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## ASX Announcement

17 October 2019

### Notice of 2019 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 2019 Annual General Meeting; and
- Proxy Form.

A copy of the Company's 2019 Annual Report was released to the ASX on 20<sup>th</sup> September 2019 and is available on the Company's website: [www.mmaoffshore.com](http://www.mmaoffshore.com).

Kind Regards  
**MMA OFFSHORE LIMITED**

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





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## Notice of 2019 Annual General Meeting

Notice is hereby given that the Annual General Meeting (**AGM** or **Meeting**) of registered 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, 6160 on Thursday, 21 November 2019 at 10.30am (Perth time).

This notice of Meeting should be read in conjunction with the accompanying Explanatory Statement (together, the **Notice of Meeting**).

### 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 2019.

#### 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 purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Remuneration Report, which forms part of the Directors' report, for the financial year ended 30 June 2019, be adopted."*

**Note:** In accordance with section 250R(3) of the *Corporations Act 2001* (Cth) (**Corporations Act**), 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 (as that term is defined in the Corporations Act) (**KMP**) details of whose remuneration are included in the Remuneration Report; or
- (b) a closely related party (as defined in the Corporations Act) (**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 Chairman of the Meeting and the appointment of the Chairman as proxy:
  - (i) does not specify the way the proxy is to vote on Resolution 1; and
  - (ii) expressly authorises the Chairman to exercise the proxy, even though the resolution is connected directly or indirectly with the remuneration of a member of KMP for the Company (or its consolidated group).

KMP 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 Mr Hugh Andrew Jon (Andrew) Edwards as a Director

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

*"That Mr Hugh Andrew Jon Edwards, who retires as a Director in accordance with rule 3.6(a) of the Company's Constitution, and being eligible, offers himself for re-election, be re-elected as a Director."*

## Resolution 3 – Approval of MMA Offshore Limited's Performance Rights Plan – 2019

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

*"That, for the purposes of ASX Listing Rule 7.2 (Exception 9) and section 260C(4) of the Corporations Act, and for all other purposes, Shareholders approve the MMA Offshore Limited Performance Rights Plan – 2019, the terms of which are summarised in the accompanying Explanatory Statement, and the issue of performance rights and fully paid ordinary shares pursuant to the vesting and exercise of those performance rights under that plan."*

### Voting Prohibition Statement for Resolution 3

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 3 if:

- (a) the proxy is either:
  - (i) a member of the KMP for the Company (or its consolidated group); or
  - (ii) a Closely Related Party of a member of the KMP for the Company (or its consolidated group); and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 3.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman of the Meeting; and
- (b) the appointment expressly authorised the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with remuneration of a member of the KMP of the Company (or its consolidated group).

### Voting Exclusion Statement for Resolution 3

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 3 by or on behalf of:

- (a) Mr David Ross (as a prospective Director who is eligible to participate in any employee incentive scheme in relation to the Company);
- (b) any Director who is eligible to participate in any employee incentive scheme in relation to the Company; or
- (c) an associate (as that term is defined in the ASX Listing Rules) of any of those persons.

However, the Company need not disregard a vote (subject to the prohibitions described above) if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

KMP 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 3.



## Resolution 4 – Grant of Performance Rights to the Chief Executive Officer and prospective Managing Director, Mr David Ross

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

*"That, for the purposes of ASX Listing Rule 10.11, and for all other purposes, Shareholders approve and authorise the grant of 3,511,454 performance rights to the Chief Executive Officer (and prospective Managing Director), Mr David Ross, and the acquisition of fully paid ordinary shares in the Company upon the vesting and exercise of any such performance rights, pursuant to the MMA Offshore Limited Performance Rights Plan – 2019, the terms of which are summarised in the accompanying Explanatory Statement."*

### **Voting Prohibition Statement for Resolution 4**

A person appointed as a proxy must not vote, on the basis of that appointment, on Resolution 4 if:

- (a) the proxy is either;
  - (i) a member of the KMP for the Company (or its consolidated group); or
  - (ii) a Closely Related Party of a member of the KMP for the Company (or its consolidated group); and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 4.

However, the above prohibition does not apply if:

- (a) the proxy is the Chairman of the Meeting; and
- (b) the appointment expressly authorised the Chairman to exercise the proxy even though the resolution is connected directly or indirectly with remuneration of a member of the KMP of the Company (or its consolidated group).

### **Voting Exclusion Statement for Resolution 4**

In accordance with the ASX Listing Rules, the Company will disregard any votes cast in favour of Resolution 4 by or on behalf of:

- (a) Mr David Ross (being the Chief Executive Officer, and prospective Director, who is to be issued the performance rights, and any resulting fully paid ordinary shares in the Company upon vesting and exercise of those performance rights, under the MMA Offshore Limited Performance Rights Plan – 2019); or
- (b) an associate (as that term is defined in the ASX Listing Rules) of Mr David Ross.

However, the Company need not disregard a vote (subject to the prohibitions described above) if:

- (c) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (d) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

KMP 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 4.

If approval is obtained under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1, as set out in the Explanatory Statement accompanying this Notice.



## Resolution 5 – Approval of the issue of Shares to Neptune Marine Services Limited

**Important note:** The following Resolution will be put to the Meeting if completion of the NMS Acquisition (as defined in the Explanatory Statement) and issue of the Consideration Shares (as defined in the Explanatory Statement) **has not occurred** before the Meeting. Otherwise, this Resolution will be withdrawn and Shareholders will be asked to vote on Resolution 6 instead.

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the issue of up to 67,655,000 Shares to Neptune Marine Services Limited on the terms and conditions set out in the Explanatory Statement, be approved.”*

### **Voting Exclusion Statement for Resolution 5**

The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of a person who is expected to participate in the issue, or any associate (as that term is defined in the ASX Listing Rules) of those persons.

However, the Company need not disregard a vote (subject to the prohibitions described above) if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## Resolution 6 – Ratification of the issue of Shares to Neptune Marine Services Limited

**Important note:** The following Resolution will be put to the Meeting if completion of the NMS Acquisition (as defined in the Explanatory Statement) and issue of the Consideration Shares (as defined in the Explanatory Statement) **has not occurred** before the Meeting. Otherwise, this Resolution will be withdrawn and Shareholders will be asked to vote on Resolution 5 instead.

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

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the issue of up to 67,655,000 Shares to Neptune Marine Services Limited on the terms and conditions set out in the Explanatory Statement, be approved and ratified.”*

### **Voting Exclusion Statement for Resolution 6**

The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of a person who participated in the issue, or any associate (as that term is defined in the ASX Listing Rules) of those persons.

However, the Company need not disregard a vote (subject to the prohibitions described above) if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form; or
- (b) it is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.



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## 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: 17 October 2019**

The Notice of Meeting 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.



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## 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, 19 November 2019 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 register 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 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. by no later than 10.30am (Perth time) on Tuesday, 19 November 2019. 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 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 address 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), Resolution 3 (Approval of MMA Offshore Limited Performance Rights Plan – 2019) and Resolution 4 (Grant of Performance Rights to the Chief Executive Officer and prospective Managing Director, Mr David Ross).**

As a member of the Company's KMP, the Chairman can only vote undirected proxies on Resolution 1 (Adoption of Remuneration Report), Resolution 3 (Approval of MMA Offshore Limited Managing Director's Chief Executive Officer's Performance Rights Plan – 2019) or Resolution 4 (Grant of Performance Rights to the Chief Executive Officer and prospective Managing Director, Mr David Ross) if the proxy appointment expressly authorises the Chairman to vote those undirected proxies on the relevant Resolution, even though such Resolution is connected directly or indirectly with the remuneration of a member of KMP for the Company (or its consolidated group).

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

If a Shareholder wishes to appoint the Chairman as proxy with a direction to vote against, or abstain from voting, on Resolution 1, Resolution 3 or Resolution 4, the Shareholder **must** specify this by completing the "Against" or "Abstain" boxes opposite Resolution 1, Resolution 3 or Resolution 4 (as appropriate) on the proxy form. The same applies for Resolution 2, Resolution 5 and Resolution 6.

Please pay particular attention when completing the proxy form.

Under the Corporations Act, voting restrictions apply to the Company's KMP and their Closely Related Parties for Resolution 1, Resolution 3 and Resolution 4. The term "Closely Related Party" in relation to a member of KMP includes a spouse, dependent and certain other close family members, as well as any companies controlled by the KMP. In addition, voting exclusions apply in relation to Resolution 3, Resolution 4, Resolution 5 and Resolution 6 under the ASX Listing Rules. If you appoint a member of the Company's KMP (other than the Chairman of the Meeting) or any Closely Related Party of a member of the Company's KMP as your proxy, you **must** direct that person how to vote on Resolution 1, Resolution 3 and Resolution 4. If you appoint a member of the Company's KMP (other than the Chairman of the Meeting) or any Closely Related Party of a member of the Company's KMP as your proxy and you do not direct them how to vote on Resolution 1, Resolution 3 or Resolution 4, such a person **will not** cast your votes on the relevant Resolution and your votes will not be counted in calculating the required majority if a poll is called on that Resolution. 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).

#### 2019 Annual Report

The Company's 2019 Annual Report is available for Shareholders on the Company's website at [www.mmaoffshore.com/investor-centre](http://www.mmaoffshore.com/investor-centre).

If you would like to receive a hard copy of the 2019 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 2019 Annual Report will receive it separately in the mail.



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## 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 rest of the Notice, in its entirety before deciding how to vote in respect of the Resolutions.

### 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 2019 Annual Report, including the annual financial report, the Directors' report and the Auditor's report for the year ended 30 June 2019, is available on the Company's website at [www.mmaoffshore.com/investor-centre](http://www.mmaoffshore.com/investor-centre).

When you access the Company's 2019 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 2019 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 2019 Annual Report and now (or at some time in the future) wish to receive a hard copy of the Company's 2019 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, 14 November 2019. This will allow the Company time to prepare responses to Shareholders' questions and (as required) address these 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 (attentioned to the Company Secretary, MMA Offshore Limited) by no later than 5.00pm (Perth time) on Thursday, 14 November 2019, 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 2019 Annual Report for the year ended 30 June 2019, includes:

- information about the remuneration policy for determining the nature and amount of remuneration of the Directors and other 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 other key management personnel of the Company for the year ended 30 June 2019.

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 whole board (other than the Managing Director) 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 21 November 2018.

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 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 adjustments (in response to prevailing circumstances) that comprised:

- no increases in fixed annual remuneration for the Non-Executive Directors, Managing Director, Chief Executive Officer and Chief Financial Officer for the past four years (and also for the 2020 financial year);
- the Non-Executive Directors, Managing Director, Chief Executive Officer and Chief Financial Officer (previous) all agreeing to a minimum 10% reduction in fixed annual remuneration for the 2018 financial year; and
- no short-term bonuses being paid for the past five years.

#### ***Directors’ Recommendation***

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

### **Resolution 2 – Re-election of Mr Hugh Andrew Jon (Andrew) Edwards as a Director**

Resolution 2 seeks Shareholder approval for the re-election of Mr Hugh Andrew Jon (Andrew) Edwards who is retiring as a Director pursuant to rule 3.6(a) of the Company’s Constitution. Mr Andrew Edwards, being eligible for re-election under the Company’s Constitution, offers himself for re-election.

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.

Andrew has been in office for a period of three years since his last re-election and must retire from office at the AGM.

Andrew was appointed as a Director of the Company on 18 December 2009 and as Chairman of the Company on 27 October 2017.

Andrew currently serves as Non-Executive Chairman of MACA Limited. He previously served as a Non-Executive Director of Nido Petroleum (delisted 26 June 2017) resigning in December 2018.

Andrew is a former Managing Partner of PriceWaterhouseCoopers' Perth Office (PwC), a former National Vice President of the Securities Institute of Australia (now the Financial Services Institute of Australasia) and a former President of the Western Australian division of that Institute. He is a Fellow of the Australian Institute of Company Directors, a Fellow of the Chartered Accountants Australia and New Zealand and has served as a State Councillor of that organisation. Andrew graduated from the University of Western Australia with a Bachelor of Commerce degree.

In addition to being Chairman of the Company, Andrew is also a Director of all of the Company's subsidiaries in Australia.

Andrew is a member of both the Company's Audit and Risk Committee and the Company's Nomination and Remuneration Committee.

The Board considers that Andrew is an independent Director and has received confirmation from Andrew that he has sufficient time to fulfil his responsibilities both as a Non-Executive Director and as Chairman of the Company.

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

The Board (other than Mr Andrew Edwards, who abstains because of his interest in the outcome of the Resolution) is of the view that it has benefited and will continue to benefit from the skills, knowledge and experience that Mr Edwards brings to the Company. Accordingly, the Board (other than Mr Edwards, who does not give a recommendation because of his interest in the outcome of the Resolution) recommends that Shareholders vote in favour of Resolution 2.

## **Resolution 3 – Approval of MMA Offshore Limited's Performance Rights Plan – 2019**

### **3.1 Background**

Resolution 3 seeks Shareholder approval for the purposes of ASX Listing Rule 7.2 (Exception 9) and section 260C(4) of the Corporations Act, and for all other purposes, to approve the MMA Offshore Limited Performance Rights Plan – 2019 (**Plan**).

The Plan is an employee incentive scheme which has been established in connection with the remuneration arrangements for the Company's Chief Executive Officer, Mr David Ross, and



Resolution 4 seeks separate and specific Shareholder approval for the issue of Performance Rights (and the issue of any resulting Shares on vesting and exercise of those Performance Rights) to Mr David Ross under the Plan.

However, under the Plan rules, the Board may determine that any employee of the MMA group, or any director or company secretary who holds salaried employment with an MMA group member, is eligible to participate in the Plan and to be granted Performance Rights under the Plan.

Remuneration of the Chief Executive Officer generally comprises both a fixed component and an incentive or “at risk” component – where the latter component is designed to remunerate the Chief Executive Officer for his contribution to increasing shareholder value and for achieving certain financial targets and business strategies set by the Board.

The remuneration of the Chief Executive Officer generally has the following three components:

- Fixed Annual Remuneration (**FAR**) – comprising Base Salary and Superannuation;
- Short-term Incentive (**STI**) – an annual “at-risk” cash component designed to reward performance against the achievement of key performance indicators (**KPIs**) set by the Board; and
- Long-term Incentive (**LTI**) – the grant of performance rights over the Company's Shares, with vesting of these rights subject to the achievement of stipulated performance targets over a 3-year period.

Given the challenging market conditions and resulting Company performance:

- the Chief Executive Officer has had no increase in FAR since 2014 and agreed to a 10% reduction in FAR during the 2018 financial year;
- the Chief Executive Officer has had no STI paid since June 2014 and has had no LTI vest since June 2014; and
- the Chief Executive Officer's STI component has been suspended since 1 July 2015.

With market conditions beginning to improve and recognising the need to retain and suitably incentivise key personnel (in the interests of the Company and all its Shareholders), the Board has determined to continue the LTI component for the Chief Executive Officer for the 2020 financial year, under the Plan which is the subject of this Resolution. As previously reported, the STI component for the Chief Executive Officer remains suspended for the 2020 financial year.

### **3.2 Reason Shareholder approval is required**

#### *ASX Listing Rule 7.2 (Exception 9)*

ASX Listing Rule 7.1 imposes a limit on the number of equity securities (including performance rights issued under the Plan (**Performance Rights**) and any resulting Shares





issued pursuant to the vesting and exercise of Performance Rights) that a company can issue or agree to issue without shareholder approval. Generally, a company may not, without shareholder approval, issue in any 12-month period a number of equity securities which is more than 15% of the number of Shares on issue 12 months before the issue.

ASX Listing Rule 7.2 (Exception 9) effectively provides that securities issued pursuant to an employee incentive plan are not included in the calculation of the 15% for ASX Listing Rule 7.1 purposes, provided that the employee incentive scheme and the securities to be issued pursuant to the scheme have been approved by shareholders within the 3 years prior to the issue of securities.

Approval is being sought to ensure that the securities issued under the Plan, including the issue of the Performance Rights, do not count towards calculating the limit for the purposes of the Company's 15% capacity to issue securities (within any 12-month period) under ASX Listing Rule 7.1. The approval will provide the Company with maximum flexibility to undertake equity raisings, or make other issues of equity securities, in the future without the need for further Shareholder approval. The requirement to obtain Shareholder approval for an issue, at the time of issue, could limit the Company's ability to take advantage of opportunities that may arise to raise equity capital or use the issue of the Company's securities as consideration for the acquisition of assets or otherwise. It should be noted that, notwithstanding any approval by Shareholders of the Plan under Resolution 3, any grant of Performance Rights to the Chief Executive Officer will remain subject to separate and specific shareholder approval for the purposes of ASX Listing Rule 10.11 (because he is also the prospective Managing Director). Resolution 4 is example of such specific and separate approval.

If Resolution 3 is passed, all securities issued by the Company under the Plan will be excluded from the 15% limit imposed by ASX Listing Rule 7.1 for a period of 3 years from the date of the approval.

#### *Section 260C(4) of the Corporations Act*

Section 260C(4) of the Corporations Act provides that the giving of financial assistance is exempted from section 260A of the Corporations Act if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company. The operation of the proposed rules of the Plan (which contemplate the establishment of an employee share trust (**EST**) as detailed in section 3.3 below) may constitute the Company providing financial assistance for the acquisition of its Shares. So, in addition to Shareholder approval being obtained under ASX Listing Rule 7.2 (Exception 9), approval is being sought for the purposes of section 260C(4) of the Corporations Act to allow for the giving of financial assistance by the Company in connection with the acquisition by the trustee of the EST of Shares on the Chief Executive Officer's (or any other Plan participants') behalf. Further details on why the acquisition of Shares by the EST on behalf of the Chief Executive Officer or any other Plan participants (upon exercise of vested Performance Rights) may be





considered to constitute the giving of financial assistance under the Corporations Act are set out in section 3.3 below.

### **3.3 Terms of the Performance Rights – MMA Offshore Limited’s Performance Rights Plan – 2019**

The Plan is an employee incentive scheme which has been established in connection with the remuneration package of the Company's Chief Executive Officer, Mr David Ross.

However, under the Plan rules, the Board may determine that any employee of the MMA group, or any director or company secretary who holds salaried employment with an MMA group member, is eligible to participate in the Plan and to be granted Performance Rights under the Plan.

The Plan is subject to deferred taxation.

- All Performance Rights granted to any participants under the Plan will be granted subject to the terms and conditions of the Plan. The Performance Rights to be granted to the Chief Executive Officer are the long-term incentive component of the Chief Executive Officer's remuneration package in line with the Company's remuneration policy, which is detailed in the 2019 Annual Report. In granting Performance Rights to other persons under the Plan, the Board will have regard to such persons' total remuneration package and the Company's remuneration policy.

A Performance Right is a right to acquire one fully paid ordinary share in the Company, subject to the satisfaction of certain Performance Criteria. Until a Performance Right vests, is exercised, and a Share is acquired in respect of that Performance Right, the holder (of that Performance Right):

- does not have a legal or beneficial interest in any Shares underlying that Performance Right; and
- is not entitled to receive dividends or other Shareholder benefits in respect of that Performance Right (or any underlying Shares that may result from the vesting and exercise of that Performance Right).

Pursuant to the Plan, Shares in respect of vested and exercised Performance Rights will either be subscribed for and issued to, or acquired by, the trustee (**Trustee**) of the Mermaid Marine Employee Share Trust (**EST**). The effect of the EST on ownership, interests, and entitlements to dividends and other Shareholder benefits is outlined in the section "*Mermaid Marine Employee Share Trust*" below.

A summary of the terms and conditions of the Plan is set out below. A copy of the Plan is available for inspection by Shareholders by contacting the Company Secretary on (+61) 8 9431 7431 or by email at [corporate@mmaoffshore.com](mailto:corporate@mmaoffshore.com).



**MMA**  
**OFFSHORE**

#### *Board's discretion to invite participants and determine criteria*

Performance Rights will be subject to performance criteria (**Performance Criteria**) which must be satisfied over a specified period of time (**Performance Period**) before the Performance Rights can vest.

When issuing an invitation under the Plan, the Board has discretion to determine the terms and conditions of a grant of Performance Rights to ensure that they are appropriate. The Board's discretion includes determining:

- whether the person is eligible to participate in the Plan (and inviting them to participate);
- the number of Performance Rights granted to the person;
- the applicable Performance Criteria and Performance Period;
- the exercise period; and
- any restrictions it deems appropriate in relation to the person's disposal or dealings in Shares (including as to the period of any restriction on disposal or dealing) issued upon exercise of the vested Performance Rights.

If Shareholders approve Resolution 3 and Resolution 4, the Board intends to invite the Chief Executive Officer to apply for 3,511,454 Performance Rights under the Plan. Details of the Performance Criteria and Performance Period applicable to the proposed grant of Performance Rights to the Chief Executive Officer are set out in Schedule 1.

#### *Transfers*

The Plan does not allow the transfer of Performance Rights (whether vested or unvested).

#### *No consideration payable*

No consideration is payable by a participant in respect of the grant of Performance Rights, nor is any amount payable by the participant upon the vesting or the exercise of Performance Rights, or the subsequent issue or transfer of Shares in respect of them.

#### *5% cap*

Broadly, the maximum number of securities which have or may be issued under the Plan (and any other employee share scheme operated by the Company) in a 3 year period is limited to 5% of the issued Shares (calculated at the date of, and calculated by including the Performance Rights the subject of, the relevant invitation under the Plan), subject to some exclusions, including, for example, securities issued under a disclosure document, or which did not require disclosure because of section 708 of the Corporations Act.

#### *Vesting of Performance Rights*

A Performance Right granted to a participant will vest:



- at the end of the Performance Period upon the Board giving written notice to the participant of the number of Performance Rights in respect of which the Performance Criteria applicable to that participant were satisfied over the Performance Period; or
- if a Change of Control Event (as defined in the Plan) occurs and the Board determines that the Performance Rights should vest (see the section “Change of Change Event” below).

Notwithstanding that targets in respect of the Company's Total Shareholder Return (**TSR**) may be met such that the corresponding Performance Criteria would otherwise be satisfied, if the TSR is negative over the Performance Period, the Board has the absolute discretion to decide if any of those Performance Rights vest.

#### *Exercise of Vested Performance Rights*

Participants may exercise vested Performance Rights by notice to the Company at any time within the period of two (2) years after the vesting date for a Performance Right (or such other time as determined by the Board and specified in the invitation to apply for Performance Rights) (**Exercise Period**).

Unless the Board decides otherwise, a participant must exercise all vested Performance Rights at the same time.

Shares in respect of vested and exercised Performance Rights in the Company will be subscribed for and issued to, or acquired by, the Trustee of the EST who will hold the relevant Shares on behalf of the participant. Such issue or acquisition must occur within a reasonable time after the exercise of such vested Performance Rights. For more information on the trust arrangements, see the section "*Mermaid Marine Employee Share Trust*" below.

#### *Lapse of Performance Rights*

An unvested Performance Right will lapse on the earliest to occur of:

- the end of the Performance Period, if the Performance Criteria relating to the Performance Right have not been satisfied, as determined by the Board in its absolute discretion;
- the participant ceasing employment, other than because of a Qualifying Reason (please see definition of “Qualifying Reason” below);
- in circumstances where, in the opinion of the Board, the participant has acted fraudulently or dishonestly or in a manner which is in breach of his obligations to the Company or any of its subsidiaries (together, the **Group**), the Board determining that the Performance Rights should lapse; and
- a Change of Control Event (as defined in the Plan) occurring and the Board determining that the Performance Rights should lapse (see the section “*Change of Control Event*” below).



### *Lapse of Vested Performance Rights*

A vested Performance Right will lapse if it is not exercised by the participant within the Exercise Period.

### *Cessation of employment*

As noted above, unvested Performance Rights will automatically lapse when the Chief Executive Officer ceases to be employed by a member of the Group, other than because of a Qualifying Reason.

A **Qualifying Reason** includes the death, total and permanent disablement or retirement of the participant, or the participant ceasing to be employed by a member of the Group as a result of a relevant body corporate ceasing to be part of the Group or the sale of a business conducted by a member of the Group to a third party. The Board may also determine, in its absolute discretion, that any other reason will constitute a Qualifying Reason.

If the participant's employment with a Group member ceases because of a Qualifying Reason, no action is to be taken in respect of any unvested Performance Rights until the end of the applicable Performance Period. At the end of the applicable Performance Period, a proportion of the participant's Performance Rights (calculated by reference to the number of days in the applicable Performance Period which have elapsed as at the date of cessation of employment) will be capable of vesting if, over the Performance Period, the Performance Criteria in respect of those Performance Rights were satisfied. In such circumstances, the remaining Performance Rights of the participant which do not vest, will lapse.

### *Change of Control Event*

If a Change of Control Event (as defined in the Plan) occurs, then:

- the Board must determine, in its absolute discretion, the number of unvested Performance Rights that will vest and become capable of exercising, notwithstanding that any applicable Performance Criteria have not been satisfied, unless the Board in its sole and absolute discretion determines otherwise;
- those Performance Rights that had vested before the Change of Control Event occurred but had not yet been exercised will, subject to the terms of the Plan, continue in force and remain exercisable by the participant for a period determined by the Board; and
- any restrictions on transfer or disposal of Shares will cease to apply.

### *Adjustments upon alterations of capital*

Subject to the ASX Listing Rules, if the Company makes a new issue of securities or alterations to its capital by way of a rights issue, bonus issue or other distribution of capital, reduction of capital or reconstruction of capital, then the Board may make adjustments to the participant's Performance Rights (including, without limitation, to the number of Shares which



may be issued, transferred or allocated on exercise of the vested Performance Rights) and/or the Performance Criteria on any basis it sees fit in its absolute discretion to ensure that no advantage or disadvantage accrues to the participant as a result of such corporate actions.

The Company will amend the terms of any Performance Right, or the rights of the participant under the Plan, to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

Subject to the above adjustments, during the currency of any Performance Rights and prior to vesting and exercise and the issue of Shares in respect of those Performance Rights, the participant is not entitled to participate in any new issue of securities of the Company as a result of his holding of Performance Rights.

#### *Amendments to the Plan*

The Board may by written instrument amend all or any of the provisions of the Plan, with retrospective effect, provided that the amendment does not materially reduce the rights of the participant as they existed before the date of amendment. The Plan provisions do, however, provide that in limited circumstances (for example, for the purpose of complying with relevant legislation or the ASX Listing Rules) amendments may be made even if they materially reduce the rights of the participant.

#### *Mermaid Marine Employee Share Trust*

The rules of the Plan are subject to the EST, which was established on 21 February 2012.

The EST was established to provide a *single vehicle* for the administration of existing and new long-term employee equity plans.

A summary of the key rules under the EST structure is set out below. This summary is not exhaustive.

The rules of the Plan provide that, upon exercise of the vested Performance Rights, the required number of Shares will be subscribed for and issued to, or acquired by, the Trustee of the EST. Some points to note about the EST structure are as follows:

- Upon the exercise of vested Performance Rights, the Company must instruct the Trustee to subscribe for, acquire and/or allocate, the relevant number of Shares on behalf of and to the participant (in respect of which Performance Rights have vested and been exercised) within a reasonable time after exercise. Subject to the Trustee receiving from the Company sufficient funds to subscribe for, or acquire, the Shares, the Board may, in its absolute discretion, instruct the Trustee to either subscribe for new Shares or acquire Shares on market to be held on the participant's behalf, or instruct the Trustee to use a combination of both alternatives.



- Legal title to the Shares is held by the Trustee on trust for the participant on the terms of the trust deed, until such time as the relevant Shares are transferred to the participant.
- Beneficial title to the Shares is held by the participant.
- Whilst the Shares are held on trust by the Trustee on behalf of the Chief Executive Officer dividends payable on those Shares will be paid by the Company to the Trustee, and the Trustee will pay any such dividends to the participant as soon as reasonably practicable.
- Shares will be held by the Trustee on trust for the benefit of the participant unless and until the Shares are withdrawn from the trust by:
  - the participant submitting to the Company a withdrawal notice;
  - the Board approving that withdrawal notice; and
  - the Trustee acting in accordance with any such approval by the Board by transferring the legal title in those Shares, or by selling those Shares, in accordance with the instructions of the Chief Executive Officer.

*Specific information required by ASX Listing Rule 7.2 (Exception 9)*

- **Summary of the terms of the Plan:** A summary of the terms of the Plan is provided immediately above.
- **Number of securities issued under the Plan:** As the Plan is a new employee incentive scheme, no person has received Performance Rights under the Plan.
- **Voting exclusion statement:** A voting exclusion statement for Resolution 3 is included in this Notice.

*Section 260C(4) of the Corporations Act*

The provision of funds by the Company to the Trustee to subscribe for or acquire Shares on behalf of a participant under the Plan (including the Chief Executive Officer as outlined above) may be considered to constitute "financial assistance" under the Corporations Act.

Section 260A of the Corporations Act provides that a Company may financially assist a person to acquire Shares in the Company if the assistance is exempted under section 260C of the Corporations Act.

Section 260C(4) of the Corporations Act provides that the giving of financial assistance is exempted from section 260A of the Corporations Act if it is given under an employee share scheme that has been approved by a resolution passed at a general meeting of the company.

In addition to Shareholder approval being obtained under ASX Listing Rules 7.2 (Exception 9), approval is also being sought for the purposes of section 260C(4) of the Corporations Act



to allow the Company to provide funds to the Trustee to subscribe for, or acquire on market, the Shares (upon the vesting and exercise of the Performance Rights) to be held by the Trustee on the participant's behalf.

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

The Board recommends that Shareholders vote in favour of Resolution 3.

### **Resolution 4 – Grant of Performance Rights to the Chief Executive Officer and prospective Managing Director, Mr David Ross**

#### **4.1 Background**

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11, and for all other purposes, to issue 3,511,454 Performance Rights (and up to 3,511,454 Shares on the vesting and exercise of those Performance Rights) to the Chief Executive Officer, Mr David Ross, pursuant to the Plan.

As detailed in the Remuneration Report of the Company's 2019 Annual Report, the Chief Executive Officer's remuneration generally comprises both a fixed component and an at-risk component (including a long-term incentive), which is designed to:

- remunerate the Chief Executive Officer for his contribution to increasing shareholder value and for achieving certain financial targets and business strategies; and
- retain and reward the Chief Executive Officer for meeting prescribed performance criteria which are set by the Board with due regard to the Company's long-term strategy.

Given the challenging market conditions and resulting Company performance, no STIs have been paid to the Chief Executive Officer and no LTIs have vested in favour of the Chief Executive Officer since June 2014. In addition, the STI component has been suspended since 1 July 2015.

With market conditions beginning to improve and recognising the need to retain and suitably incentivise key personnel (in the interests of the Company and all its Shareholders), the Board has again determined to grant the Chief Executive Officer an LTI component as part of his remuneration package for the 2020 financial year. However, the STI component of the Chief Executive Officer's remuneration package for the 2020 financial year remains suspended.

See further background about the Chief Executive Officer's remuneration package and the Board's approach to this in the explanatory information provided in respect of Resolution 3, in paragraph 3.1 above.





The Performance Criteria applicable to the proposed issue of Performance Rights (the subject of this Resolution) are set out in Schedule 1. These Performance Criteria have been selected by the Board to firmly align the Chief Executive Officer's remuneration under the Plan with the achievement of outcomes which will advance shareholder returns.

3,511,454 Performance Rights are proposed to be issued under the LTI component of the Chief Executive Officer's 2020 remuneration package. Assuming that this maximum number of Performance Rights ultimately vest and are exercised; that would result in the Chief Executive Officer being entitled to receive an equivalent number of Shares (that is, up to 3,511,454 Shares). Such entitlement will only arise if, inter alia, all of the associated Performance Criteria are met over the 3-year Performance Period (from 1 July 2019 through to 30 June 2022). Should none of the Performance Criteria be met over this Performance Period, then no Performance Rights will vest, and if some (but not all) of the Performance Criteria are met, then the number of Performance Rights which will vest will be in accordance with the details set out in Schedule 1.

The number of Performance Rights proposed to be granted to the Chief Executive Officer under the Plan, in accordance with this Resolution 4:

- is valued at S\$482,387 and equates to 90% of the Chief Executive Officer's fixed annual remuneration for the year; and
- was determined by the Board having regard to an independent valuation of the Performance Rights by PwC, which takes into account the Performance Criteria applicable to the Performance Rights.

A summary of the key terms of the Plan is included in the section "*Terms of the Performance Rights – MMA Offshore Limited's Performance Rights Plan – 2019*" in section 3.3 above.

#### **4.2 Reasons Shareholder approval is being sought**

Typically, Shareholder approval for the issue of securities to a director of an entity under an employee incentive scheme would be sought under ASX Listing Rule 10.14 (rather than under ASX Listing Rule 10.11, as sought by Resolution 4). However, Mr Ross is not currently a director of MMA, and although MMA intends to appoint Mr Ross as a director as soon as practicable after the AGM, the Performance Rights for which Resolution 4 seeks Shareholder approval of may be issued to Mr Ross before he is appointed as a director.

ASX Listing Rule 10.11 requires a listed company to obtain Shareholder approval prior to the issue of securities to a related party (as that term is defined by section 228 of the Corporations Act). Section 228 of the Corporations Act defines a related party as including (relevantly) a director of a public company (see section 228(2)(a)), and also a person who believes or has reasonable grounds to believe that they will become a related party of a public company at any time in the future (see section 228(6)).





As noted above, the Board intends to appoint Mr David Ross as the Company's Managing Director as soon as is reasonably practicable after the Company's 2019 Annual General Meeting. As such, in accordance with ASX Listing Rule 10.11, any issue of securities (including Performance Rights issued under the Plan) to Mr Ross requires the prior approval of Shareholders.

Accordingly, Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 10.11, and for all other purposes, to grant 3,511,454 Performance Rights (and up to 3,511,454 resulting Shares on vesting and exercise of those Performance Rights) to the Chief Executive Officer, Mr David Ross, pursuant to the Plan.

In accordance with ASX Listing Rule 7.2 (Exception 14), if approval for the issue of Performance Rights (and any resulting issue of Shares on vesting and exercise of those Performance Rights) is given under ASX Listing Rule 10.11, separate approval is not required under ASX Listing Rule 7.1.

#### **4.3 Specific information required by ASX Listing Rule 10.13**

For the purposes of ASX Listing Rule 10.13, the following additional information is provided:

- **Name and relationship of the person:** The Company proposes to grant the Performance Rights, and any resulting Shares, to the Company's Chief Executive Officer (and prospective Managing Director), Mr David Ross, pursuant to the Plan.
- **Maximum number of securities:** Under the terms of the Plan, and subject to Shareholder approval, Mr David Ross will be granted 3,511,454 Performance Rights (giving Mr David Ross an entitlement to potentially acquire a maximum of 3,511,454 Shares under the Plan, subject to any alteration in accordance with the terms of the Plan, as summarised in the section "*Adjustments upon alterations of capital*" in section 3.3 above);
- **Issue price:** No consideration is payable by Mr David Ross in respect of the grant of Performance Rights, nor will any amount be payable on vesting or to exercise the Performance Rights, or for the subsequent issue or transfer of Shares in respect of them;
- **Date of issue:** It is proposed that, if Shareholders approve Resolution 4, all of the Performance Rights will be issued to Mr David Ross as soon as practicable after the date of the AGM and, in any event, no later than 1 month after the date of the AGM.
- **Voting exclusion statement:** A voting exclusion statement for Resolution 4 is included in this Notice; and
- **Intended use of funds raised:** As the Plan is an employee incentive scheme (and the issue of Performance Rights and any resulting Shares contemplated by it comprises a component of the Chief Executive Officer's remuneration package), no funds will be received on grant of Performance Rights, nor will any funds be received on vesting or



exercise of the Performance Rights, or for the subsequent issue or transfer of Shares in respect of them.

#### **4.4 Other Corporations Act requirements – Related party benefits under Chapter 2E**

Section 208(1) of the Corporations Act provides that for a public company to give a financial benefit to a related party it must either be approved by members or otherwise fall within an exception. The issue of the Performance Rights under Resolution 4 constitutes the provision of a financial benefit to a related party.

It is the view of the Board that the issue of Performance Rights (and the issue of any resulting Shares on vesting and exercise of those Performance Rights) pursuant to this Resolution 4 falls within the exception under section 211 of the Corporations Act (reasonable remuneration given both the circumstances of the Company and of Mr David Ross (including the responsibilities involved in his role as Chief Executive Officer)).

Accordingly, the Board has determined not to seek separate Shareholder approval under section 208 of the Corporations Act for the issue of the Performance Rights (and the issue of any resulting Shares on vesting and exercise of those Performance Rights) to Mr David Ross.

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

The Board recommends that Shareholders vote in favour of Resolution 4.

## **Resolutions 5 and 6 – Approval or ratification of issue of Shares to Neptune Marine Services**

### **5.1 Background**

Resolutions 5 and 6 relate to the issue of up to 67,655,000 shares in MMA (**Shares**) to Neptune Marine Services Limited (**NMS**) as part of the consideration payable by MMA to acquire NMS's key operating subsidiaries under the sale agreement entered into by MMA and NMS on 24 July 2019 (refer to the Company's ASX announcement on 24 July 2019) (**NMS Acquisition**).

The number of Shares required to be issued on (and subject to) completion of the NMS Acquisition (**Consideration Shares**) will be calculated by reference to the volume weighted average share price of MMA shares in the 30-day period ending on the date that is two business days before completion (**VWAP**) in accordance with the table below.



<b>30-day VWAP per MMA Share</b>	<b>Number of Consideration Shares to be issued to NMS</b>	<b>Issue price</b>
Less than or equal to \$0.25	13,531,000 / the Issue Price	The higher of \$0.20 and the 30-day VWAP
Greater than \$0.25 but less than \$0.30	54,124,000 shares	\$0.25
\$0.30 or greater	16,237,000 / the 30-day VWAP	The 30-day VWAP

## **5.2 Timing for issue of the Consideration Shares, and reason for provisionally seeking approval under both of ASX Listing Rules 7.1 and 7.4**

The Consideration Shares are required to be issued to NMS on (and subject to) completion of the NMS Acquisition; which is expected to occur either in late October 2019, or sometime during November 2019. It is therefore not certain whether, at the time of the Meeting, the Consideration Shares will have already been issued to NMS. MMA has and will retain sufficient placement capacity (under ASX Listing Rule 7.1) to issue all of the Consideration Shares without Shareholder approval.

Accordingly, MMA is provisionally seeking Shareholder approval:

- (a) by Resolution 5, for the future issue of the Consideration Shares (in such number as is calculated based on the table above) for the purposes of ASX Listing Rule 7.1, in the event that the Consideration Shares have not yet been issued to NMS at the time of the Meeting; and
- (b) by Resolution 6, for the prior issue of the Consideration Shares (again in such number as is calculated based on the table above) for the purposes of ASX Listing Rule 7.4, in the event that the Consideration Shares are issued to NMS before the time of the Meeting.

Shareholders will only vote on one of Resolutions 5 and 6 at the Meeting. If the Consideration Shares have been issued prior to the Meeting, Resolution 5 will be withdrawn and shareholders will be asked to vote on Resolution 6. If the Consideration Shares have not been issued prior to the Meeting, Resolution 6 will be withdrawn and shareholders will be asked to vote on Resolution 5 instead.



### 5.3 ASX Listing Rule information

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period, without shareholder approval.

Securities issued by a company with prior shareholder approval for the purposes of ASX Listing Rule 7.1, however, do not reduce a company's annual 15% placement capacity. Similarly, ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1, whereby if a company in general meeting subsequently approves (or ratifies) the previous issue of securities made without shareholder approval pursuant to the company's ASX Listing Rule 7.1 placement capacity (and provided that the previous issue did not breach ASX Listing Rule 7.1), those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By approving the issue of the Consideration Shares for the purposes of ASX Listing Rule 7.1 (if the Consideration Shares are issued after the Meeting) or ASX Listing Rule 7.4 (if the Consideration Shares are issued before the Meeting), as applicable, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

### 5.3 Resolution 5 - Technical information required by ASX Listing Rule 7.3

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 5:

- (a) the number of Shares that will be issued to NMS as Consideration Shares under the NMS Acquisition will be calculated in accordance with the table in paragraph 5.1 above, but **will not exceed 67,655,000 Shares**, and will be announced by MMA to ASX upon completion of the NMS Acquisition;
- (b) the Consideration Shares will be issued to NMS on completion of the NMS Acquisition. MMA will ensure that the Consideration Shares are issued by no later than three months after the date of the Meeting (however, in circumstances where completion of the NMS Acquisition has not occurred within three months after the date of the Meeting, MMA reserves the right to issue the Consideration Shares without Shareholder approval under its ASX Listing Rule 7.1 capacity);
- (c) the issue price per Consideration Share will depend on the VWAP (as defined in paragraph 5.1 above) of MMA Shares prior to completion of the NMS Acquisition, but **will not be less than \$0.20 per MMA Share**, and will be announced by MMA to ASX upon completion of the NMS Acquisition;



- (d) the Consideration Shares to be issued will all be ordinary, fully paid shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) no funds will be raised from the issue, as the Consideration Shares will be issued to NMS as a portion of the consideration for the purchase of NMS's key operating subsidiaries under the NMS Acquisition; and
- (g) the Consideration Shares will be issued on a single date (on the date of completion of the NMS Acquisition)
- (e) a voting exclusion statement for Resolution 5 is included in this notice.

### **5.3 Resolution 6 - Technical information required by ASX Listing Rule 7.5**

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to Resolution 6:

- (a) the number of Shares that will be issued to NMS as Consideration Shares under the NMS Acquisition will be calculated in accordance with the table in paragraph 5.1 above, but **will not exceed 67,655,000 Shares**, and will be announced by MMA to ASX upon completion of the NMS Acquisition (which will have occurred prior to the Meeting if Shareholders are voting on this Resolution 6);
- (b) the issue price per Consideration Share will depend on the VWAP (as defined in paragraph 5.1 above) of MMA Shares prior to completion of the NMS Acquisition, but **will not be less than \$0.20 per MMA Share**, and will be announced by MMA to ASX upon completion of the NMS Acquisition (which will have occurred prior to the Meeting if Shareholders are voting on this Resolution 6);
- (d) the Consideration Shares issued will all be ordinary, fully paid shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) the Consideration Shares will be issued to NMS (that is, Neptune Marine Services Limited ABN 76 105 665 843);
- (f) no funds will be raised from the issue, as the Consideration Shares will be issued to NMS as a portion of the consideration for the purchase of NMS's key operating subsidiaries under the NMS Acquisition; and
- (g) a voting exclusion statement for Resolution 6 is included in this notice.

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

The Board recommends that Shareholders vote in favour of Resolution 5 or 6 (whichever Resolution is ultimately put to Shareholders at the Meeting).



## Schedule 1 – Performance Criteria and Performance Period in respect of grant of Performance Rights to the Chief Executive Officer, Mr David Ross

The Performance Rights proposed to be granted to the Chief Executive Officer, if Resolution 3 and Resolution 4 are passed by Shareholders, will be subject to three Performance Criteria. The table below sets out the Performance Criteria which will determine the extent to which any such Performance Rights vest.

For the purposes of assessing the Performance Criteria, the relevant Performance Period is the period beginning on 1 July 2019 and ending on 30 June 2022.

Performance Criteria	No of Performance Rights which are subject to Performance Criteria	Percentage of Performance Rights which vest if Performance Criteria are met
FY2022 EBITDA/ Assets <sup>1</sup>	1,439,121	0% vesting if FY2022 EBITDA / Assets is below 10% 50% vesting if FY2022 EBITDA / Assets is above 10% Pro-rata vesting (on a straight-line basis) if FY2022 EBITDA / Assets is between 10% and 15% 100% vesting if FY2022 EBITDA / Assets of 15% is achieved
Company's Total Shareholder Return (TSR) <sup>2</sup> percentile ranking over the Performance Period relative to a selected Peer Group <sup>3</sup>	2,072,334	0% vesting if Company's TSR is below 50 <sup>th</sup> percentile 50% vesting if Company's TSR is equal to 50 <sup>th</sup> percentile Pro-rata vesting (on a straight-line basis) if Company TSR is between 50 <sup>th</sup> and 75 <sup>th</sup> percentile 100% vesting if Company's TSR is equal to or greater than 75 <sup>th</sup> percentile

<sup>1</sup>**Assets** means the Company's vessels and will be revised to include relevant operating assets of Neptune Marine Services Limited subject to completion of the acquisition.

<sup>2</sup> **Total Shareholder Return (TSR)** means, broadly, the increase in the share price plus dividends paid (calculated in Australian dollars), excluding franking credits and taxation, over the Performance Period, to be determined in a manner decided by the Board in its absolute discretion. Notwithstanding that the Performance Criteria targets in respect of TSR may be met, if the TSR is negative over the Performance Period, the Board has the absolute discretion to decide if any of those Performance Rights vest.

<sup>3</sup> **Peer Group** means the peer group (the composition of which may be changed by the Board in its absolute discretion) comprising of the constituents of the ASX 200 – Industrials Index being the following ASX listed companies:



**MMA**  
**OFFSHORE**

*ALS Limited (ASX:ALQ), Atlas Arteria Limited (ASX:ALX), Aurizon Holdings Limited (ASX:AZJ), Austal Limited (ASX:ASB), Bingo Industries limited (ASX:BIN), Brambles Limited ASX:BXB), CIMIC Group Limited (ASX:CIM), Cleanaway Waste Management Limited (ASX:CWY), Downer EDI Limited (ASX:DOW), Emeco Holdings Limited (ASX:EHL), GWA Group Limited (ASX:GWA), IPH Limited (ASX:IPH), McMillan Shakespeare Limited (ASX:MMS), Monadelphous Group Limited (ASX:MND), Nearnmap Ltd (ASX:NEA), NRW Holdings Ltd (ASX:NWH), Qantas Airways Limited (ASX:QAN), Qube Holdings Limited (ASX:QUB), Reliance Worldwide Corporation Limited (ASX:RWC), SEEK Limited (ASX:SEK), Service Stream Limited (ASX:SSM), Seven Group Holdings Limited (ASX:SVW), Smartgroup Corporation Ltd (ASX:SIQ), Sydney Airport Limited (ASX:SYD), Transurban Group (ASX:TCL).*






**MMA**  
OFFSHORE  
ABN 21 083 185 693



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

## Need assistance?

 **Phone:**  
1300 727 014 (within Australia)  
+61 3 9946 4439 (outside Australia)

 **Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:30am (Perth time) Tuesday, 19 November 2019**

# Proxy Form

## 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

**If you are attending in person, please bring this form with you to assist registration.**

#### Corporate Representative

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

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your proxy form online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



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



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

I ND

# 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, 21 November 2019 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 Resolutions 1, 3 and 4 (except where I/we have indicated a different voting direction in step 2) even though Resolutions 1, 3 and 4 are connected directly or indirectly with the remuneration of key management personnel, which includes the Chairman.

**Important Note:** 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 on Resolutions 1, 3 and 4 by marking the appropriate box in step 2.

## 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.

	For	Against	Abstain
1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Mr Hugh Andrew Jon (Andrew) Edwards as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of MMA Offshore Limited's Performance Rights Plan – 2019	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of Performance Rights to the Chief Executive Officer and prospective Managing Director, Mr David Ross	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval of the issue of Shares to Neptune Marine Services Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of the issue of Shares to Neptune Marine Services Limited	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends (where appropriately authorised) to vote all eligible undirected proxies in favour of each item of business. 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.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address   
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

