



ACN 105 665 843

**NOTICE OF
ANNUAL GENERAL MEETING
2016**

Date of Meeting

Tuesday 30 August 2016

Time of Meeting

10.00 am (WST)

Place of Meeting

404 Orrong Road,
Welshpool, Western Australia 6106



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2016 Annual General Meeting of Shareholders of Neptune Marine Services Limited ACN 105 665 843 will be held at 404 Orrong Road, Welshpool, WA 6106 on **Tuesday 30 August 2016** commencing at **10:00 am (WST)**.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the AGM. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

BUSINESS OF THE MEETING

Financial Reports of the Directors and Auditors

To receive and consider the Financial Report together with the Directors' Report and the Auditor's Report for the Company and its controlled entities for the year ending 31 March 2016.

Shareholders will be given a reasonable opportunity to ask questions about or make comments on the management of the Company, the Remuneration Report and the audit.

Resolutions

1. **Resolution 1 – Adoption of the Remuneration Report**

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

"For the purpose of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report for the period ended 31 March 2016 be adopted."

2. **Resolution 2 – Retirement by Rotation and Re-Election of Director – Mr. Dominic Siu**

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

"Pursuant to clause 67 of the Company's Constitution and for all other purposes, Mr. Dominic Siu is re-elected as a Director of the Company."

3. **Resolution 3 – Retirement by Rotation and Re-Election of Director – Mr. Peter Wallace**

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

"Pursuant to clause 67 of the Company's Constitution and for all other purposes, Mr. Peter Wallace is re-elected as a Director of the Company."



Voting Exclusion Statement

The following voting exclusion statement applies to the Resolution under the Listing Rules or, where applicable, the provisions of the Corporations Act, to the persons listed in the table below ("**Excluded Persons**"). The Company will disregard any votes on the following Resolutions cast by the following Excluded Persons and Associates of those Excluded Persons:

Resolution No.	Title	Excluded Persons
1	Adoption of Remuneration Report	A member of the KMP, or a closely related party of the KMP, whose remuneration details are included in the remuneration report for the year ended 31 March 2016.

However, the Company need not disregard a vote in relation to Resolutions 1 if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Chairman intends to direct all available proxies in favour of Resolution 1.

Entitlement to vote

The Board has determined that for the purposes of the Corporations Act, the persons eligible to vote at the Meeting will be those persons who are registered as Shareholders at 5:00 pm (WST) on Sunday 28 August 2016. Accordingly, transfers of any Shares registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxies

A Shareholder who is entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on their behalf and should use the Proxy Form accompanying this Notice of Meeting. Instructions for completing the Proxy Form are enclosed with this Notice of Meeting.

Corporate representatives

Any corporate Shareholder may appoint a person to act as its representative at the Meeting. The representative should bring to the Meeting evidence of this appointment, including any authority under which the appointment is signed, unless it has previously been provided to the Company.

DATED THIS 11th DAY OF JULY 2016

BY ORDER OF THE BOARD

IAN HOBSON

COMPANY SECRETARY



EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at 404 Orrong Road, Welshpool WA 6106, commencing at **10.00 am WST on 30 August 2016**.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Annual General Meeting.

Financial Reports of the Directors and Auditors

The Corporations Act requires the Company to place its Financial Report, Directors' Report and Auditor's Report for the last financial year before the Annual General Meeting. No resolution is required for this item, but Shareholders will be given a reasonable opportunity to ask questions and to make comments on the reports and the management of the Company.

The Company's Auditor will be present at the meeting and Shareholders will be given a reasonable opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

The Company's 2016 Annual Report is available on the Company's website at www.neptunems.com.

Resolution 1 – Adoption of the Remuneration Report

In accordance with Section 250R(2) of the Corporations Act, the Company must put a resolution to vote at the Annual General Meeting that the Remuneration Report be adopted.

The Remuneration Report is the section of the Directors' Report under the heading "Remuneration Report" of the Company's 2016 Annual Report. The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

- board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of Directors, executives and senior managers of the Company;
- discussion of the relationship between such policy and the Company's performance; and
- the prescribed details in relation to the remuneration of each Director and certain Key Management Personnel.

The vote on the resolution for adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, if at least 25% of the votes cast on the resolution at the Annual General Meeting are against adoption of the Remuneration Report, then:

- if comments are made on the Remuneration Report at the Annual General Meeting, the Company's Remuneration Report for the financial year ending 31 March 2017 will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and



- if, at the Company's 2017 Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report for the 2016 financial year are against its adoption, the Company will be required to put to Shareholders a resolution proposing that a general meeting (**Spill Meeting**) be called to consider the election of Directors of the Company (**Spill Resolution**).

In that event, the Spill Meeting must be held within 90 days of the date of the 2017 Annual General Meeting. For any Spill Resolution to be passed, more than 50% of the votes cast on the resolution must be in favour of it. If a Spill Resolution is passed, all of the Directors (other than the Managing Director and any Director taking office since the Directors resolved to put the Directors' Report to that AGM) will cease to hold office immediately before the end of the Spill Meeting unless re-elected at that meeting.

An opportunity will be provided for discussion of the Remuneration Report at the meeting. In relation to the approval of the Remuneration Report of the Company for 2016, less than 25% of the votes cast on that resolution were against it.

The Chairman intends to vote all available proxies in favour of Resolution 1.

Directors' Recommendation

The Remuneration Report forms part of the Directors' Report which has unanimously been adopted by resolution of the Board. The Directors commend it to Shareholders for adoption.

Resolutions 2 & 3 – Retirement by Rotation and Re-Election of Directors – Mr Dominic Siu and Mr. Peter Wallace

Pursuant to clause 67 of the Company's Constitution and the Listing Rules, one-third of the Directors of the Company (rounded up to the nearest whole number) must retire each year. A Director who retires by rotation is eligible for re-election if they so choose.

Resolutions 2 & 3 seeks Shareholder approval for the re-election of Mr. Dominic Siu and Mr. Wallace as Directors of the Company.

Mr. Wallace has been a Director of the Company since July 2011. Mr. Wallace brings more than 40 years' experience to the Neptune Board from a range of appointments held within the banking and financial services industry, as well as a number of public and private company directorships. Prior to his retirement in 2007, Peter was the Head of Corporate Advisory Services (Western Australia) for Bell Potter Securities Ltd, Australia's largest retail broking house. Over the past 25 years he has also held executive management positions with Westpac Banking Corporation, Challenge Bank Ltd and National Australia Bank Ltd.

Mr. Wallace has considerable public company experience having held directorships previously with Tethyan Copper Ltd and Decmil Engineering Ltd. He is currently a director of HBF Health Ltd, Katana Investments Limited and Goldfields Money Limited.

He is a Senior Fellow of the Financial Services Institute of Australia, a Fellow of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Management.



Directors' Recommendation

The Directors (other than Mr. Wallace who abstains given his personal interest in the resolution) recommend that Shareholders vote in favour of the re-election of Mr. Wallace.

Details of Mr. Dominic Siu's qualifications and experience are noted below:

Mr Siu graduated with a Bachelor of Civil and Structural Engineering (Honours) degree and is a Chartered Accountant qualified in the UK.

Mr Siu is the Group CFO of MTQ Corporation Limited. He is an experienced senior finance manager and has held senior finance positions in Greater China and South East Asia regions.

Directors' Recommendation

The Directors (other than Mr. Siu who abstains given his personal interest in the resolution) recommend that Shareholders vote in favour of the re-election of Mr. Siu.

GLOSSARY

AGM, General Meeting or Meeting means the annual general meeting of Shareholders convened for the purposes of considering the Resolutions.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as in the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or the market it operates known as the Australian Securities Exchange, as applicable.

Auditor means the auditor of the Company.

Auditor's Report means the auditor's report on the Financial Report.

Board or Board of Directors means the board of Directors of the Company.

Chair or Chairman means the person appointed the chair of the Meeting.

Closely Related Party has the meaning given in section 9 of the Corporations Act.

Company means Neptune Marine Services Limited ACN 105 665 843.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual Directors' report.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.



Financial Report means the annual financial report prepared under chapter 2M of the Corporations Act for the Company and its controlled entities.

Key Management Personnel or **KMP** means key management personnel as identified in the Remuneration Report for the financial year ended 31 March 2016.

Listing Rules means the Listing Rules of the ASX.

Notice of Meeting or Notice means the notice convening the Annual General Meeting accompanying this Explanatory Statement.

Proxy Form means a proxy form accompanying this Notice of Meeting.

Remuneration Report means the remuneration report of the Company contained in the Directors' Report.

Resolution means a Resolution to be considered at the AGM as contained in the Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a person registered as a holder of a Share.

WST means Australian Western Standard Time, Perth, Western Australia.

In this Notice and Explanatory Notes words imparting the singular include the plural and vice versa.



Instructions for Completing 'Appointment of Proxy' Form

1. A Shareholder who is entitled to attend and vote at an Annual General Meeting is entitled to appoint a proxy to attend and vote on their behalf and should use the Proxy Form accompanying this Notice of Meeting.
2. A Shareholder who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints two proxies and the appointment does not specify this proportion or number of the Shareholder's votes each proxy may exercise, section 249X of the Corporations Act will take effect so that each proxy may exercise half of the votes (ignoring fractions).
3. A duly appointed proxy need not be a Shareholder of the Company and can be an individual or a body corporate.
4. A body corporate appointed as a Shareholder's proxy may appoint a representative to exercise any of the powers the body may exercise as a proxy at the Meeting. The representative should bring to the Meeting evidence of this appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.
5. The proxy form must be signed and dated by the Shareholder or the Shareholder's attorney. In the case of joint Shareholders, each joint Shareholder must sign.
6. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed:
 - 6.1 by 2 directors of the company;
 - 6.2 by a director and a company secretary of the company; or
 - 6.3 for a proprietary company that has a sole director who is the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

7. Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the meeting.



8. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
9. You can direct your proxy how to vote on each Resolution by completing **STEP 2** on the Proxy Form.
10. If you appoint the Chairman as your proxy by marking the box in **STEP 1** on the Proxy Form then you are providing express authorisation for the Chairman to vote on Resolution 1 in accordance with his intentions as set out in this Notice and the Proxy Form (except where you have indicated a different voting intention by marking the voting boxes in **STEP 2** on the Proxy Form).

This express authorisation acknowledges that the Chairman may exercise your proxy in relation to Resolution 1 even though this Resolution is connected with the remuneration of KMP.

11. If you appoint a KMP other than the Chairman at **STEP 1**, and do not complete **STEP 2**, your vote will not be counted in respect of Resolution 1.
12. The Chairman intends to vote available proxies in favour of all Resolutions.
13. To vote by proxy, please complete and sign the Proxy Form enclosed and send:
 - 13.1 by post to Neptune Marine Services Limited C/- Computershare Investor Services Pty Ltd, GPO Box 242, Melbourne VIC 3001 ; or
 - 13.2 by facsimile to: 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

so that it is received not later than 10.00 am WST on 28 August 2016. **Proxy Forms received later than this time will be invalid.**