

# Appendix 4G

for the year ended 30 June 2016



**MMA**  
OFFSHORE

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

MMA OFFSHORE LIMITED

ABN / ARBN:

21 083 185 693

Financial year ended:

30 JUNE 2016

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: [http://www.mmaoffshore.com/company/corporate\\_governance.phtml](http://www.mmaoffshore.com/company/corporate_governance.phtml)

The Corporate Governance Statement is accurate and up to date as at 19 September 2016 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 19 September 2016

Name of Director or Secretary authorising lodgement: Dylan Darbyshire-Roberts – Company Secretary



<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

| Corporate Governance Council recommendation                             |   | We have followed the recommendation in full for the whole of the period above. We have disclosed ...   | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>  |
|---|---|--|--|
| <b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b> |   |  |  |
| 1.1   | A listed entity should disclose:<br>(a) the respective roles and responsibilities of its board and management; and<br>(b) those matters expressly reserved to the board and those delegated to management.  | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]<br>... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management):<br><input checked="" type="checkbox"/> at section 1.1 of the Corporate Governance Statement and on our website at <a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">http://www.mmaoffshore.com/company/corporate_governance.phtml</a> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.2   | A listed entity should:<br>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and<br>(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. | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]   | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.3   | A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.   | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]   | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 1.4   | 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.   | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]   | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

| Corporate Governance Council recommendation |   | We have followed the recommendation in full for the whole of the period above. We have disclosed ...  | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>   |
|---|---|---|---|
| 1.5   | <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(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.</p> | <p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">http://www.mmaoffshore.com/company/corporate_governance.phtml</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.6   | <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, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>  | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>  | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 1.7   | <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>   | <p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>  | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation           | We have followed the recommendation in full for the whole of the period above. We have disclosed ...   | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>  |   |
|---|--|--|---|
| <b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b> |  |  |   |
| 2.1   | <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, 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; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">http://www.mmaoffshore.com/company/corporate_governance.phtml</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 2.2   | <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>   | <p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>   | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation        |   | We have followed the recommendation in full for the whole of the period above. We have disclosed ...   | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>  |
|--|---|--|--|
| 2.3  | A listed entity should disclose:<br>(a) the names of the directors considered by the board to be independent directors;<br>(b) if a director has an interest, position, association 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, association or relationship in question and an explanation of why the board is of that opinion; and<br>(c) the length of service of each director. | ... the names of the directors considered by the board to be independent directors:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]<br>... and, where applicable, the information referred to in paragraph (b):<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]<br>... and the length of service of each director:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location] | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement<br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable           |
| 2.4  | A majority of the board of a listed entity should be independent directors.   | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]   | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.5  | 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.   | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]   | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| 2.6  | A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.  | ... the fact that we follow this recommendation:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]   | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable |
| <b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b> |   |  |  |
| 3.1  | A listed entity should:<br>(a) have a code of conduct for its directors, senior executives and employees; and<br>(b) disclose that code or a summary of it.   | ... our code of conduct or a summary of it:<br><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at [insert location]  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement   |

| Corporate Governance Council recommendation                     | We have followed the recommendation in full for the whole of the period above. We have disclosed ...   | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>  |   |
|---|--|--|---|
| <b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b> |  |  |   |
| 4.1   | <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>(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; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">http://www.mmaoffshore.com/company/corporate_governance.phtml</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 4.2   | <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>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>   | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation                 |  | We have followed the recommendation in full for the whole of the period above. We have disclosed ...   | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>   |
|---|--|--|---|
| 4.3   | A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.                          | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable             |
| <b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>    |  |  |   |
| 5.1   | A listed entity should: <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p> | <p>... our continuous disclosure compliance policy or a summary of it:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>   | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement  |
| <b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b> |  |  |   |
| 6.1   | A listed entity should provide information about itself and its governance to investors via its website.   | <p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at<br><a href="http://www.mmaoffshore.com/">http://www.mmaoffshore.com/</a><br><a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">http://www.mmaoffshore.com/company/corporate_governance.phtml</a><br><a href="http://www.mmaoffshore.com/company/about_us.phtml">http://www.mmaoffshore.com/company/about_us.phtml</a> | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement  |
| 6.2   | A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.  | <p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement  |
| 6.3   | A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.  | <p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable |
| 6.4   | 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>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b><br><input type="checkbox"/> at <i>[insert location]</i>  | <input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement  |



| Corporate Governance Council recommendation    | We have followed the recommendation in full for the whole of the period above. We have disclosed ...   | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>  |   |
|--|--|--|---|
| <b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b> |  |  |   |
| 7.1  | <p>The board of a listed entity should:</p> <p>(a) have a committee or committees 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, 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; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">http://www.mmaoffshore.com/company/corporate_governance.phtml</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |
| 7.2  | <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</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>   | <p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>  | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p> |

| Corporate Governance Council recommendation |   | We have followed the recommendation in full for the whole of the period above. We have disclosed ...   | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup> |
|---|---|--|---|
| 7.3   | <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 risk management and internal control processes.</p> | <p>[If the entity complies with paragraph (a):]<br/>... how our internal audit function is structured and what role it performs:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]<br/>... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                   |
| 7.4   | <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>  | <p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>   | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>                   |

| Corporate Governance Council recommendation            | We have followed the recommendation in full for the whole of the period above. We have disclosed ...   | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>  |   |
|--|--|--|---|
| <b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b> |  |  |   |
| 8.1  | <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, 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; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> | <p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at <a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">http://www.mmaoffshore.com/company/corporate_governance.phtml</a></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| 8.2  | <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>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>  | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |

| Corporate Governance Council recommendation                                    |  | We have followed the recommendation in full for the whole of the period above. We have disclosed ...   | We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>  |
|--|--|--|--|
| 8.3  | <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>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>                   | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p> |
| <b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b> |  |  |  |
| -  | <p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p> | <p>... the information referred to in paragraphs (a) and (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>         | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>  |
| -  | <p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>  | <p>... the terms governing our remuneration as manager of the entity:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> | <p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>  |

# Corporate Governance Statement

for the year ended 30 June 2016



**MMA**  
OFFSHORE



# Corporate Governance Statement

For the year ended 30 June 2016

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.

We regularly review and update the Company’s governance policies and practices having regard to corporate governance developments and best practice.

This Corporate Governance Statement outlines the Company’s key corporate governance policies and practices for the financial year ended 30 June 2016 and is current as at 19 September 2016 (**Statement**). This Statement has been approved by the Board.

## Compliance with Australian Corporate Governance Standards

As at the date of this Statement, we comply with the 3<sup>rd</sup> edition of the ASX Corporate Governance Council’s Corporate Governance Principles and Recommendations (**3<sup>rd</sup> Edition ASX Recommendations**).

### Access to policies and documents

The corporate governance policies and documents referred to in this Statement can be found on the Corporate Governance page of our website at [www.mmaoffshore.com/company/corporate\\_governance.phtml](http://www.mmaoffshore.com/company/corporate_governance.phtml).

Our ASX Appendix 4G and 2016 Annual Report can also be found on the Corporate Governance page of our website.

This Statement and our ASX Appendix 4G was lodged with the ASX on 19 September 2016.

## 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 disclose:</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 Senior Executives and describes their separate roles and responsibilities (see clauses 1 and 3 of the Board Charter for the delineation of their separate roles and responsibilities). A copy of the Board Charter can be</p> | ✓        |



|  |   |   |
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|  | <p>found on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">www.mmaoffshore.com/company/corporate_governance.phtml</a>.</p> <p>The Board has delegated to the Managing Director and Senior Executives 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><b>Recommendation 1.2</b></p> <p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate 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>Further detail 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/company/corporate_governance.phtml">www.mmaoffshore.com/company/corporate_governance.phtml</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 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 terms of their appointment</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>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 52 of the Annual Report.</p>   | ✓ |



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| <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>o advising the Board and its Committees on governance matters;</li><li>o monitoring compliance with Board and Committee policies and procedures;</li><li>o coordinating the timely completion and despatch of Board and Committee papers;</li><li>o ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and</li><li>o helping to organise and facilitate the induction and professional development of the Directors.</li></ul> <p>Details of the Company Secretary's experience and qualifications are set out on page 37 of our 2016 Annual Report.</p>   | <p>✓</p> |
| <p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it;</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the</p> | <p>The Company has a Diversity Policy which is available on the Corporate Governance page of our website at <a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">www.mmaoffshore.com/company/corporate_governance.phtml</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 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 within the MMA Group will contribute to achieving our overall strategic objectives by:</p> <ul style="list-style-type: none"><li>o driving business results;</li><li>o encouraging greater innovation;</li><li>o enhancing our reputation; and</li><li>o attracting, recruiting, engaging and retaining a diverse team of high quality people.</li></ul> <p><b>Diversity Committee</b></p> <p>To assist with promoting our objective to facilitate greater gender diversity at all levels within our Company, we have established a Diversity Committee and appointed a Diversity Manager responsible for:</p> <ul style="list-style-type: none"><li>o assisting the Board with diversity issues;</li><li>o establishing and monitoring strategies on gender diversity;</li><li>o implementing the measurable objectives set by the Board; and</li></ul> | <p>✓</p> |





board, in senior executive positions and across the whole organisation (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

- o reviewing achievements and progress against gender diversity objectives.

**Measurable Objectives**

The Board is responsible for establishing measurable objectives for achieving greater gender diversity at all levels of the MMA Group (including on the Board) (**Measurable Objectives**).

Management is responsible for implementing initiatives to achieve the Measurable Objectives. 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 2012 Annual Report, we have set these Measurable Objectives for a 5 year period commencing from 1 July 2011 and ending on 30 June 2016. The Company’s progress towards achieving these Measurable Objectives during the reporting period and at the end of the 5 year period (ie as at 30 June 2016) is reported in the table below.

| Measurable Objective   | Progress as at 30 June 2016   |
|--|---|
| <p><b>Amend the Board Charter and the Charter of the Nomination and Remuneration Committee to formalise its responsibility for diversity and for the Nomination and Remuneration Committee to review remuneration by gender across the Company</b></p> | <ul style="list-style-type: none"> <li>• This objective has been achieved as the Board Charter and the Charter of the Nomination and Remuneration Committee have been so amended.</li> <li>• The Nomination and Remuneration Committee has annually reviewed remuneration by gender across the Company.</li> <li>• The Nomination and Remuneration Committee has once again set the review of remuneration by gender across the Company as a Measurable Objective for the 2017 financial year.</li> </ul> |
| <p><b>Appoint a Diversity Manager and establish a Diversity Committee</b></p>  | <ul style="list-style-type: none"> <li>• This objective has been achieved. We have appointed a Diversity Manager and established a Diversity Committee.</li> <li>• The Diversity Committee (comprising of the Managing</li> </ul>   |



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|  | <p>Director, Diversity Manager and senior female managers within the Company) has met on a regular basis to oversee the implementation of the Diversity Policy and the achievement of the Measurable Objectives set by the Board.</p> <ul style="list-style-type: none"> <li>• The Managing Director is Chairman of the Diversity Committee and reports directly to the Nomination and Remuneration Committee in relation to diversity matters.</li> <li>• The Diversity Committee will continue to meet on at least a quarterly basis during the 2017 financial year.</li> </ul> |  |
|  | <p><b>Increase the representation of women in Senior Executive positions by 2016 to represent at least 10%</b></p> <ul style="list-style-type: none"> <li>• This objective has been met. Representation of women in Senior Executive positions at the end of 2016 financial year was 14.3%.</li> </ul>  |  |
|  | <p><b>Increase the representation of women in Senior Management positions by 2016 to represent at least 30%</b></p> <ul style="list-style-type: none"> <li>• This objective has been met. Representation of women in Senior Management positions has increased to 30% at the end of 2016 financial year (2015: 19.2%).</li> </ul>   |  |
|  | <p><b>Appoint at least 2 female Directors to the Board</b></p> <ul style="list-style-type: none"> <li>• We have achieved this objective in part. Ms Eve Howell was appointed as a Director to the Board on 27 February 2012.</li> </ul>   |  |
|  | <p><b>Improve support for pregnancy and maternity leave and provide flexible working arrangements</b></p> <ul style="list-style-type: none"> <li>• This objective has been met. Through the implementation of its Parental Leave Policy, the Company has been able to provide better support for pregnant women in the workplace and for women commencing and returning from maternity leave.</li> </ul>  |  |



- The Diversity Committee monitors the application of the Parental Leave Policy and reports the Company's progress to the Nomination and Remuneration Committee.
- The Company has also undertaken an annual review of all part-time work arrangements to ensure that they are appropriate to maintain career development and support work/life balance.
- The Company remains committed to improving support for pregnancy and maternity leave and providing flexible working arrangements and has once again set this as a Measurable Objective for the 2017 financial year.

**Foster an equal opportunity culture**

- The Company considers that it has made substantial progress towards its objective of fostering an equal opportunity culture over the past 5 years.
- This year the Company further enhanced the recruitment procedure (which aims to create a more effective, transparent recruitment process based both on merit and the aims of the Company in achieving greater diversity).
- During the financial year, the Company measured its progress towards meeting its diversity objectives via the Workplace Gender Equality Agency (WGEA) Diversity Report.
- The Company will continue



to conduct a Diversity review annually to measure its progress and the effectiveness of the policies, procedures and initiatives it has implemented in this regard and has once again set this as a Measurable Objective for the 2017 financial year.

**Improve talent management – high potential women within the Company are identified and developed for career progression**

- The Company considers that it has made significant progress towards its objective of improving talent management within the Company. The Diversity Committee has undertaken initiatives to promote career development for high potential women within the Company. These initiatives included advanced study, mentoring of senior managers and the preparation of individualised development plans focusing on external and internal training and development opportunities to enhance career progression.
- The Company remains committed to improving talent management for high potential women and has once again set this as a Measurable Objective for the 2017 financial year

The Board has established the following Measurable Objectives for the 2017 financial year which it considers appropriate in the current circumstances:

- undertake a gender pay equity review across the Company and address any discrepancies which arise as a result of the review;
- Diversity Committee to meet on at least a quarterly basis during the financial year and report its progress to the Nomination and Remuneration Committee;



|  |   |          |
|--|---|----------|
|  | <ul style="list-style-type: none"> <li>○ continue to provide support for pregnancy and maternity leave and provide flexible working arrangements;</li> <li>○ foster an equal opportunity culture through monitoring the recruitment process and undertaking a Diversity review in line with the Company's aims of achieving greater diversity; and</li> <li>○ encourage training and personal development for high potential women to assist in furthering their career goals.</li> </ul> <p><b>Diversity Profile</b></p> <p>At the date of this Statement, the proportion of women employees within the Company is as follows:</p> <ul style="list-style-type: none"> <li>○ on the Board – 16.7% (2015: 16.7%);</li> <li>○ in Senior Executive positions – 14.3% (2015: 14.3%);</li> <li>○ in Senior Management positions – 30% (2015: 19.2%);</li> <li>○ within the whole Company:             <ul style="list-style-type: none"> <li>▪ <u>excluding</u> seafarers: 34.7%; and</li> <li>▪ <u>including</u> seafarers: 10.1%.</li> </ul> </li> </ul> <p>The proportion of women within the Company as a whole (excluding seafarers) is 34.7%. When taking into account seafarers, the proportion of women within the Company is 10.1% (2015:- 14.2%) as seafaring is not generally a profession that women chose.</p> <p>The decrease in the proportion of women within the Company (including seafarers) when compared to 2015 is due to current economic conditions - natural attrition (without replacement), project specific employment contracts coming to an end and redundancies have occurred during the 2016 financial year - particularly in non-operational roles.</p> <p>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><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, in relation to each reporting period, whether a performance</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 and generally 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</p>  | <p>✓</p> |



|   |  |          |
|---|--|----------|
| <p>evaluation was undertaken in the reporting period in accordance with that process</p>  | <p><a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">www.mmaoffshore.com/company/corporate_governance.phtml</a>.</p> <p>During the reporting period, a performance evaluation of the Board, its Committees and Directors was undertaken in accordance with the above mentioned procedure. This evaluation was carried out by the Nomination and Remuneration Committee with the assistance of an independent, external corporate governance consultant, Effective Governance, and involved a review of the performance of the Board, its Committees and the Directors, including the Chairman.</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; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process</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/company/corporate_governance.phtml">www.mmaoffshore.com/company/corporate_governance.phtml</a>.</p> <p>During the reporting period, a performance evaluation of our Senior Executives was undertaken in accordance with the process described above and as detailed in the Remuneration Report on pages 40 – 52 of our 2016 Annual Report.</p>                                 | <p>✓</p> |



**PRINCIPLE 2 – STRUCTURE THE BOARD TO 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 committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively</p> | <p>We have a Nomination and Remuneration Committee that comprises of the following members:</p> <p><b>Mr M Bradley (Chairman)</b></p> <p>Independent, Non-Executive Director</p> <p><b>Mr A Howarth</b></p> <p>Independent, Non-Executive Director</p> <p><b>Mr A Edwards</b></p> <p>Independent, Non-Executive Director</p> <p><b>Ms E Howell</b></p> <p>Independent, Non-Executive Director</p> <p>As at the date of this Statement (and throughout FY2016), the Nomination and Remuneration Committee comprised solely of Non-Executive Directors all of whom are independent and the Chair of the Nomination and Remuneration Committee is an independent Non-Executive Director who is not the Chair of the Board.</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/company/corporate_governance.phtml">www.mmaoffshore.com/company/corporate_governance.phtml</a>.</p> <p>Details of the number of meetings held by the Nomination and Remuneration Committee during FY2016 and the attendance at those meetings are set out in the Directors' Report on page 39 of our 2016 Annual Report. Information of the qualifications of each member of the Nomination and Remuneration Committee can also be found in the Board of Directors section on pages 28 – 29 of our 2016 Annual Report.</p> <p>As announced at the Company's 2015 Annual General Meeting, Mr Bradley has given notice to the Board of his intention to retire as a director at the 2016 Annual General Meeting. Following his retirement, the Nomination and Remuneration Committee will comprise of three members and Ms Howell will be appointed as the Chair of the Committee. Ms Howell is an independent Non-Executive Director who is not the Chair 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> |



**Recommendation 2.2**

A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership

There are currently six Directors on the Board, comprising of 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 28 – 29 of our 2016 Annual Report.

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.

The Board skills matrix sets out the mix of skills, experience and expertise that the Board currently has and is looking to achieve in its membership.



**BOARD SKILLS MATRIX**

| Area                                  | Competence   |
|---------------------------------------|--|
| Leadership                            | Business Management Experience, CEO and Executive Management Experience, Public Listed Company Experience, Board Experience (Executive and Non-Executive)                              |
| Business and Technical                | Accounting, Audit, Business Strategy, Banking & Finance, Risk Management, Business Administration, Health, Safety & Security, Engineering  |
| 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, Stevedoring, Supply Base Operations and Management, Shipbuilding and Ship Repair Experience |
| Geographical                          | Australasian, South East Asian and International Experience  |

The Board considers that collectively the Directors 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.

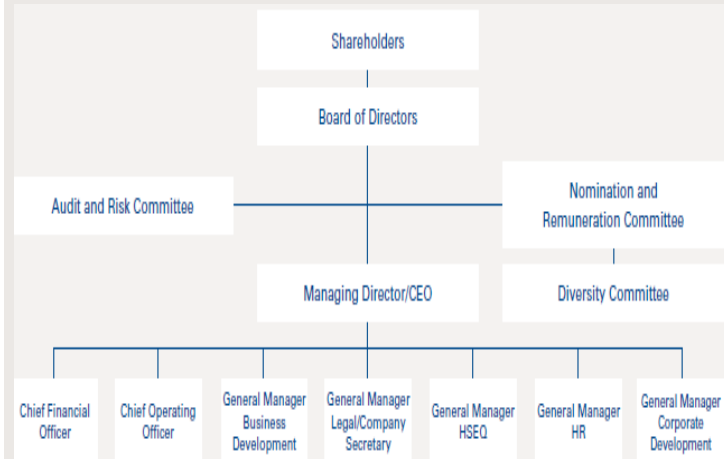
As mentioned above, the Company announced at its 2015 Annual General Meeting that Mr Bradley will retire as a director at the 2016 Annual General Meeting. Following Mr M Bradley's retirement, the Board will comprise of five Directors – being four Non-Executive Directors and one Executive Director (the Managing Director). Given the overall performance of the Company and current market conditions, the Board is not intending to appoint a replacement Director at this stage.

**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, association 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, association 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 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 M Bradley | Non-Executive Director            | 2000                | 16 years         |
| Mr A Howarth | Non-Executive Director (Chairman) | 2001                | 15 years         |
| Mr J Weber   | Managing Director/CEO             | 2002                | 14 years         |
| Mr A Edwards | Non-Executive Director            | 2009                | 6 years          |
| Ms E Howell  | Non-Executive Director            | 2012                | 4 years          |





Mr CG Heng    Non-Executive    2012    4 years  
Director

**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 3<sup>rd</sup> Edition ASX 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 3<sup>rd</sup> Edition ASX 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.

Of the six current Board members, the following five Directors are considered by the Board to be independent:

**Mr A Howarth**

Chairman, Non-Executive Director

**Mr M Bradley**

Non-Executive Director

**Mr A Edwards**

Non-Executive Director

**Ms E Howell**

Non-Executive Director



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|--|--|----------|
|  | <p><b>Mr CG Heng</b></p> <p>Non-Executive Director</p> <p>Mr J Weber, the Managing Director, is not considered by the Board to be independent.</p> <p>In assessing the independence of each Director, and in line with Box 2.3 and the commentary to Recommendation 2.3 of the 3<sup>rd</sup> Edition ASX Recommendations, the Board also considers the length of service of each Director (with any tenure in excess of 10 years needing further scrutiny in line with best governance practice). The Board considers that no Director has been a Director of the Company for such a period that their independence may have been compromised.</p> <p>The Board considers that the length of time that Mr Howarth and Mr Bradley have been on the Board does not have an adverse impact on each Director's ability to bring an independent judgement to bear in decision-making. In assessing independence, the Board also has regard to the individual character of each director. Both Mr Howarth and Mr Bradley are fiercely independent by nature, have served on the Board with great distinction and have the ongoing support and respect of all of their fellow Board members. In addition, the Board considers that having some Directors who have served on the Board for longer periods helps to ensure continuity of corporate knowledge and experience – especially during difficult market conditions.</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 Chairperson of the Company 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 Company is elected from the independent Non-Executive Directors.</p> <p>Mr Howarth, the Company's current serving Chairman, is considered by the Board to be independent (having regard to the relationships affecting independent status described in Box 2.3 of the 3<sup>rd</sup> Edition ASX Recommendations and other facts, information and circumstances that the Board considers relevant).</p> <p>The Chairman of the Company is not the same person as the Managing Director. Further information about the Chairman, Mr Howarth, can be found on page 28 of our 2016 Annual Report.</p>  | <p>✓</p> |
| <p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new</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</p>  | <p>✓</p> |



directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively

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.

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.

The Director Induction Program also includes site visits to all of the Company's key operational centres. On an ongoing basis, Directors are provided with papers, presentations, briefings and articles on matters which may affect the business or operations of the Company.

Consistent with Recommendation 2.6 of the 3<sup>rd</sup> Edition ASX Recommendations, and in addition to the formal induction program, Directors are provided with continuing education and professional development opportunities to develop and maintain their skills and knowledge needed to perform their role as directors effectively, including visits to the Company's operational centres, meetings with industry experts, local and international stakeholders and clients.

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.

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.

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 Chairman of the Audit and Risk Committee.



**PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY**

| Recommendation   | Compliance and explanation  | Complies      |  |                               |  |                  |   |          |
|--|---|---------------|--|-------------------------------|--|------------------|---|----------|
| <p><b>Recommendation 3.1</b></p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it</p> | <p><b>Our values</b></p> <p>MMA’s vision is underpinned by our three key values, namely: our <b>people</b>, our <b>customer relationships</b> and <b>team work</b>.</p> <table border="1" data-bbox="512 674 1214 1193"> <tr> <td data-bbox="518 683 715 835"><b>People</b></td> <td data-bbox="721 683 1208 835">We will provide a workplace built on trust, cooperation and mutual respect where our people care about their safety and the safety of those around them.</td> </tr> <tr> <td data-bbox="518 844 715 1032"><b>Customer Relationships</b></td> <td data-bbox="721 844 1208 1032">We will understand our customers’ requirements by building long-term collaborative relationships. We will provide safe and proactive solutions that deliver beyond expectations.</td> </tr> <tr> <td data-bbox="518 1041 715 1184"><b>Team work</b></td> <td data-bbox="721 1041 1208 1184">We will share knowledge, resources and services across our business. We will work together as one team to achieve our common goals.</td> </tr> </table> <p>Further information about our vision and values can be found under the “Vision, Mission &amp; Values Statement” tab of our website at <a href="http://www.mmaoffshore.com.au/company/vision_mission_values_statement.phtml">www.mmaoffshore.com.au/company/vision_mission_values_statement.phtml</a>.</p> <p><b>Code of Conduct</b></p> <p>In line with MMA’s vision and values, 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 <a href="http://www.mmaoffshore.com/company/corporate_governance.phtml">www.mmaoffshore.com/company/corporate_governance.phtml</a>).</p> <p>The Company encourages the reporting of unlawful and unethical behaviour, actively promotes and monitors compliance with the Code of Conduct, and protects those who report breaches in good faith.</p> <p>The Code of Conduct provides protection to whistle-blowers, as required by the Corporations Act. Under the Code of Conduct, whistle-blowers are protected from any disadvantage, prejudice or victimisation for reports made in good faith of any breaches of the Code of Conduct or the Corporations Act.</p> <p>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</p> | <b>People</b> | We will provide a workplace built on trust, cooperation and mutual respect where our people care about their safety and the safety of those around them. | <b>Customer Relationships</b> | We will understand our customers’ requirements by building long-term collaborative relationships. We will provide safe and proactive solutions that deliver beyond expectations. | <b>Team work</b> | We will share knowledge, resources and services across our business. We will work together as one team to achieve our common goals. | <p>✓</p> |
| <b>People</b>  | We will provide a workplace built on trust, cooperation and mutual respect where our people care about their safety and the safety of those around them.  |               |  |                               |  |                  |   |          |
| <b>Customer Relationships</b>  | We will understand our customers’ requirements by building long-term collaborative relationships. We will provide safe and proactive solutions that deliver beyond expectations.  |               |  |                               |  |                  |   |          |
| <b>Team work</b>   | We will share knowledge, resources and services across our business. We will work together as one team to achieve our common goals.   |               |  |                               |  |                  |   |          |



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.

**PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING**

| 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>(2) is chaired by an independent director who is not the chair of the board, 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; or</p> <p>(b) if it does not have an audit committee, disclose the fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the</p> | <p>We have an Audit and Risk Committee that comprises of the following members:</p> <p><b>Mr A Edwards (Chairman)</b></p> <p>Independent, Non-Executive Director</p> <p><b>Mr A Howarth</b></p> <p>Independent, Non-Executive Director</p> <p><b>Mr M Bradley</b></p> <p>Independent, Non-Executive Director</p> <p><b>Ms E Howell</b></p> <p>Independent, Non-Executive Director</p> <p>As announced at the Company's 2015 Annual General Meeting, Mr Bradley has given notice of his intention to retire as a director at the 2016 Annual General Meeting. Following his retirement, the Audit and Risk Committee will comprise of three members.</p> <p>As at the date of this Statement (and throughout FY2016), the Audit and Risk Committee comprised solely of Non-Executive Directors all of whom are independent and the Chair of the Audit and Risk Committee is an independent, Non-Executive Director who is not the Chair of the Board.</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/company/corporate_governance.phtml">www.mmaoffshore.com/ company/corporate_governance.phtml</a>.</p> <p>Details of the number of meetings held by the Audit and Risk Committee during FY2016 and the attendance at those meetings are set out in the Directors' Report on page 39 of our 2016 Annual Report. Information of the qualifications of each member of the Audit and Risk Committee can also be found in the Board of Directors section on pages 28 – 29 of our 2016 Annual Report.</p> | <p>✓</p> |



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| <p>processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner</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 2016, 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 reports 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>○ that 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 3<sup>rd</sup> Edition ASX Recommendations, similar assurances are provided to the Board for the Company's half year financial statements and report.</p> | <p style="text-align: center;">✓</p> |
| <p><b>Recommendation 4.3</b></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit</p>   | <p>The Company's external audit function is performed by Deloitte Touche Tohmatsu (<b>Deloitte</b>). As they have done in the past, representatives of Deloitte will attend the Company's AGM and are available to answer shareholder's questions about the conduct of the audit and the preparation and content of the auditor's report.</p> <p>In addition to shareholders being able to ask questions at the Company's AGM, shareholders may also submit any written questions for the external auditor to the Company Secretary prior to the Company's AGM.</p>   | <p style="text-align: center;">✓</p> |



**PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE**

| Recommendation  | Compliance and explanation  | Complies |
|---|---|----------|
| <p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it</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/company/corporate_governance.phtml">www.mmaoffshore.com/company/corporate_governance.phtml</a>.</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 Senior Executives – this can be found under the “About Us” and “Board, Executive &amp; Senior Management” tabs in the Company section of our website.</p> <p>We have a central “Corporate Governance” page on our website from where all key corporate governance information can be accessed, including the Company’s Constitution, Board Charter, Board Committee Charters and copies of the other corporate governance policies referred to in this Statement.</p> <p>We also 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 investor/analyst briefings.</p> | ✓        |
| <p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate 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.</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 have scheduled ad hoc interactions with institutional investors, private investors and analysts, including investor road shows and briefings following the</p>   | ✓        |





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|  | <p>release of our half year and full year financial results. The presentation materials provided at these events are uploaded to the “Investor Centre” section of our website.</p> <p>We also 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 on our website and a 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; and</li><li>○ 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></p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage 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 Board and Managing Director on Company performance and objectives, ask questions on important issues, and vote on Board recommendations.</p> <p>The Chairman’s and Managing Director’s AGM addresses are announced to the market and posted on the Company’s website either before or as soon as practicable after the AGM. Further, shareholders are invited to submit questions in advance of the</p>  | <p>✓</p> |



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|   | <p>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. 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 direct online voting service facilitated by Computershare.</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 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 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 way shareholders can communicate directly with the Company is through our online enquiry form on our website (discussed above) – which can be found under the "Contacts" tab of our website at <a href="http://www.mmaoffshore.com/contact/contact_details.phtml">www.mmaoffshore.com/contact/contact_details.phtml</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>   | <p>✓</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>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; or</p> <p>(b) If it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework</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 review of the effectiveness of the Company's internal control system and risk management process, to the Audit and Risk Committee.</p> <p>Details about the Audit and Risk Committee, its composition and membership and the number of meetings held during the FY16 are set out above in response to Recommendation 4.1.</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</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>   | ✓        |



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| <p>continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place</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>We have a dedicated Risk and Assurance Manager who is responsible for:</p> <ul style="list-style-type: none"><li>○ reviewing and improving the Company’s risk management framework;</li><li>○ providing risk management support and guidance to ensure the effective implementation of the risk management framework; and</li><li>○ developing risk management capability across the Company.</li></ul> <p>The Company’s Risk and Assurance Manager reports directly to the Audit and Risk Committee under the Company’s Risk Management Policy.</p> <p><b>Risk Management Policy</b></p> <p>The Board has approved a 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 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>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/company/corporate_governance.phtml">www.mmaoffshore.com/company/corporate_governance.phtml</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>In 2016, both the Audit and Risk Committee and the Board have reviewed the Company’s Risk Management Framework and Risk Appetite Statement and are satisfied that Management have developed and implemented a sound system of risk management.</p> <p>As part of the annual review, an internal audit of the Risk Management Framework implementation was carried out by PwC. PwC’s findings enhanced the risk documents and risk review process and led to the consolidation and streamlining of identified risks (where appropriate). The Company also uses a risk</p> |
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|   | management software tool to better capture and extract the risk data.  |   |
| <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 risk management and internal control processes</p> | <p>We have a formal Internal Audit function which reports directly to the Audit and Risk Committee and has access to the Audit and Risk Committee at all times.</p> <p>The role of the Internal Audit function is to provide the Board and management with independent and objective assurance on the effectiveness of the Company's governance, risk management and internal control processes. The Internal Audit function is responsible for providing an appraisal of the adequacy and effectiveness of the Company's risk management and internal control system.</p> <p>The Risk and Assurance Manager is responsible for overseeing the Risk function and the Internal Audit function reporting directly to the General Manager Legal / Company Secretary. The merging of these two functions recognises the value in leveraging the synergies between Risk and Internal Audit.</p> <p>To safeguard against any conflicts of interest caused by the combined functions, the specific management of risk (as opposed to the role of supporting and facilitating the risk management framework) remains with the Board and Senior Management.</p> | ✓ |
| <p><b>Recommendation 7.4</b></p> <p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks</p>  | <p>The Company's material business risks (including any material exposure to economic, environmental or social sustainability risks) and how it seeks to manage these risks, is discussed in the Risks section of our 2016 Annual Report at pages 14 - 15.</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; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive</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 FY2016 are set out above in response to Recommendation 2.1.</p> | ✓        |
| <p><b>Recommendation 8.2</b></p> <p>A listed entity should</p>  | <p>The Company's Remuneration Policy is focused on driving a performance culture within the MMA Group by linking key</p>   | ✓        |



separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives

management personnel remuneration to the achievement of the Company's strategic and business objectives, and ultimately, increasing shareholder value.

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 [www.mmaoffshore.com/company/corporate\\_governance.phtml](http://www.mmaoffshore.com/company/corporate_governance.phtml).

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 market remuneration. Other than statutory superannuation, Directors are not entitled to retirement allowances.

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).

Given the overall performance of the Company and current market conditions, there was no short-term incentive plan for the Managing Director and Senior Executives during the 2016 financial year. Once again, the Board has exercised its discretion that there will be no short-term incentive plan for the Managing Director and Senior Executives for the 2017 financial year.

Long-term incentives for the 2016 financial year comprised the grant of performance rights with a three year performance hurdle based on the achievement of identified share price target(s) and total shareholder returns. Shareholder approval was obtained for the grant of the performance rights to the Managing Director.

The Board exercises its discretion to grant performance rights commensurate with the overall performance of the Company.



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|  | <p>The Board has exercised this discretion not to grant performance rights to the Managing Director and Senior Executives for the 2017 financial year.</p> <p>Further details of the performance review process for the Managing Director and Senior Executives are set out in the Remuneration Report of our 2016 Annual Report.</p> <p>Under the relevant Plan Rules, the Board retains an absolute discretion whether or not to make an award under the long-term incentive plan, even if the performance conditions have been satisfied. Included within this discretion is the Board's ability to defer, reduce or cancel either the short-term incentive or the long-term incentive if required in the circumstances.</p> <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 and the relationship between remuneration and Company performance,</li></ul> <p>are set out in the Remuneration Report on pages 40 – 52 of our 2016 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/company/corporate_governance.phtml">www.mmaoffshore.com/company/corporate_governance.phtml</a>.</p> <p>The Company's Share Trading Policy prohibits persons participating in an equity-based remuneration scheme from entering into transactions which limit the economic risk of participants in that scheme.</p>   | <p>✓</p> |

19 September 2016