.</li> </ul> <p><b>Diversity on the Board</b></p> <p>The Board is comprised of both women and men of varying backgrounds, and the Directors range in age from 47 years to 66 years.</p> <p>During the reporting period, following the resignation of one male and one female Board member, the Company appointed two additional female Board members.</p>	<p>✓</p>



c. either:

- (1) the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or
- (2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act

**Diversity and Inclusion Committee**

To assist with promoting our objective to facilitate greater diversity and inclusion at all levels within our Company, we have established a Diversity and Inclusion Committee and appointed a Diversity and Inclusion Manager responsible for:

- o assisting the Board with diversity and inclusion issues;
- o establishing and monitoring strategies on promoting and maintaining diversity and inclusion;
- o implementing the measurable objectives set by the Board; and
- o reviewing achievements and progress against these measurable objectives and reporting this to the Board.

During the reporting period, the number of females on the Diversity and Inclusion Committee was increased with the appointment of two additional female members.

The composition of the Diversity and Inclusion Committee is itself diverse with both women and men stemming from a broad range of nationalities, cultures and backgrounds – including (without limitation) committee members from Australia, Singapore, France and Africa.

During the reporting period, the Diversity and Inclusion Committee met on a quarterly basis, with formal minutes and action items arising from each meeting. In addition, the Diversity and Inclusion Committee arranged and hosted a number of events across all of the Company's Australian and International offices (including events to create awareness of and to celebrate Ramadan, Naidoc Week, Chinese New Year and International Women's Day).

**Measurable Objectives**

The Board is responsible for establishing measurable objectives for achieving greater diversity and inclusion at all levels of the MMA Group (including on the Board) (**Measurable Objectives**). Management is responsible for implementing initiatives to achieve the Measurable Objectives. As Chair of the Diversity and Inclusion Committee, the Managing Director has a discretion regarding the specific initiatives which will be implemented by Management to achieve these Measurable Objectives.

As explained in our 2020 Corporate Governance Statement, the Board has established Measurable Objectives for the 2021 financial year. The Company's progress towards achieving these Measurable Objectives during the reporting period is set out in the table below.

Measurable Objective	Progress as at 30 June 2021
<b>Increase the proportion of women in Senior Executive positions to 20% by September 2021</b>	<ul style="list-style-type: none"> <li>• No Senior Executive vacancies become available or were filled during the reporting period. Due to current market conditions, no</li> </ul>



	<p>additional Senior Executive appointments were made during the current reporting period.</p> <ul style="list-style-type: none"><li>• The Company's current recruitment strategy is underpinned by its Diversity and Inclusion Policy.</li><li>• Ongoing reporting to WGEA and monitoring of WGEA best practice benchmarks and other relevant comparative data sets provides the Company with the opportunity to review its current position and act on any required changes;</li><li>• Diversity and Inclusion continue to be the key factors in assessing the acquisition of new talent and for career acceleration programs. The Company currently has women being supported in MBA and other personalised development programs (see details below).</li></ul>	
	<p><b>Develop a Diversity Action Plan for the 2021 financial year, including: scheduling regular Diversity and Inclusion Committee meetings; preparing and actioning a Diversity events calendar; involvement in industry Diversity activities and events; and any other Diversity activities as agreed by the Diversity and Inclusion Committee from time to time</b></p> <ul style="list-style-type: none"><li>• The Company's Diversity and Inclusion Committee has increased in size and added two female staff – one from both its Subsea services and Marine services businesses;</li><li>• The Company's 2021 Diversity Action Plan was developed and implemented during the reporting period, including a calendar of diversity and inclusion related events and scheduled Diversity and Inclusion Committee meetings;</li><li>• Under the 2021 Diversity Action Plan, the Company recognised and celebrated Chinese New Year and International Women's Day. During Naidoc Week, the Company acknowledged and celebrated the world's oldest culture by featuring information and stories from the Company's Australian geographical operating hubs of Whadjuk (Perth); Murujuga (Dampier); Garramilla (Darwin); and Naarm (Melbourne).</li><li>• Under the 2021 Diversity Action Plan, the Company recognised and</li></ul>	



	<p>celebrated Ramadan and Eid al-Fitr, with two Muslim employees providing video interviews on the above observances which were published on the Company's Intranet.</p> <ul style="list-style-type: none"><li>• These diversity and inclusion events were celebrated at both the Company's Australian and International offices to create awareness and unity across the whole of the MMA Group.</li></ul>	
	<p><b>Encourage training and development of high potential women (including women of different cultures) as a key consideration in the identification and development of high potential talent</b></p> <ul style="list-style-type: none"><li>• Training and development opportunities continue to be available to all employees – in particular, for high potential women within the Company;</li><li>• During the reporting period the Company developed and, during the next reporting period, will implement a new Career Development Framework. This Framework will provide clear growth opportunities for all employees. The Framework will also provide clarity around individual competency and its relationship to career advancement pathways.</li><li>• These initiatives will enable the Company to prepare individualised employee development plans - focusing on clearly defined progression milestones.</li><li>• Two female staff are currently participating in the AMMA Future Women in Leadership program;</li><li>• One female staff member is currently undertaking an MBA with financial support from MMA; and</li><li>• The Company remains committed to improving talent management for high potential women and has once again set this as a Measurable Objective for the 2022 financial year.</li></ul>	



**To have at least two female Directors on the Board of the Company**

- The Board has had a long-standing objective to have at least two female Directors on the Board of the Company.
- With this objective in mind and with the retirement of Ms Eve Howell as a Director on 30 April 2021, the Company took the opportunity to appoint two female Directors to the Board of the Company – being the appointment of Ms Sue Murphy AO (30 April 2021) and Ms Sally Langer (6 May 2021).
- Following the recent Board renewal, the proportion of female Directors on the Board of the Company is now 33%.

The Board has established the following Measurable Objectives for the 2022 financial year which it considers are more measurable and more appropriate in relation to the current size and structure of the Company:

- Increase the proportion of women in Senior Management positions to 30% by September 2023. For the purposes of this Objective, we define “Senior Management” as a manager who in terms of management and leadership reporting hierarchy is MD minus two (ie CEO/MD - 2);
- Increase the level of diversity, inclusion and participation across the MMA Group by developing a Diversity and Inclusion Action Plan for the 2022 financial year, including:
  - Holding at least four (4) Diversity and Inclusion Committee meetings during the reporting period (the outcome of which will be reported to the Nomination and Remuneration Committee);
  - Holding at least four (4) specific cultural appreciation events; and
  - Providing support for and being actively involved in at least one (1) external industry Diversity and Inclusion event; and
- Encourage the training and development of high potential employees by including diversity of gender and cultural backgrounds as a key consideration in the accelerated 2022 financial year Career Development Framework (discussed above).

**Diversity Profile**

At the date of this Statement, the proportion of female employees within the Company is as follows:

- on the Board – 33.3% (2020: 16.7%);
- in Senior Executive positions – 16.7% (2020: 12.5%);





	<ul style="list-style-type: none"> <li>○ in Senior Management positions – 14.8% (2020: 23.3%); and</li> <li>○ within the whole Company* – 32.6% (2020: 29.4%).</li> </ul> <p><i>*The Company considers that it is a more accurate to report its diversity statistics excluding seafarers as seafaring is not generally a profession that women choose.</i></p> <p>For the purposes of this diversity profile, we define a “Senior Executive” as a person who is a member of our Executive Management team that reports directly to the Managing Director. “Senior Management” is defined as a manager who reports directly to a member of our Executive Management team.</p> <p>The percentage of women:</p> <ul style="list-style-type: none"> <li>○ in Senior Executive positions has increased slightly due the resignation of one male Senior Executive during the reporting period;</li> <li>○ in Senior Management positions has decreased slightly when compared to the 2020 financial year. The purchase of the Neptune Marine business in 2019 and subsequent structural changes to the business has seen the previously reported figures of women in Senior Management positions decrease during the reporting period; and</li> <li>○ within the Company as a whole has increased slightly when compared to the 2020 due to the change in onshore services required to support new Subsea and Engineering service lines following the acquisition of the Neptune Marine business.</li> </ul> <p>In addition, the Company is a “relevant employer” under the Workplace Gender Equality Act. The Company’s most recent “Gender Equality Indicators” have been submitted and a link to these reports will be included on our website once published by the Workplace Gender Equality Agency.</p> <p>Overall, however, the Company considers that it has a richness of diversity and inclusion in both its composition and decision making with employees from all over the world working together to achieve a common goal. The Company’s employees stem from a broad range of nationalities, cultures and backgrounds – including (without limitation) employees from Australia, UK, Singapore, Malaysia, Indonesia, Thailand, Philippines, India, Bangladesh, Africa, Europe and the Middle East.</p>	
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been</p>	<p>A performance evaluation of the Board, its Committees and Directors is undertaken annually.</p> <p>These performance reviews are conducted by the Nomination and Remuneration Committee – either internally or with the assistance of an independent, external corporate governance consultant.</p> <p>Further details about our process for periodically evaluating the performance of the Board, its Committees and the Directors are set out in section 13 and Appendix J of the Board Charter. A copy of the Board Charter is available on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p> <p>During the reporting period, a performance evaluation of the Board, its</p>	



<p>undertaken in accordance with that process during or in respect of that period</p>	<p>Committees and Directors was undertaken in accordance with the above procedure. This evaluation was carried out internally by the Nomination and Remuneration Committee.</p> <p>The recommendations arising from this evaluation have been implemented by the Board.</p>	
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period</p>	<p>The performance of Senior Executives is reviewed on an annual basis.</p> <p>Further details of the performance review process for Senior Executives is set out in Appendix J of the Board Charter. A copy of the Board Charter is available on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p> <p>During the reporting period, a performance evaluation of our Senior Executives was undertaken in accordance with the above mentioned procedure and the outcomes of that evaluation are detailed in the Remuneration Report on pages 42 – 54 of our 2021 Annual Report.</p>	<p>✓</p>

**PRINCIPLE 2 – STRUCTURE THE BOARD TO BE EFFECTIVE AND ADD VALUE**

Recommendation	Compliance and explanation	Complies
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the</p>	<p>We have a Nomination and Remuneration Committee that currently comprises the following members:</p> <p><b>Mr CG Heng (Chair)</b> <i>Independent, Non-Executive Director</i></p> <p><b>Mr P Kennan</b> <i>Non-Executive Director</i></p> <p><b>Mr I Macliver</b> <i>Independent, Non-Executive Director</i></p> <p><b>Ms S Murphy AO</b> <i>Independent, Non-Executive Director</i></p> <p><b>Ms S Langer</b> <i>Independent, Non-Executive Director</i></p> <p>As at the date of this Statement, the Nomination and Remuneration Committee is comprised solely of Non-Executive Directors a majority of whom are independent and the Chair of the Nomination and Remuneration Committee is an independent Non-Executive Director who is not the Chairman of the Board. The Board considers that the</p>	<p>✓</p>



<p>committee met throughout the period and the individual attendances of the members at those meetings</p>	<p>composition and size of the Nomination and Remuneration Committee is appropriate to discharge its mandate effectively. The Committee has the right to seek advice from external consultants or specialists where it considers it necessary or appropriate to do so.</p> <p>The Nomination and Remuneration Committee has a formal Charter which sets out, amongst other things, the specific responsibilities of the Nomination and Remuneration Committee. A copy of the Charter can be found on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p> <p>Details of the number of meetings held by the Nomination and Remuneration Committee during the 2021 financial year and the attendance at those meetings are set out in the Directors' Report on page 41 of our 2021 Annual Report.</p> <p>Information regarding the qualifications of each member of the Nomination and Remuneration Committee can also be found in the Board of Directors section on pages 30 – 31 of our 2021 Annual Report.</p>	
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership</p>	<p>There are currently six Directors on the Board, comprising five Non-Executive Directors and one Executive Director (the Managing Director). Details of the Directors, including their qualifications, experience and length of service can be found in the Directors' Report on pages 30 – 31 of our 2021 Annual Report.</p> <p>As previously announced by the Company:</p> <ul style="list-style-type: none"><li>○ Mr Andrew Edwards retired as a Non-Executive Director of the Company on 28 January 2021;</li><li>○ Ms Eve Howell retired as a Non-Executive Director of the Company with effect from 30 April 2021;</li><li>○ The Board appointed Ms Susan Murphy AO as a Non-Executive Director of the Company with effect from 30 April 2021; and</li><li>○ The Board appointed Ms Sally Langer as a non-Executive Director of the Company with effect from 6 May 2021.</li></ul> <p>We are committed to ensuring that the composition of our Board comprises directors who bring an appropriate mix of skills, experience, expertise and diversity to Board decision making. The Board uses a skills matrix to assist in identifying areas of focus and to maintain an appropriate and diverse mix in its membership. Whilst the skills matrix is a useful tool, it is not the only basis of criteria applying to director appointments.</p> <p>The Board skills matrix sets out the mix of skills, experience and expertise that the Board currently has or is looking to achieve in its membership, including in relation to the appointment of the new Non-Executive Directors.</p>	<p>✓</p>



### BOARD SKILLS MATRIX

Area	Competence
Leadership	Business Management Experience, CEO and Executive Management Experience, Public Listed Company Experience, Board Experience (both Executive and Non-Executive)
Business and Technical	Accounting, Audit, Business Strategy, Banking & Finance, Risk Management, Business Administration, Health, Safety & Security, Engineering, Subsea, Renewable Energy experience
Governance and Stakeholder Management	Corporate Governance, Compliance, Cultural Affairs, Environmental and Social Responsibility, Industrial Relations, Remuneration, Audit & Risk
Industry	Logistics and Marine Transportation experience, Oil and Gas Industry experience, Shipping, Shipbuilding, Ship Repair, Ship Recycling, Subsea, and Renewable Energy experience
Geographical	Australasian, South East Asian and International experience

The Board considers that collectively the Directors currently possess an appropriate mix of skills, knowledge and experience to enable the Board to discharge its responsibilities and deliver the Company's corporate objectives. The Board benefits from the combination and mixture of Directors' individual expertise, experience and skills in particular areas, as well as the varying insights and perspectives that arise from the collaboration of Directors with diverse backgrounds.

To the extent that any skills are not directly represented on the Board, they are augmented through Management and the appointment of external advisors.

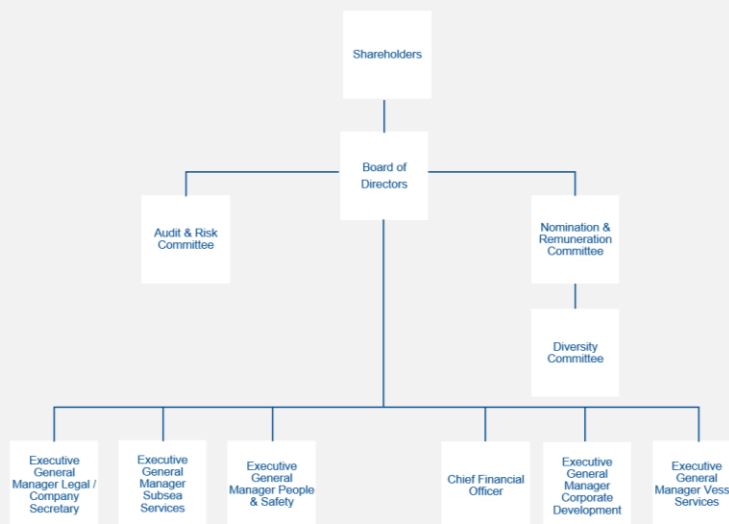


**Recommendation 2.3**

A listed entity should disclose:

- (a) the names of the directors considered by the board to be independent directors;
- (b) if a director has an interest, position or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position or relationship in question and an explanation of why the board is of that opinion; and
- (c) the length of service of each director

The Company's current Board and Senior Executive Management Model is illustrated below.



**Length of Service of each Director**

Details of each Director and the period of office held as at the date of this Statement are as follows:

Name	Director Status	Year of Appointment	Period in Office
Mr I MacIver	Non-Executive Director (Chairman)	2020	1 year
Mr D Ross	Managing Director	2020	1 year
Mr CG Heng	Non-Executive Director	2012	9 years
Mr P Kennan	Non-Executive Director	2017	4 years
Ms S Murphy	Non-Executive Director	2021	<1 year
Ms S Langer	Non-Executive Director	2021	<1 year

**Director Independence**

The Board recognises the valuable contribution that independent Directors bring to good corporate governance. All Directors, whether independent or not, are required to act in the best interests of the Company and to exercise unfettered and independent judgment.

The Board regularly reviews the independence of each Non-Executive Director. The Board assesses the independence of new Directors upon



appointment and reviews their independence, and the independence of the other Directors, annually and as appropriate.

The Board considers that an independent Director is a Non-Executive Director who is free of any interest, position, association or relationship that could influence, or reasonably be perceived to influence, in a material respect the Director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally.

When assessing the independence of a Director, the Board considers the matters potentially affecting the independent status of a Director as described in Box 2.3 of the Principles and Recommendations.

The Board may determine that a Director is independent notwithstanding the existence of an interest, position, association or relationship of the kind described in Box 2.3 of the Principles and Recommendations. However, in such a case, the Board will disclose the reasons for making its determination.

If at any time during the year a Director ceases or may have ceased to be independent, they are required to advise the Chairman immediately and a change in a Director's independent status will be disclosed and explained to the market in a timely fashion.

The Board has reviewed the position and relationships of all Directors in office as at the date of our 2021 Annual Report and considers that four of the six Directors are independent.

- Mr Kennan is not considered by the Board to be independent because of his association with Black Crane Asia Opportunities Fund – which is a substantial shareholder of the Company. Details of Mr Kennan's association with Black Crane Asia Opportunities Fund are set out on page 31 of our 2021 Annual Report.
- Mr Ross, the Managing Director, is not considered by the Board to be independent as he is currently employed in an executive capacity by the Company, and receives performance-based remuneration from, and may participate in, the Company's employee incentive schemes from time to time.

#### **Independent**

##### **Mr I Macliver**

*Chairman, Non-Executive Director*

##### **Mr CG Heng**

*Non-Executive Director*

##### **Ms Susan Murphy**

*Non-Executive Director*

##### **Ms Sally Langer**

*Non-Executive Director*



	<p><b>Non-independent</b></p> <p><b>Mr P Kennan</b> <i>Non-Executive Director</i></p> <p><b>Mr D Ross</b> <i>Managing Director</i></p> <p>To foster Director independence, at the outset of every Board meeting the Directors of the Company meet without management present. The discussions at these meetings are facilitated by the Chairman.</p>	
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors</p>	<p>The majority of the Board are considered to be Independent. Further, the Chairman of the Board is an independent Director.</p>	<p>✓</p>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity</p>	<p>The Chairman of the Board is elected from the independent Non-Executive Directors.</p> <p>On 28 January 2021 (during the reporting period), Mr Andrew Edwards (who was appointed as Chairman of the Board on 27 October 2017) retired as Chairman of the Board and as a Non-Executive Director. Mr Edwards was succeeded as Chairman of the Board by Mr Ian Macliver, who is a Non-Executive Director (appointed 20 January 2020).</p> <p>Mr Macliver is considered by the Board to be independent (having regard to the relationships affecting independent status described in Box 2.3 of the Principles and Recommendations and other facts, information and circumstances that the Board considers relevant).</p> <p>The Chairman of the Board is not the same person as the Managing Director. Further information about the Chairman, Mr Macliver, can be found on page 30 of our 2021 Annual Report.</p>	<p>✓</p>
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively</p>	<p>New Directors of the Company are provided with a formal letter of appointment which sets out the key terms and conditions of their appointment, including their duties, rights and responsibilities, the time commitment envisaged, expectations regarding involvement with Committee work and their responsibilities with respect to acting in a capacity other than as a Director of the Company.</p> <p>We also have a Director Induction Program for new Directors which covers the Company's financial, strategic, operational and risk management position, and includes a meeting with key executives of the Company to gain an insight into the values and culture of the Company.</p> <p>The Director Induction Program also generally includes site visits to all of the Company's key operational centres (which, unfortunately, has been hampered in the 2021 financial year due to COVID-19).</p> <p>Consistent with Recommendation 2.6 of the Principles and Recommendations, and in addition to the formal induction program, the Directors were provided with papers, presentations and briefings on an</p>	<p>✓</p>



	<p>ongoing basis on the operations of the Company and on matters which may affect the business or operations of the Company.</p> <p>In addition, the Nomination and Remuneration Committee has assessed that the Directors (as a group) have the requisite skills, knowledge and experience to deal with new and emerging business and governance issues facing the Company – including in relation to the:</p> <ul style="list-style-type: none"> <li>• key legislation governing the Company and the ASX Listing Rules (including ASX’s continuous and periodic reporting requirements); and</li> <li>• key accounting matters affecting the Company and on the responsibilities of the Directors in relation to the Company’s financial statements.</li> </ul> <p>All Directors have unrestricted access to employees of the Company and, subject to the law, access to all Company records and information held by the Company and its external advisers. In addition to presentations by Senior Management at Board meetings, Directors may seek briefings from Senior Management on specific matters.</p> <p>Each Director, the Board and the Board Committees may obtain independent professional advice at the Company’s expense, as considered reasonable and necessary, subject to prior approval of the Chairman.</p> <p>Directors are entitled to reimbursement of all reasonable costs in obtaining such independent professional advice which has been approved by the Chairman. In the case of a request made by the Chairman, approval is required from the Chair of the Audit and Risk Committee.</p>	
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**PRINCIPLE 3 – INSTILL A CULTURE OF ACTING LAWFULLY, ETHICALLY AND RESPONSIBLY**

Recommendation	Compliance and explanation	Complies
<p><b>Recommendation 3.1</b></p> <p>A listed entity should articulate and disclose its values</p>	<p><b>Our Purpose</b></p> <p>At MMA Offshore, we have developed a <a href="#">vision</a> for our organisation that clearly articulates <a href="#">our purpose</a>, <a href="#">who we are</a>, and <a href="#">what motivates us</a>.</p> <p><b>WHAT WE BELIEVE</b></p> <p>We believe marine resources should be developed sustainably.</p> <p><b>WHY WE MATTER</b></p> <p>We solve the most demanding marine challenges.</p> <p><b>WHAT WE DO</b></p> <p>We are a pioneering marine services business.</p> <p><b>WHERE WE WANT TO BE</b></p>	<p>✓</p>





We want to transform the way marine services are delivered.

**HOW WE GET THERE**

Our five principles/behaviours outlined below are our lines in the sand, and guide how we think and act as an organisation every day:

<b>Smarter together</b>	Only by working together can we solve the biggest problems.
<b>Do what's right, not what's easy</b>	We have the courage to do the right thing, even when it's hard.
<b>Think bigger</b>	We embrace big ideas and challenge ourselves to achieve big goals.
<b>Fail fast and learn</b>	We back ourselves to innovate and support each other through the process.
<b>Create tomorrow</b>	The future we want is up to us to create.

MMA's "Purpose" has been developed in conjunction with and approved by the Board. The Board has charged Management with the responsibility of inculcating these values and behaviours across the MMA Group.

Further information about our purpose can be found under the "Our Purpose" tab of our website at <https://www.mmaoffshore.com/about-us/our-purpose>.

**Recommendation 3.2**

A listed entity should:

- (a) have and disclose a code of conduct for its directors, senior executives and employees; and
- (b) ensure that the board or a committee of the board is informed of any material breaches of that code

In line with our "Purpose", the Board has established a Code of Conduct for its Directors, Senior Management and employees (a copy of which is available on the Corporate Governance page of our website at [www.mmaoffshore.com/investor-centre/corporate-governance](http://www.mmaoffshore.com/investor-centre/corporate-governance)).

We encourage the reporting of unlawful and unethical behaviour, actively promote and monitor compliance with the Code of Conduct and protect those who report breaches in good faith.

As part of their induction, all new employees at MMA receive training on their obligations under the Code of Conduct. In addition, to reinforce the code: (A) each employee is required to undertake refresher training on the Code of Conduct every two (2) years; and (B) the Directors and Senior Management take appropriate and proportionate disciplinary action against those who breach the Code of Conduct.

Under the Directors' Code of Conduct, the Directors have a duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty, in relation to any matter which is or is likely to be brought before the Board. Directors are under an ongoing obligation to disclose to the Board such interests immediately, in addition to the statutory obligation to disclose to the Board any material personal interests in a matter.





<p><b>Recommendation 3.3</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy</p>	<p>During the reporting period, the Company implemented and rolled out its Group Whistleblower Policy. The Group Whistleblower Policy sets out:</p> <ul style="list-style-type: none"> <li>• who is entitled to be protected as a whistleblower under the policy;</li> <li>• that whistleblowers are protected from any disadvantage, prejudice or victimisation for reporting breaches of the policy or the <i>Corporations Act 2001</i> (Cth);</li> <li>• the types of matters that can be reported by whistleblowers;</li> <li>• how disclosures should be made by whistleblowers;</li> <li>• how confidentiality (including in relation to the identity of whistleblowers) is handled;</li> <li>• that all employees and officers of the Company are required to undertake training regarding the policy; and</li> <li>• that the policy must be reviewed by the Board or the Audit and Risk Committee at least every two years.</li> </ul> <p>A copy of the Company's Group Whistleblower Policy is available on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p>	<p>✓</p>
<p><b>Recommendation 3.4</b></p> <p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy</p>	<p>We have a zero-tolerance approach towards bribery and corrupt conduct. MMA and its personnel will not engage in any form of bribery or other corrupt conduct.</p> <p>The Company has an Anti-Bribery and Anti-Corruption Policy for preventing the offering or acceptance of bribes and other unlawful or unethical payments or inducements. A summary of the Company's Anti-Bribery and Anti-Corruption Policy is available on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p>	<p>✓</p>

**PRINCIPLE 4 – SAFEGUARD THE INTEGRITY OF CORPORATE REPORTS**

Recommendation	Compliance and explanation	Complies
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p>	<p>We have an Audit and Risk Committee that currently comprises the following members:</p> <p><b>Ms S Murphy (Chair)</b> <i>Independent, Non-Executive Director</i></p> <p><b>Mr I Macliver</b> <i>Independent, Non-Executive Director</i></p> <p><b>Mr P Kennan</b> <i>Non-Executive Director</i></p> <p><b>Ms S Langer</b> <i>Independent, Non-Executive Director</i></p>	<p>✓</p>



<p>(2) is chaired by an independent director who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings</p>	<p>As at the date of this Statement, the Audit and Risk Committee is comprised solely of Non-Executive Directors a majority of whom are independent and the Chair of the Audit and Risk Committee, Ms Murphy, is an independent, Non-Executive Director who is not the Chairman of the Board. Following the retirement of Ms Eve Howell as a Non-Executive Director of the Company and Chair of the Audit and Risk Committee on 30 April 2021, the Board appointed Ms Murphy as Chair of the Audit and Risk Committee. The Board considers that Ms Murphy is suitably qualified to assume the role as Chair of the Audit and Risk Committee.</p> <p>The Board considers that the composition and size of the Audit and Risk Committee is appropriate to discharge its mandate effectively. The Committee has the right to seek advice from external consultants or specialists where it considers it necessary or appropriate to do so.</p> <p>The Audit and Risk Committee has a formal Charter which sets out, amongst other things, the specific responsibilities of the Audit and Risk Committee. A copy of the Charter can be found on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p> <p>Details of the number of meetings held by the Audit and Risk Committee during the 2021 financial year and the attendance at those meetings are set out in the Directors' Report on page 41 of our 2021 Annual Report. Information regarding the qualifications of each member of the Audit and Risk Committee can also be found in the Board of Directors section on pages 30 – 31 of our 2021 Annual Report.</p>	
<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively</p>	<p>Before the Board approved the financial statements for the financial year ended 30 June 2021, the Managing Director and the Chief Financial Officer provided the Board with declarations that:</p> <ul style="list-style-type: none"> <li>○ in their opinion, the financial records of the Company have been properly maintained;</li> <li>○ in their opinion, the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company; and</li> <li>○ their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</li> </ul> <p>In line with Recommendation 4.2 of the Principles and Recommendations, similar assurances were provided to the Board for the Company's half year financial statements and report.</p>	✓
<p><b>Recommendation 4.3</b></p> <p>A listed entity should</p>	<p>Where a periodic corporate report is released to the market which is not required to be audited or reviewed by an external auditor, the Company</p>	✓



disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor	conducts a comprehensive internal verification process to verify the integrity of the report and to ensure that the content of the report is materially accurate and balanced, and provides investors with appropriate information to facilitate the making of informed decisions.	
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**PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

Recommendation	Compliance and explanation	Complies
<p><b>Recommendation 5.1</b></p> <p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under Listing Rule 3.1</p>	<p>We understand the importance of open, clear and timely communication with our shareholders and investors as well as complying with the Company’s continuous disclosure and other obligations to the market.</p> <p>We have a Disclosure Policy which is directed to ensuring that we comply with our continuous disclosure obligations under the ASX Listing Rules and the Corporations Act. A copy of our Disclosure Policy can be found on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p>	✓
<p><b>Recommendation 5.2</b></p> <p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made</p>	<p>In accordance with its Disclosure Policy and a standing instruction from the Board, the Board receives draft copies of all material market announcements and, subject to any comments, approves these announcements before they are released to the market. In addition, the Board receives copies of all material market announcements promptly after they are made. This is to ensure that the Board has direct input and timely visibility of the nature and quality of all material information being disclosed to the market.</p>	✓
<p><b>Recommendation 5.2</b></p> <p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation</p>	<p>The Company ensures that copies of new and substantive investor or analyst presentations are released on the ASX Market Announcements Platform ahead of the presentation, in accordance with the Company’s Disclosure Policy.</p>	✓

**PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS**

Recommendation	Compliance and explanation	Complies
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website</p>	<p>Information about the Company and its governance can be found on our website at <a href="http://www.mmaoffshore.com">www.mmaoffshore.com</a>.</p> <p>There is a range of information available on our website, including amongst other things, the name, photo and brief biographical information of each of our Directors and members of Management – this can be found under the “About Us” and “Board &amp; Management” section on our website.</p>	✓



	<p>We have an “Investor Centre” section on our website where further access to information about the Company can be found, including copies of our ASX and media releases, the Chairman’s and Managing Director’s addresses at our Annual General Meetings, copies of the Company’s Annual Reports and financial statements, investor presentations and briefings. The recording of the Company’s AGM is maintained on our website for viewing for a reasonable period after the AGM (under the “Quick View” section).</p> <p>We also have a central “Corporate Governance” page on our website from where all key corporate governance information and documents can be accessed, including the Company’s Constitution, Board and Committee Charters and copies of the other corporate governance policies referred to in this Statement.</p>	
<p><b>Recommendation 6.2</b></p> <p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors</p>	<p>We value a direct, two-way dialogue with shareholders and investors, and we are committed to providing relevant information in a timely manner and to listen to and understand shareholders’ and investors’ feedback. Material or otherwise significant comments or concerns raised by investors are conveyed by Management to the Board.</p> <p>We have an investor relations program to promote effective communication with our shareholders and investors, and to encourage participation at the Company’s shareholder meetings.</p> <p>As part of our investor relations program, we seek to arrange both scheduled and ad hoc interactions with institutional investors, private investors and analysts, including investor briefings following the release of our half year and full year financial results. The presentation materials provided at these events are released to the ASX as required and uploaded to the “Investor Centre” section of our website.</p> <p>We also seek to attend industry specific conferences and events at which investors and other stakeholders have access to members of our senior management team, which we consider to be an important aspect of promoting a two-way communication.</p> <p>Some other initiatives that we have adopted include:</p> <ul style="list-style-type: none"><li>○ maintaining the Company’s “Investor Centre” section on the Company’s website where, as mentioned above, further access to information about the Company can be found, including copies of our ASX and media releases, the Chairman’s and Managing Director’s addresses at our Annual General Meetings, copies of the Company’s Annual Reports and financial statements, investor presentations and investor/analyst briefings;</li><li>○ meetings with shareholders and responding to any enquiries that shareholders may have from time to time – to facilitate this, we have an online enquiry form in the “Contact Us” section of our website (<a href="http://www.mmaoffshore.com/contact-us">www.mmaoffshore.com/contact-us</a>) and a dedicated Company email address (<a href="mailto:corporate@mmaoffshore.com">corporate@mmaoffshore.com</a>) whereby shareholders can submit enquiries and communicate directly with the Company. This account is monitored daily and the Company seeks to respond to shareholder’s queries as soon as possible. In the “Investor Centre”</li></ul>	<p>✓</p>



	<p>section of our website, we also set out the contact details of the Company's share registry, Computershare, so that Computershare can be contacted directly; and</p> <ul style="list-style-type: none"><li>o encouraging shareholders to send in questions to us prior to the AGM and responding to questions raised by shareholders at the AGM.</li></ul>	
<p><b>Recommendation 6.3</b> A listed entity should disclose how it facilitates and encourages participation at meetings of security holders</p>	<p>We seek to conduct our general meetings of shareholders in a manner that facilitates effective communication with shareholders and allows reasonable opportunity for informed shareholder participation.</p> <p>We have a Communications and a Shareholder Participation strategy which is set out broadly in sections 9 and 10 of the Board Charter.</p> <p>This strategy encourages shareholder participation and engagement with the Company and is aimed at facilitating communication directly between shareholders and the Company.</p> <p>At the Company's Annual General Meeting, shareholders have the opportunity to hear directly from the Chairman of the Board and the Managing Director on the Company's performance and strategic objectives, to ask questions on important issues, and to vote on Board recommendations.</p> <p>The Chairman's and Managing Director's AGM addresses are released to the ASX and posted on the Company's website before the AGM. Further, shareholders are invited to submit questions in advance of the AGM so that the Company can ensure those questions are adequately addressed at the AGM.</p> <p>We broadcast our AGMs live online which allows shareholders who are unable to attend in person to view the meeting live through our website. A recording of our AGM is also uploaded to the Company's website as soon as possible after the AGM where it can be viewed online.</p> <p>Shareholders who are unable to attend the Company's AGM in person may vote by either appointing a proxy using the form included with the Notice of Meeting or by using Investor Vote – our online voting service facilitated by Computershare, which allows shareholders to register their voting instructions electronically.</p> <p>In addition, the foster and encourage greater shareholder participation at the AGM, the Company is currently evaluating whether to host a virtual/hybrid AGM for its future AGM's.</p> <p>Notices of Meeting are accompanied by explanatory notes to enable shareholders to assess and make an informed decision on the resolutions put forward at the meeting. Full copies of the Notices of Meeting and explanatory notes are posted on the Company's website. Shareholders may also elect to receive all communications from the share registry electronically, including Notices of Meeting and Annual Reports.</p> <p>Deloitte, our external auditor, attends the Company's AGM and is available to answer shareholder questions about the conduct of the audit and the preparation and content of the Auditor's Report. In addition to</p>	<p>✓</p>



	<p>shareholders being able to ask questions at the Company's AGM, shareholders may submit any written questions for the external auditor to the Company Secretary prior to the Company's AGM.</p> <p>The Board requests the attendance of the Chairs of the various Board Committees to be available at the AGM to answer shareholder questions about the business of those Committees.</p>	
<p><b>Recommendation 6.4</b></p> <p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands</p>	<p>All substantive resolutions put to shareholders at the Company's AGM are decided by way of a poll (rather than a show of hands).</p>	✓
<p><b>Recommendation 6.5</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically</p>	<p>In the interest of promoting effective communication with our shareholders, shareholders have the option of communicating with the Company and its share registry electronically.</p> <p>One of the ways shareholders can communicate directly with the Company is through our online enquiry form on our website (discussed above) – which can be found under the “Contact Us” section of our website at <a href="http://www.mmaoffshore.com/contact-us">www.mmaoffshore.com/contact-us</a> or by emailing the Company directly at <a href="mailto:corporate@mmaoffshore.com">corporate@mmaoffshore.com</a>.</p> <p>Shareholders may also elect to receive all communications from the Company's share registry electronically, including Notices of Meeting and Annual Reports.</p> <p>We ensure that our publications and releases are formatted so they are easily readable from electronic devices and we include a print friendly option for those shareholders who wish to retain a hard copy of the communication.</p>	✓

**PRINCIPLE 7 – RECOGNISE AND MANAGE RISK**

Recommendation	Compliance and explanation	Complies
<p><b>Recommendation 7.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a committee to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director;</p>	<p>The Board is responsible for satisfying itself that Management has developed and implemented a sound system of risk management and internal control.</p> <p>The Board has delegated oversight of the Risk Management Framework, including the review of the effectiveness of the Company's internal control system and risk management process, to the Audit and Risk Committee.</p> <p>The Audit &amp; Risk Committee is responsible for:</p> <ul style="list-style-type: none"> <li>monitoring Management's performance against the Company's Risk Management Framework, including whether Management is operating within the Risk Appetite set by the Board;</li> </ul>	✓



<p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings</p>	<ul style="list-style-type: none"> <li>• receiving and assessing reports from Company' internal audit function;</li> <li>• receiving and assessing reports from Management on new and emerging sources of risk and the risk controls and mitigation measures that Management has put in place to ameliorate those risks; and</li> <li>• making recommendations to the Board in relation to changes to the Company's Risk Management Framework or to the Risk Appetite set by the Board.</li> </ul> <p>Details about the Audit and Risk Committee, its composition and membership and the number of meetings held during the 2021 financial year are set out above in response to Recommendation 4.1.</p> <p>As at the date of this Statement, the Audit and Risk Committee is comprised solely of Non-Executive Directors a majority of whom are independent and the Chair of the Audit and Risk Committee, Ms Murphy, is an independent, Non-Executive Director who is not the Chairman of the Board. Following the retirement of Ms Eve Howell as a Non-Executive Director of the Company and Chair of the Audit and Risk Committee on 30 April 2021, the Board appointed Ms Murphy as the Chair of the Audit and Risk Committee. The Board considers that Ms Murphy is suitably qualified to assume the role as Chair of the Audit and Risk Committee.</p>	
<p><b>Recommendation 7.2</b></p> <p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place</p>	<p><b>Risk Management</b></p> <p>We recognise that risk is an accepted part of doing business and that effective management of risk is vital to delivering on our objectives, success and continued growth.</p> <p>We are committed to managing our material business risks in a proactive and effective manner.</p> <p>We operate a standardised Risk Management Framework across the MMA Group which provides an overarching and consistent process for the identification, assessment, monitoring and management of material business risks.</p> <p><b>Risk Management Framework and Policy</b></p> <p>The Board has an approved Risk Management Framework and Risk Management Policy which describes the manner in which the Company:</p> <ul style="list-style-type: none"> <li>○ identifies, analyses and evaluates its material business risks;</li> <li>○ designs and implements appropriate risk control systems; and</li> <li>○ reviews the effectiveness of the control systems on a regular basis.</li> </ul> <p>The Company's risk appetite and tolerance levels (<b>Risk Appetite</b>) are set by the Board in line with the Company's strategy which has, as its central focus, the creation of long-term shareholder value.</p>	<p>✓</p>





	<p>A summary of the Company's Risk Management Policy is to be found under the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p> <p>The Company's Risk Management Policy is reviewed at least annually or as often as required.</p> <p><b>Annual Risk Review</b></p> <p>The Board is responsible for regularly, and at least on an annual basis, reviewing and approving the Company's risk management strategy, policy and key risk parameters.</p> <p>For the 2021 financial year, both the Audit and Risk Committee and the Board reviewed the Company's Risk Management Framework, Risk Management Policy and Risk Appetite Statement (together the <b>Risk Framework</b>). No changes to the Risk Framework were required as a result of this review. Following this review, the Board is satisfied that Management have developed and implemented a sound system of risk management.</p>	
<p><b>Recommendation 7.3</b></p> <p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes</p>	<p>While the Company does not have a dedicated Internal Audit function, it does employ processes to evaluate and continually improve the effectiveness of its governance, risk management and internal control processes. The Audit and Risk Committee periodically reviews whether there is a need for a dedicated Internal Audit function. As a result of this review, the Audit and Risk Committee has determined that there is currently no need for a dedicated Internal Audit function.</p> <p>The Company has an extensive operational internal audit process across its vessel and subsea businesses. This operational internal audit process is overseen by the Executive General Manager People and Safety - who reports directly to the Audit and Risk Committee in this regard and has access to the Audit and Risk Committee at all times.</p> <p>In addition, the Company also has corporate and financial internal audit processes which are again (for independence and consistency) overseen by the Executive General Manager People and Safety - with the assistance of PwC Australia (an independent external consultant), where required.</p>	<p>✓</p>
<p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to environmental or social risks and, if it does, how it manages or intends to manage those risks</p>	<p>The Company's material business risks [including the current impact of COVID-19 on the Company and the other material exposures to environmental (including climate change) and social risks] and how the Company seeks to manage these risks, are discussed in the Risks section of our 2021 Annual Report at pages 28 – 29.</p>	<p>✓</p>



**PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY**

Recommendation	Compliance and explanation	Complies
<p><b>Recommendation 8.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings</p>	<p>The Company’s remuneration function is performed by the Nomination and Remuneration Committee. Details about the Nomination and Remuneration Committee, its composition and membership and the number of meetings held during the 2021 financial year are set out above in response to Recommendation 2.1.</p> <p>Mr Heng is an independent Non-Executive Director who is not the Chairman of the Board and who the Board considers is suitably qualified to assume the role as Chair of the Nomination and Remuneration Committee.</p>	<p>✓</p>
<p><b>Recommendation 8.2</b></p> <p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives</p>	<p>The Nomination and Remuneration Committee is delegated responsibility by the Board for reviewing the remuneration packages of all Directors and key management personnel on an annual basis and making recommendations to the Board in this regard. The specific responsibilities of the Nomination and Remuneration Committee are set out in the Committee’s Charter, which can be found on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p> <p>Non-Executive Directors are paid fixed fees for their services in accordance with the Company’s Constitution. Fees paid to our Non-Executive Directors are set at levels which reflect both the responsibilities of, and time commitments required from each Non-Executive Director to discharge their duties. Non-Executive Directors’ fees are reviewed annually by the Board to ensure they are appropriate for the duties performed, including Board Committee duties, and are in line with both Company performance and market remuneration. Other than statutory</p>	<p>✓</p>



superannuation, Directors are not entitled to retirement allowances. While the Company does encourage its Non-Executive Directors to hold shares in the Company, there is currently no minimum shareholding requirement imposed on these Non-Executive Directors. However, during the next 12 months, the Company will develop a policy regarding minimum shareholding requirements for its Non-Executive Directors.

Our Managing Director and Senior Executives are generally remunerated by way of a fixed annual remuneration component and an incentive or “at risk” remuneration component. The incentive or “at risk” remuneration component comprises both a short-term and long-term incentive. The mix of remuneration components and the measures of performance used in the incentive plans are chosen by the Board to ensure that there is a strong link between remuneration, Senior Executive performance and sustainable Company performance to increase shareholder value.

Senior Executives who have an incentive or “at risk” component to their total remuneration packages, have defined performance conditions which are set at the start of the financial year (in the case of the annual short-term incentive plans) or at the commencement of the plan (in the case of the long-term incentive plans).

Having regard to the overall performance of the Company during the 2021 financial year and current market conditions, the key remuneration outcomes for the Company’s key management personnel in the 2021 financial year were as follows:

*Fixed Annual Remuneration (FAR)*

- While the Managing Director and other Senior Management of the Company did not receive an increase in FAR for the 2021 financial year, the Chief Financial Officer did receive a \$45,000 increase in FAR during the 2021 financial year in line with the current market rates for Chief Financial Officers of listed companies of comparable size.

*Short-term Incentive (STI)*

- As previously reported, in order to retain and motivate the Managing Director and Senior Management of the Company, the Board reinstated the STI component for the 2021 financial year.
- The 2021 STI had a 12-month measurement period (ie from 1 July 2020 to 30 June 2021) and, if the performance conditions were met, was payable (either in cash or shares at the absolute discretion of the Board) 24-months after the commencement of the measurement period (ie from 1 July 2022).
- The performance hurdles under this 2021 STI component related to identified Group EBITDA Targets (80% weighting) and identified Group Safety Targets (20% weighting).
- The Company’s performance against each of these metrics resulted in a 0% vesting in relation to the identified Group Safety Targets and a 54% vesting in relation to the identified Group EBITDA Targets. Overall, 37% of the total 2021 STI component vested. Please note that in the calculation of the Group EBITDA



Target, the impact of Jobkeeper has been excluded. As such, the vesting under the Group EBITDA Target has been met despite Jobkeeper.

- Having exercised its discretion, the Board has decided that the vested 2021 STI award will take the form of deferred rights (which shall convert into ordinary, fully paid shares in the Company) on completion of an additional 12-months of service by the participant (ie on 1 July 2022).
- If required, Shareholder approval will be obtained prior to the issue of any deferred rights to the Managing Director under this 2021 STI component.

*Long-term Incentive (LTI)*

- As previously reported and recognising the need to retain and suitably incentivise the Managing Director and other key personnel (in the interests of the Company and all its shareholders), the Board has determined to continue the LTI component for the Managing Director and other Senior Management for the 2021 financial year.

*FY2021 LTI Performance Rights*

- The FY2021 LTI Performance Rights have a 3-year performance period (commencing 1 July 2020 and ending on 30 June 2023).
- For the Managing Director and Chief Financial Officer, the FY2021 LTI Performance Rights includes a single performance hurdle relating to Share Price / Net Tangible Assets (**NTA**) with: (1) a 50% vesting if the Company's share price is equal to 75% of NTA or 65cps on 30 June 2023; (2) a 100% vesting if the Company's share price is equal to 110% of NTA or 96cps on 30 June 2023; and (3) a pro-rata vesting on a straight line basis between (1) and (2) above (**Share Price / NTA Target**).
- For other Senior Management of the Company, the FY2021 LTI Performance Rights includes performance hurdles relating to the Share Price / NTA Target (70% weighting) and a Retention Hurdle (30% weighting).
- The Board obtained shareholder approval for the grant of the FY2021 LTI Performance Rights at Company's 2020 AGM on 28 January 2021.

*FY2021 Retention Incentive Performance Rights*

- In addition, the Board has granted an additional "one-off" Retention Incentive Performance Rights to the Company's Managing Director and Chief Financial Officer to both incentivise and retain the Managing Director and CFO and support MMA's ability to execute and deliver on the Company's ongoing debt management plan and refined strategy for growth.



	<ul style="list-style-type: none"><li>○ The FY2021 Retention Incentive Performance Rights have a 3-year performance period (commencing 1 November 2020 and ending on 31 October 2023).</li><li>○ The FY2021 Retention Incentive Performance Rights have performance hurdles relating to a Share Price Hurdle (with 100% vesting if the Company's share price is <math>\geq</math> 90cps on 31 October 2023) (70% weighting) and a Retention Hurdle (30% weighting).</li><li>○ The Board obtained shareholder approval for the grant of the FY2021 Retention Incentive Performance Rights at Company's 2020 AGM on 28 January 2021.</li><li>○ Board considers that the grant of the FY2021 LTI Performance Rights and the grant of the FY2021 Retention Incentive Performance Rights (including the selected performance hurdles) are appropriate to retain key management personnel within the Company and to achieve the strategic objectives of the Company in the current market conditions.</li></ul> <p>Further details of:</p> <ul style="list-style-type: none"><li>○ the remuneration and all monetary and non-monetary components for each of the Company's Senior Executives during the year and for each of the Directors during the year; and</li><li>○ the difference in the structure of remuneration of Non-Executive Directors from that of Executive Directors and Senior Executives,</li></ul> <p>are set out in the Remuneration Report on pages 46 – 48 of our 2021 Annual Report.</p>	
<p><b>Recommendation 8.3</b></p> <p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it</p>	<p>A copy of the Company's Share Trading Policy can be found on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/investor-centre/corporate-governance">www.mmaoffshore.com/investor-centre/corporate-governance</a>.</p> <p>The Company's Share Trading Policy prohibits participants in an equity-based remuneration scheme from entering into transactions which limit the economic risk of participating in that scheme.</p>	<p>✓</p>