

The West Australian

Home Latest News Sport Business Politics Opinion Lifestyle Entertainment

< BOARDS

Devil of a corporate sting in MMA detail

Ben Harvey, Comment

🕒 Tuesday, 26 September 2017 9:47AM



MMA Offshore chairman Tony Howarth has been the target of a stinging rebuke. Picture: Picture: Ben Crabtree

Reading the announcements to the Australian Securities Exchange posted by MMA Offshore yesterday, you would be forgiven for thinking the company had got out of bed and decided it was a good day to spring clean the boardroom.

The first announcement, entitled “Board Renewal Program”, noted the company formerly known as Mermaid Marine had “accelerated its Board renewal program”.

Advertisement

“MMA is on the pathway to recovery from the oil and gas sector downturn and it is clear that the time is right for board renewal,” chairman Tony Howarth said, in very proactive, lead-from-the-front language.

“I am particularly pleased with the addition of Peter Kennan to the company’s board of directors and the opportunity for a smooth succession of the chairmanship to Andrew Edwards.”



Michael Kum

Sounds like a good example of smooth, stable corporate governance, huh?

Howarth included an odd rider: “If the acceleration of this board renewal assists with the company’s dealings with Halom, it will have an added benefit for the company.”

Eh? Where did that come from? Who, or what, is Halom?

You had to read the next announcement by MMA for more clues.

Not that anybody would have — how interesting could an ASX statement be when its title is “MMA Offshore Limited Receipt of s249N and s203D Notices”?

Well, quite interesting, it turns out.

MMA said in that post it had “received correspondence from substantial shareholder Halom Investments giving notice that it intends to move the attached resolutions at the next general meeting of the company”.

“Who, or what, is Halom? You had to read the next announcement by MMA for more clues.”

What a happy coincidence that MMA had decided to accelerate its board renewal program on exactly the same day as a shareholder owning 18.09 per cent of the stock urged a spill of directors!

MMA was selective with what they attached, noting that the four resolutions put forward by Halom would have the effect of replacing Howarth and managing director Jeff Weber with Jeff Mews and Ajaib Hari Dass.



Freeze a low rate today, then relax tomorrow

Yellow Brick Road Sponsored

The selective quoting of Halom was understandable. It was a harrowing read.

“As chairman and CEO respectively, Tony Howarth and Jeff Weber have presided over ... a collapse in MMA’s market capitalisation of A\$882 million, equating to a significant share price decline from A\$4.076 on 28 February 2013 to A\$0.185 on 11 September 2017.

“Total reported losses of \$522 million over the past two financial years, with high prospects of further losses being incurred in FY18. A remuneration regime that remains excessive (notwithstanding recent changes) and not commensurate with challenging market conditions and MMA’s substantial losses.”

Ouch.

Halom went on to blast MMA’s debt levels and liquidity, accuse management of starting a fire sale of vessels and strategic assets and lacking strategic direction.

MMA says it was blindsided by Halom, which threw a hand grenade without proposing a solution.

Halom says MMA had been warned before but did not address the major shareholder’s concerns.

There is one thing for certain in this mess: shareholders aren’t going to emerge richer from the experience but Moelis & Company, Deloitte, Pareto Securities and Ashurst, who all have their snouts in this trough, certainly will.

TOPICS

Boards

CEOs

Contracting

SHARE

Advertisement

7News Update

Warm weekend for Perth before rain returns

Police to step up search for missing woman

Brought to you by **7NEWS**

RELATED STORIES



Head of the class

Buckingham to take reins from Jones at Navitas



'Unfinished business'

Cole chosen to power Synergy as Labor drops Rowe



18 month job

Decmil wins \$60m Victorian road work



Staying put

Troy duo survive dissident's bid for board shake-up

| THE WEST NETWORK

[West Classifieds](#)
[The Game](#)
[West Benefits](#)
[Airline Ratings](#)
[Seven West Travel Club](#)
[West Announcements](#)
[WestBusiness Events](#)
[Jobfinder](#)
[West Competitions](#)
[Media Education](#)
[Quokka](#)
[RSS Feeds](#)

| OUR PARTNERS

[Starts at 60](#)
[Airtasker](#)
[iSeekPlant](#)
[HealthEngine](#)
[Impulse Screen](#)

| SUBSCRIBE TO

[The West Australian Newspaper](#)
[The West Email Newsletters](#)
[The West Digital Edition](#)

[Contact Us](#)
[Frequently Asked Questions](#)
[Editorial Policy](#)
[Editorial Complaints](#)
[Place an Ad in the Classifieds](#)
[Advertise in The West](#)
[Corporate](#)
[Work for Us](#)

The West Australian

© The West Australian and [Seven West Media \(WA\)](#). All rights reserved.

[Privacy Policy](#) [Terms & Conditions](#)