Risk Factors

You should consider carefully the following risks and all of the other information set forth in this Consent Solicitation Statement, before casting your vote in favour of or against the Extraordinary Resolution proposed at the Meeting. The risk factors set out below do not purport to be complete or comprehensive of all the risks that may be involved in the business, financial condition, results of operations and/or prospects of the Issuer or the Group or any decision in respect of the Proposal. Additional risks which the Issuer is currently unaware of may also impair the business, financial condition, results of operations and/or prospects of the Issuer or the Group. If one or more of the following risks actually occur, the business, financial condition, results of operations of the Issuer or the Group, or the Issuer's ability to make interest and/or principal payments, instalment payments, or redeem the Notes under the Proposal could be materially adversely affected. In that event, you may lose all or part of your investment in the Notes.

Noteholders should not rely on the information set out herein as the sole basis for any decision in relation to the Proposal but should seek appropriate and relevant advice concerning the appropriateness of a decision in relation to the Proposal for their particular circumstances.

1. Risks Relating to the Group

There may be a substantial doubt about the Group's ability to continue as a going concern.

There cannot be any assurance that the Issuer or the Group will be able to continue as a going concern. The Issuer's unaudited consolidated financial statements as of and for the fiscal year ended 30 June 2016 have been prepared on the assumption that the Issuer will continue as a going concern. The Issuer's independent auditor has not completed its audit of the Issuer's consolidated financial statements as of and for the fiscal year ended 30 June 2016. There cannot be any assurance that the Issuer's auditor will issue an unqualified audit report on the Issuer's consolidated financial statements as of and for the fiscal year ended 30 June 2016 or that the audit report will not raise substantial doubt regarding the Issuer's or the Group's ability to continue as a going concern.

The Issuer has experienced and expects to continue to experience net losses.

The Group experienced net losses of AU$193.2 million (unaudited) as of and for the fiscal year ended 30 June 2016, principally as a result of impairments amounting to AU$137.1 million. There cannot be any assurance that the Issuer will not incur additional impairments or net losses in the future, or that the net loss will not further increase when the audit is completed or in the future, or that the Issuer will generate positive cash flow or achieve or sustain profitability in the future. Please refer to "Appendix E – Financial Statements and Dividend Announcement for the Fourth Quarter and Twelve Months Ended 30 June 2016" for a further discussion of the Issuer's results of operations and financial condition as of and for the fiscal year ended 30 June 2016.

The Issuer expects to be highly leveraged for the next several years and may not be able to generate sufficient cash flows to meet its debt service obligations, including payments under the Notes.

The Issuer is highly leveraged and has significant short-term liquidity requirements. As of 30 June 2016, the Issuer had approximately AU$123.3 million of current borrowings (principally comprising the Notes) and AU$14.4 million in non-current borrowings. If the Issuer successfully implements its restructuring pursuant to the Proposal, the Issuer will continue to have substantial indebtedness and expects to reclassify the outstanding principal amount of the Notes from current borrowings to non-current borrowings. In addition, the Issuer may incur additional bank borrowings.

This substantial indebtedness will have important consequences for the Issuer's creditors and shareholders. The Issuer will require substantial cash flow to meet its obligations under the restructured indebtedness, including the Notes. Therefore, a substantial part of its cash flow from operations will not be available for its business. The Issuer's substantial indebtedness could adversely affect its results of operations and could have important consequences for Noteholders and for the Group, including but not limited to:

- limiting the Group's ability to obtain necessary financing in the future for working capital, capital expenditures, debt service requirements or other purposes;
- requiring a substantial portion of the Group's cash flow from operations to be used for payments on its debt and therefore reducing its ability to reinvest its cash flow from operations in its business;
- limiting the Group's flexibility in planning for, or reacting to changes in its business and its ability to take advantage of future business opportunities;
- placing the Group at a competitive disadvantage to certain of its competitors with less indebtedness or greater resources; and
- limiting the Group's ability to react to changing market conditions, changes in the industries that it does business in or economic downturns.

The occurrence of any one of these events could have a material adverse effect on the Issuer's business, financial condition, results of operations, prospects, and its ability to satisfy its obligations under the Notes and any of its other indebtedness.

The Issuer's ability to service its debt will depend on its future performance, which, in turn, depends on the successful implementation of its strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for the Group's services, costs of raw materials and other factors specific to industry or specific projects, many of which are beyond the Issuer's control. The Issuer may not be able to generate sufficient cash flow from operations and future sources of capital may not be available to the Issuer in an amount sufficient to enable it to service its indebtedness, including the Notes, or to fund its other liquidity needs.

If the Issuer is unable to generate sufficient cash flow and capital resources to satisfy its debt obligations or other liquidity needs, it may have to undertake alternative financing plans, which may not be available on commercially reasonable terms or at all. Therefore, the Issuer could face substantial liquidity problems and might be required to dispose of material assets or operations to meet its debt service and other obligations. The Issuer's credit facilities and the Trust Deed relating to the Notes contain restrictions on the Issuer's ability to dispose of assets and the use of the proceeds of such disposition. The Issuer may not be able to consummate any dispositions or the proceeds from such disposition may not be adequate to meet any debt service obligations then due.

Claims of existing secured creditors of the Issuer will have priority with respect to their security over the claims of unsecured creditors, such as Noteholders, to the extent of the value of the assets securing such indebtedness.

All of the Issuer's bank credit facilities are secured. Claims of the secured creditors of the Issuer will have priority with respect to the assets securing their indebtedness over the claims of Noteholders. Therefore, the Notes will be effectively subordinated to any secured indebtedness and other secured obligations of the Issuer to the extent of the value of the assets securing such indebtedness or other obligations.

In the event of a foreclosure, winding up, liquidation, judicial management, receivership or other insolvency proceedings of the Issuer, holders of secured indebtedness will continue to have prior claims to the assets of the Group that constitute their collateral. Noteholders will participate on a *pari passu* basis with all other holders of the unsecured indebtedness of the Issuer based on the respective amounts owed to each holder or creditor, in the remaining assets of the Issuer.

If any of the secured indebtedness of the Issuer becomes due or the creditors thereunder proceed against the assets that secure such indebtedness, the Issuer's assets remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the Notes. As a result, Noteholders may receive less than holders of secured indebtedness of the Issuer.

Forward looking statements may not be realised.

This Consent Solicitation Statement contains forward-looking statements that relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These forward-looking statements and information are based on the beliefs of the Issuer's management as well as assumptions made by and information currently available to it. These forward-looking statements may be identified by terms such as "expects", "believes", "plans", "intends", "estimates", "anticipates", "may", "will", "would" and "could" or similar words. However, it should be noted that these words are not the exclusive means of identifying forward-looking statements.

All statements regarding the Issuer's expected financial position, business strategy, debt restructuring, plans and prospects are forward-looking statements. These forward-looking statements, including statements as to:

- the Issuer's future revenue, profitability, results of operations and financial condition;
- the Issuer's ability to successfully restructure its outstanding indebtedness and other liabilities;
- the Issuer's ability to continue operations as a going concern;
- the Issuer's expectations of the resolution of pending litigation and claims in connection with its business and in connection with Port Melville;
- the Issuer's plans, objectives or goals, including those related to products or services and those related to cost reductions;
- expected growth in consumer demand, regional production capacity and competition;
- other expected industry trends, including trends in the pricing of the Group's services;
- assumptions underlying such statements; and
- other matters discussed in this Consent Solicitation Statements, statements made in announcements made through SGXNET and press releases and oral statements that may be made by the Issuer or the Issuer's officers, directors or employees or agents acting on the Issuer's behalf,

are only predictions.

By their very nature, forward-looking statements involve known and unknown inherent risks, uncertainties and other factors, both general and specific, that may cause the Issuer's actual results, performance or achievements or events affecting the Group to be materially different from any future results, performance, achievements or events expressed or implied by such forward-looking statements. These risks, uncertainties and other factors include, among others, the following:

- the effects of the restructuring of the Group's indebtedness and other liabilities and obligations on its business and operations;
- actions of creditors and shareholders of the Issuer and its subsidiaries;
- future claims and litigation which may be asserted against the Issuer and its subsidiaries;
- changes in political, social and economic conditions and the regulatory environment in the jurisdictions in which the Group operates;
- terrorist attacks;
- changes in currency exchange rates;
- growth strategies for and the success of the Group's marketing initiatives;

- changes in market prices for the Group's services;
- changes in the availability and prices of raw materials that the Group needs to provide its services;
- changes in customer preferences;
- changes in competitive conditions and the Group's ability to compete under these conditions;
- changes in the Group's future capital needs and the availability of financing and capital to fund these needs; and
- other factors beyond the Issuer's control.

It should be noted that the foregoing list of important risks and uncertainties is not exhaustive. Given the risks and uncertainties that may cause the Issuer's actual future results, performance or achievements or events affecting the Issuer to be materially different than expected, expressed or implied by the forward-looking statements in this Consent Solicitation Statement, we advise you not to place undue reliance on those statements. There is no representation or warranty that the Issuer's actual future results, performance or achievements or expected events affecting the Group will be as discussed in those forward-looking statements. In addition, those forward-looking statements speak only as of the date on which they are made, and the Issuer does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

2. Risks if the Extraordinary Resolution is Not Passed

The Issuer will continue to be in default on the Notes and may be in default on substantially all of its other existing indebtedness.

If the Extraordinary Resolution is not passed in the Consent Solicitation, the Notes will continue to be in default, and the Issuer will likely not be in a position pay any interest on, or repay the principal of, any of the Notes. Such default may also trigger cross default and/or cross acceleration clauses in the Issuer's loan agreements relating to a substantial amount of the Issuer's other indebtedness that may allow the creditors to accelerate repayment on such other indebtedness, and enforce on the Issuer's assets that constitute those creditors' security for their respective indebtedness. It is unclear whether Noteholders will be able to recover any or all of their investments in the Notes in such circumstances.

As mentioned above, secured creditors may enforce / foreclose on the assets over which security interests have been granted. Noteholders and other unsecured creditors may also commence litigation against the Issuer and its subsidiaries, which may adversely affect the Issuer's ability to meet its obligations under the Notes, and which could also materially and adversely affect its business, financial condition, results of operations and prospects. Judgments obtained against the Issuer and its subsidiaries from such litigation could also be enforced against the unsecured assets of the Issuer and its subsidiaries.

The Issuer would also, in all likelihood, be unable to pay its debts as they fell due, and hence deemed insolvent. In addition to the abovementioned risks of default, acceleration, enforcement and litigation, the Issuer would also be susceptible to issuances of statutory demands from its creditors, as well as winding up or judicial management proceedings being taken out against it by those creditors.

Noteholders may not realise any recovery if the Notes are accelerated.

If the Notes are accelerated and a demand is made on the Issuer to make payment of all amounts due under the Notes, it is likely that the Issuer would not be able to make such payment. Consequently, if a judicial manager or a liquidator is appointed with respect to the Issuer, there are likely to be various consequences that would make it more likely for Noteholders to recover less than what Noteholders would have recovered if the Extraordinary Resolution had been passed.

For example, it is likely that customers of the Group will begin to terminate contracts with the Group that are in effect, the Group would likely be subject to various liquidated damages, the Group would find it more difficult to collect its accounts payables, and the Group's contingent liabilities would likely crystalise. In addition, it would be difficult to sell the Group's assets at commercially reasonable prices and terms.

Any appointment of a judicial manager or liquidator would also create a new class of creditors that do not currently exist, including financial advisory, banking, liquidation, accounting, legal and other professionals that would be involved in any judicial management and liquidation proceedings.

In addition, judicial management and liquidation proceedings make take a substantial time period to complete before payments to the creditors (if any) are declared, and there is no assurance that Noteholders would be able to recover in a reasonable time period all amounts, or a reasonable amount due to Noteholders, or at all.

The possible returns to Noteholders resulting from the winding up of the Issuer and its subsidiaries is likely to be significantly less than the Proposed Terms.

Any of the Issuer's creditors may institute winding up proceedings to recover the debts owed to them. Other than the Noteholders, the Issuer's largest bank creditor has granted various loans and other financings that are secured over various assets of the Issuer. See "Appendix E – Financial Statements and Dividend Announcement for the Fourth Quarter and Twelve Months Ended 30 June 2016" for a summary of such security. Such bank and any secured creditor may foreclose upon the security and sell or otherwise deal with such secured assets in accordance with the terms of the security documents governing such security. Any sale of such assets in these circumstances is likely to be at a lower amount than the amount a seller would have were such sale to take place in circumstances where such seller is not in financial difficulties. Therefore, it is unlikely for there to be significant surplus funds available for distribution to unsecured creditors (including Noteholders) in a winding up of the Issuer and its subsidiaries that would enable such creditors (including Noteholders) to recover in full all amounts owing to such creditors (including Noteholders).

At the Issuer's request, KPMG has performed a liquidation analysis and prepared an "estimated outcome statement" to compare the financial results of the Proposed Terms against the possible returns to creditors resulting from the winding up of the Issuer and its subsidiaries. Based on KPMG's liquidation analysis using various line items from the Issuer's unaudited consolidated balance sheet as of 31 March 2016, the estimated recovery value to unsecured creditors in Singapore (including Noteholders) resulting from the winding up of the Issuer and its subsidiaries is approximately 23 per cent.

KPMG's liquidation analysis was based on numerous assumptions, including the value of various encumbered assets of the Group as of 31 March 2016 and 31 May 2016, the mid point of the valuation range prepared by RSM on Port Melville (see "Any proceeds from the sale of the Port Assets may be insufficient to repay all amounts due under the Notes." for further information on the valuation), estimates of professional fees payable upon a liquidation, and the amount of outstanding indebtedness of the Group as of 31 March 2016. In addition, the liquidation analysis does not take into account any redundancy costs and liquidated damages that the Group is likely to be subject to upon liquidation. Some of these assumptions may not be accurate at the time of any liquidation or winding up of the Issuer and its subsidiaries, and any sale of assets upon such winding up may be at prices that may be significantly lower than the value of the assets assumed in the liquidation analysis. Therefore, there should not be any undue reliance on KPMG's liquidation analysis.

3. Risks if the Extraordinary Resolution is Passed

The Extraordinary Resolution is binding on all Noteholders, including the waiver of all claims against the Issuer.

If passed, the Extraordinary Resolution will be binding on all Noteholders, even if a Noteholder did not vote for the Extraordinary Resolution. This includes all claims against the Issuer resulting from any breach of the financial covenants or any non-payment of the outstanding principal amount of the Notes on the Original Maturity Date, which will be waived if the Extraordinary Resolution is passed.

Noteholders may be required to hold the Notes for an extended period of time.

One of the effects of the approval of the Extraordinary Resolution would be that the maturity date of the Notes would be extended by two years, from 20 October 2016 to 20 October 2018. Therefore, Noteholders will not receive the Redemption Amount on the Notes on the original maturity date of 20 October 2016. Payment of the Redemption Amount on the Notes will only be due and payable on 20 October 2018, subject to a further extension of one year that Noteholders may approve by Extraordinary Resolution at a meeting with a reduced quorum where such meeting or such adjourned meeting shall have a reduced quorum of two-thirds and one-third, respectively. Accordingly, Noteholders will have to continue to bear the risks associated with investing in the Notes for two years or for an additional one year as Noteholders may further agree, unless the Notes are sold. There can be no assurance that there will be a market in the Notes, whether before or after the Consent Solicitation, or that Noteholders will be able to sell their Notes at a price that will not entail any losses to Noteholders or at all.

The effect of the Extraordinary Resolution may be limited or voidable if a winding up application is made subsequent to the consummation of the Consent Solicitation.

It is possible that creditors of the Issuer or its subsidiaries could commence winding up proceedings against the Issuer or its subsidiaries in Singapore or Australia or elsewhere after consummation of the Consent Solicitation, which could result in the consequences described below.

Singapore. Singapore insolvency laws allows the liquidator of a debtor to void and seek a "claw-back" of transactions entered into by the debtor under certain circumstances during specified periods prior to a winding up of the debtor (i.e. transfer, mortgage, delivery of goods, payment, execution or other act relating to property made or done by or against the debtor).

- *Transaction at an undervalue* - Where a transaction is entered into by the debtor with another person where the consideration received by the debtor is significantly less than the value of the transaction. To be voidable, the undervalue transaction must be entered into within five years from the date of the winding up application.

- *Unfair preference* - Where a transaction is entered into by the debtor with one of its creditors which has the effect of putting that creditor in a position which, in the event of the debtor's liquidation, will be better than the position that creditor would have been in if that transaction was not effected. To be voidable, the debtor must be shown to have been influenced by the desire to give the unfair preference, the debtor must be insolvent at the time of the unfair preference or insolvent as a consequence of the unfair preference, and the unfair preference must be given within six months from the date of the winding up application (2 years if the recipient is an "associate" as defined by the applicable statutes).

Therefore, on the application of the liquidator or any creditor or contributory of the Issuer in a winding up proceedings, a Singapore court may, if it is satisfied that the affairs of the Issuer have been conducted in a manner which gave rise to an undervalue transaction or an unfair preference, and that it is just and equitable to do so, order the Trustee and/or the Noteholders to pay to the liquidator of the Issuer the whole or part of any payments or consideration received, and an unravelling of the said transaction so as to restore the position that the Issuer would have been in had it not entered into the said transaction.

A floating charge on the undertaking or property of the debtor created within six months of the commencement of a winding up of the debtor shall, unless it is proved that the debtor immediately after the creation of the charge was solvent, be invalid except to the amount of any cash paid to the debtor at the time of or subsequently to the creation of and in consideration for the charge together with interest on that amount at the rate of 5 per cent. per annum.

One of the consequences of a successful Consent Solicitation is the amendment of the Trust Deed and the Notes and the grant of security over the Port Assets. We cannot assure you that a Singapore court will rule that the amendments contemplated by the Consent Solicitation will not be deemed by a Singapore court to be a voidable transaction as highlighted above in the event of a subsequent winding up of the Issuer.

Australia. Australian insolvency laws allows the liquidator of a debtor to void and seek a "claw-back" of transactions entered into by the debtor under certain circumstances during specified periods prior to a winding up of the debtor (i.e. transfer, mortgage, delivery of goods, payment, execution or other act relating to property made or done by or against the debtor).

Unfair preferences are where:

- the transaction was between the company and a creditor;
- the company was insolvent at the time of the transaction;
- the transaction was entered into within the relation back period; and
- the transaction resulted in the creditor receiving more than they would have, had the transaction been set aside and the creditor prove for the debt in the winding up (i.e. they were preferred).

The transaction must have occurred within the following dates prior to the relation back date (the commencement of the winding up):

- six months for transactions with unrelated parties;
- four years for transactions with related entities; and
- 10 years where the purpose of the transaction was to defeat, delay or interfere with the rights of creditors.

Uncommercial Transactions are where:

- the company was a party to transaction;
- it was an insolvent transaction; and
- a reasonable person in the position of the company would not have entered into the transaction.

To be voidable, an uncommercial transaction must have occurred during the two years prior to the liquidation. If a related entity is a party to the transaction, however, the time period is four years and if the intention of the transaction is to defeat creditors, the time period is 10 years.

Therefore, on the application of the liquidator in a winding up proceeding, an Australian court may, if it is satisfied that the affairs of the Issuer have been conducted in a manner which gave rise to an uncommercial transaction or an unfair preference, order the Trustee and/or the Noteholders to pay to the liquidator of the Issuer the whole or part of any payments or consideration received, and unwind the said transaction so as to restore the position that the Issuer would have been in had it not entered into the said transaction.

A circulating security interest in property of the debtor created within six months of the relation back date is, unless it is proved that the debtor immediately after the creation of the charge was solvent, void as against a liquidator except (relevantly) to the amount of any advance paid to the debtor at the time of or subsequently to the creation of and in consideration for the circulating security interest together with interest on that advance.

One of the consequences of a successful Consent Solicitation is the amendment of the Trust Deed and the Notes and the grant of security over the Port Assets. We cannot assure you that an Australian court will rule that the amendments contemplated by the Consent Solicitation are not void or voidable as highlighted above in the event of a subsequent winding up of the Issuer.

Other jurisdictions. The insolvency laws of other countries may have similar provisions to those described above that may adversely affect Noteholders.

There could be a long period of time, if at all, before the terms approved in the Extraordinary Resolution can be effected.

The Extraordinary Resolution provides that the Proposed Terms are to be effected through agreements, deeds and other documents (including but not limited to the second supplemental trust deed and the various security deeds and documents) which are to be drafted, finalised, agreed and executed by dates that could be as long as up to 75 days after the date of the Extraordinary Resolution.

Many of the Proposed Terms may not be effective until the relevant agreements, deeds and other documents are executed. In addition, until such time when security documents relating to the Port Assets are entered into and perfected, Noteholders will not have any security interest in the Port Assets.

The Extraordinary Resolution authorises the Authorised Noteholders (as defined therein) at their absolute discretion to negotiate and approve such agreements, deeds and other documents (including but not limited to the second supplemental trust deed and the various security deeds and documents) on behalf of all Noteholders, without any further or additional approvals by any other Noteholders, whether by way of another extraordinary resolution or otherwise. The agreements, deeds and other documents approved by such Authorised Noteholders may not take into account the circumstances or interests of individual Noteholders or reflect the intentions of individual Noteholders.

If final forms of these agreements, deeds and documents are not agreed upon and executed within the applicable time limits and in accordance with the manner set forth in the Extraordinary Resolution, an Event of Default or a Potential Event of Default may occur. If payment on the Notes were to be accelerated at such time, it should be noted that the Trustee and the Noteholders may not have an effective security interest over the Port Assets, and the Issuer may not have the ability to make any payments on the Notes. Any recovery of any amounts may not be sufficient to pay the outstanding amounts owing on the Notes, and Noteholders may suffer a partial or total loss on their investment in the Notes.

Any proceeds from the sale of the Port Assets may be insufficient to repay all amounts due under the Notes.

Based on a valuation conducted by RSM, the estimated enterprise value of Port Melville, comprising the port, the marine supply base and the shares of Teras Australia Pty Ltd, as of 31 May 2016 is between AU$127.0 million and AU$142.0 million. Such valuation was based upon numerous assumptions, including the ability of the port to operate, the exclusion of any defence related income and expenditure, a terminal value growth rate of zero per cent., a mid point weighted average cost of capital of 13.3 per cent and a forecast time horizon of 20 years. The valuation was also conducted based on underlying financial numbers obtained from the Issuer.

Values for assets such as Port Melville are inherently difficult to compute, and such valuations are based on various limitations and assumptions which, by their nature, are subjective and uncertain. There can be no assurance that such valuation (or any other valuation) will not be materially different from the sale price that may be obtained on the sale of the Port Assets, even in circumstances where such sale is not on a “fire sale” basis. There also cannot be any assurance that any future valuation of Port Melville will not be substantially lower than the RSM valuation.

Moreover, the Issuer may be required to make impairment provisions in its future financial statements relating to the Port Melville, based on any new valuation and/or circumstances existing at the relevant time, and any such provisions may be substantial.

In addition, it is envisaged that any recovery from the enforcement of security over any of the Port Assets will be applied first to one or more banks or financial institutions that provide new funds in the form of loans up to the aggregate of the first S$20 million in principal amount of such new funds plus all accrued interest and customary fees and reasonable expenses, with any remaining proceeds of enforcement next settling all outstanding Notes indebtedness and amounts owing under the Notes (including accrued interest) and the Trust Deed. There is no assurance that the enforcement proceeds of the Port Assets will be sufficient to repay all amounts due under the Notes. If the enforcement proceeds are insufficient, any remaining balance will be unsecured debt, and Noteholders will rank equally with all of the Issuer’s other unsecured creditors, based on

any amounts remaining, in the remaining assets of the Issuer. See also "Risks Relating to the Group — Claims of existing secured creditors of the Issuer will have priority with respect to their security over the claims of unsecured creditors, such as Noteholders, to the extent of the value of the assets securing such indebtedness" for additional information.

Any amendment, addition, deletion and supplement to the Proposed Terms may be approved by one or more Noteholders holding as little as 10% in aggregate principal amount of the Notes, in which case any such amendment, addition, deletion and supplement to the Proposed Terms will be binding on all Noteholders, whether or not such Noteholder agrees to amendment, addition, deletion and supplement.

Documentation to effect the terms of the Extraordinary Resolution will be negotiated and finalised for execution by, among others, the Issuer. During the course of finalising such documentation, it may be necessary for one or more amendments, additions, deletions and supplements to the Proposed Terms to be made in order to effect such terms. The Extraordinary Resolution authorises the Authorised Noteholders (comprising one or more Noteholders representing 10% or more in principal amount of the Notes) to negotiate and approve (without any further or additional approvals by any other Noteholders, whether by way of another Extraordinary Resolution or otherwise) any amendments, additions, deletions and supplements to the Proposed Terms as the Authorised Noteholders may in their absolute discretion decide, approve or require for the purposes of, and in connection with, giving effect to the Proposed Terms and finalising the documentation to be entered into for that purpose. See "The Proposal—Terms of the Proposal" for a fuller description of such authority to be granted to Authorised Noteholders.

The Authorised Noteholders may have different interests from other Noteholders and may make decisions in a manner that is contrary to the interests of other Noteholders. Any decision the Authorised Noteholders make pursuant to its authority and power as provided for in the Extraordinary Resolution will result in all Noteholders being bound by such decision of such Authorised Noteholders, whether or not such Noteholder agrees with such decision.

Proposed covenants in the Proposed Terms may prevent the Issuer from responding adequately to changing economic conditions.

Several of the proposed covenants in the Proposed Terms, if effected, will impose operating and financial restrictions on the Issuer and its subsidiaries. If management requires flexibility in relation to these matters at any time in the future, but is unable to obtain waivers or consents from the Noteholders, these restrictions could limit the ability of the Issuer and its subsidiaries to effect future financings, make capital expenditures, withstand further economic downturns, regional or otherwise, and downturns in the Issuer's operations, or otherwise conduct corporate activities considered necessary by management to address such conditions.

4. Risks Relating to the Continued Investment in the Notes

Noteholders may not be able to take any direct enforcement action against the Issuer or to enforce the security over the Port Assets.

Condition 11 of the Notes provides that at any time after an Event of Default occurs, or after the Notes have become due and payable, the Trustee may, in its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce repayment of the Notes. However, Condition 11 further provides that the Trustee is not bound to take any such proceedings unless (a) directed by an extraordinary resolution passed by Noteholders or the Trustee has been requested to do so in writing by holders of not less than 25 per cent. in principal amount of the Notes outstanding, and (b) the Trustee has been indemnified and/or secured and/or pre-funded by Noteholders to its satisfaction.

Accordingly, the requisite threshold of instruction by the Noteholders must be met. In addition, the Trustee may request Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before the Trustee takes any action on behalf of Noteholders. Negotiating and agreeing to such an indemnity, security or pre-funding can be a lengthy process and may have an impact on when such action can be taken.

Condition 11 also provides that Noteholders may not take enforcement action directly against the Issuer unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect is continuing.

In addition, the enforcement of security, amendments to security documents and intercreditor arrangements and any disposal of any of the Port Assets needs to be approved by the New Lenders (acting together as one group) on the one hand, and the Trustee for the Notes (acting on the instructions of one or more Noteholders holding in aggregate at least 10% in principal amount of the Notes acting in writing or otherwise) on the other hand, provided that the consent of the New Lenders and the Noteholders shall not be unreasonably withheld or delayed. There can be no assurance that the New Lenders will not refuse their consent to enforce the security over the Port Assets. If the New Lenders refuse to provide such consent, the security over the Port Assets may not be enforced, which could have a material adverse effect on the ability of Noteholders to recover any amounts due under the Notes.

Company Information Memorandum

Dated as of 13 September 2016

The Issuer and the Group

Overview

The Issuer is an integrated multi-disciplinary service provider to the energy, mineral and industrial sectors in Australia and South-East Asia.

The Issuer's businesses include:

- maintenance services including long-term specialist support, campaign shutdowns/turnarounds, refractory and management of all maintenance services;
- construction services including design, structural, mechanical, piping, painting, insulation, fireproofing and engineering procurement and construction;
- access services including scaffolding, engineering and design, labour supply, stock control, logistics, transportation and rope access systems;
- fabrication services including manufacturing, fabrication, testing and precision machining; and
- port and marine services including ocean towage, geared break-bulk carriers, module transport ballasting, marine supply bases, port operations, design and construct special purpose vessels and project management.

Since 2014, as a result of depressed oil and commodity prices, primarily due to declining growth in emerging and developing economies (including Brazil, Russia, India and China), oil and gas companies, energy companies and mining companies have decreased capital expenditures and are expected to shift into operational expenditure where care and maintenance expenses dominate budgets. As a result, construction activities on such projects decreased significantly, with operational effectiveness being the main focus of these companies.

The Issuer has accordingly restructured its business and transitioned from predominantly serving and supporting capital expenditure expansion in the mining sector (in 2014) to catering to operational expenditure and maintenance services in the oil and gas segments (in 2015 and 2016). The fabrication services business of the Issuer in Singapore was shut down in the fiscal year ended 30 June 2016 as a direct result of the continued depressed oil prices and the shift from capital expenditure to operational expenditure.

In 2014, in an effort to diversify its business operations and to create new income streams, the Issuer ventured into the onshore and off-shore marine services business via the acquisition of Port Melville and its associated assets and businesses (the "**Port**"). Subsequently, the Issuer issued the Notes and proceeds from the Notes were used for the acquisition of the Port, as well as for the construction of additional facilities such as fuel storage tanks for the Port to support oil and gas exploration and extraction activities in the region.

The commencement of full port operations has suffered due to continued delays in environmental and regulatory approval processes. It was also exacerbated by the continued low oil prices that delayed or curtailed drilling activities of oil majors' plans in the surrounding seas.

In the financial quarter ended 31 December 2015 ("**2Q2016**") the Group received an assessment from the Northern Territory Environmental Protection Authority stating that the Port did not require an assessment under the Environmental Authority Act as announced to the market on 16 October 2015. Further to this, the Group received a referral decision from the Minister for the Environment (Commonwealth) ("**Referral Decision**") that the operation of Port Melville Supply Base is not a controlled action for purposes of the Environment Protection

and Biodiversity Conservation Act ("**EPBC Act**"), and as such, further assessment and approval will not be required under the EPBC Act before it can proceed with its operations, provided it is taken in accordance with the manner described in the Referral Decision document. This was announced to the market on 28 October 2015. The Port received its first vessel in 2Q2016 and has continued to do so in the financial quarter ended 31 March 2016 ("**3Q2016**") and the financial quarter ended 30 June 2016 ("**4Q2016**"), facilitating the export of woodchips from the Tiwi Islands. The fuel distribution aspect of the Port, however, is being affected by an environmental group's application filed against the Minister in the Federal Court of Australia, Northern Territory District Registry, seeking to quash the Minister's Referral Decision, leading to further delays to the commercialization of the Port. The application is now scheduled to be heard by the Federal Court of Australia in October 2016.

Given the on-going delays to commercialisation, the Issuer has restructured the cost base of the Port to significantly reduce the operating, administrative and overhead cost until the level of operating activity is increased.

On 14 May 2016, the Issuer disclosed its 3Q2016 financial results on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), announcing that based on its 3Q2016 financial results, the Issuer's Consolidated Total Equity (as defined in the Trust Deed) had fallen to AU$148 million. Accordingly, the Issuer had not fulfilled its financial covenant under Clause 7.2.1 of the Trust Deed and Condition 4(b)(i) of the Notes that for so long as any of the Notes or Coupons remained outstanding, the Issuer would ensure that its Consolidated Total Equity would at all times be at least AU$160 million (the "Consolidated Total Equity Covenant").

There were three key causes of the Issuer's inability to fulfill the Consolidated Total Equity Covenant in 3Q2016:

(a) impairments of disputed trade receivables and write-downs of obsolete property, plant and equipment and inventory;

(b) expenses incurred in a cost-saving restructuring exercise of the Group's businesses; and

(c) a significant deferred tax asset that was no longer permitted to be recognised in light of the unfavourable market sentiments of the oil and gas industry.

Together, these events accounted for a significant decrease in the Issuer's Total Consolidated Equity from AU$241 million as at 30 June 2015 to AU$148 million as at 31 March 2016.

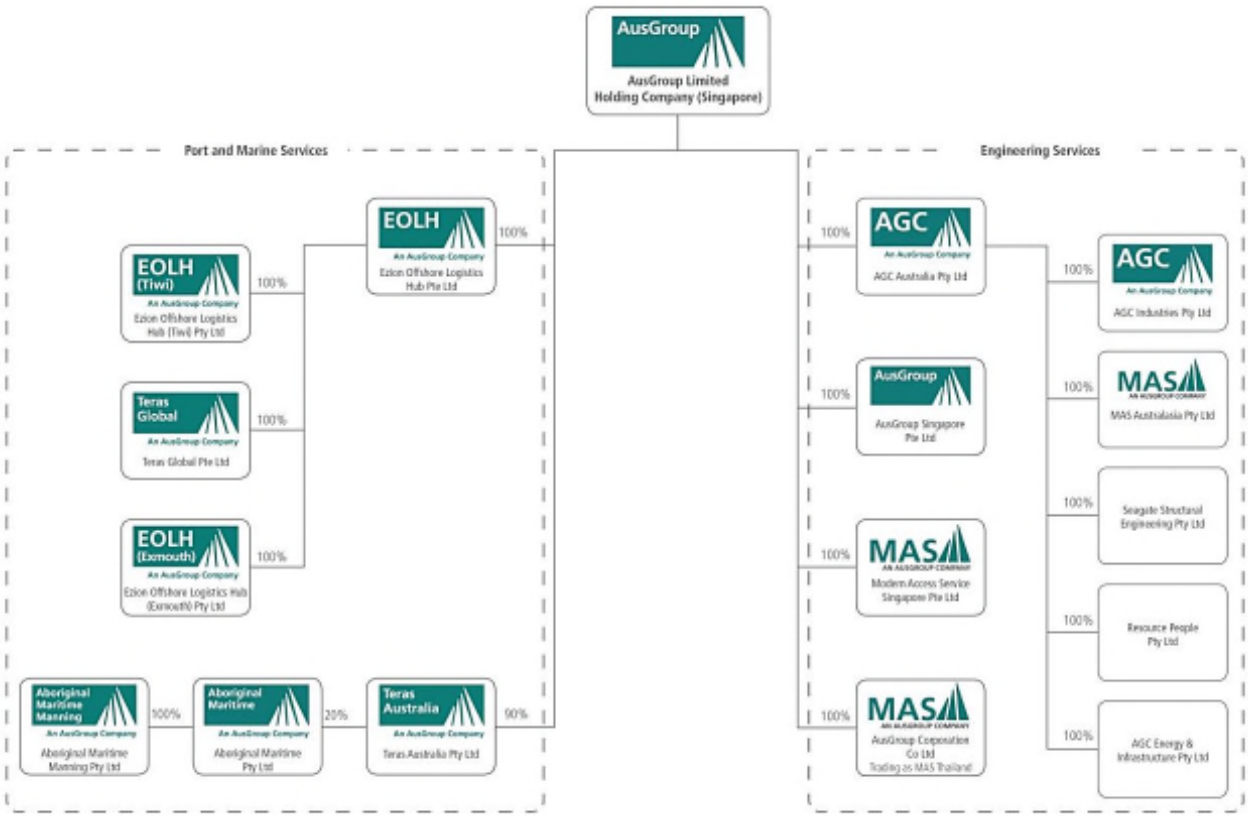
In addition, as a result of the provisions that the Issuer made in relation to its unaudited consolidated financial statements for the financial year ended 30 June 2016, the Interest Coverage Ratio in respect of the Relevant Test Period of 30 June 2016 was less than 2.0:1 and, in light of the limited amount of cash on hand and the operational and other requirements of the Issuer, the Issuer did not deposit into the Series 001 Interest Service Reserve Account an amount equal to half times the interest amount payable on the Notes on the Interest Payment Date occurring on 20 October 2016 such that the Interest Reserve Balance is equal to twice the interest amount payable on the Notes on such date.

Going forward, although the Issuer is confident of its pipeline contracts and future revenue streams, during this transition period in the oil and gas industry cycle coupled with the delay in commercialisation of the Port, the Issuer anticipates that it may have difficulty in making the payment of the outstanding principal amount of the Notes due on 20 October 2016, the original maturity date of the Notes.

Corporate Structure

The Issuer is an investment holding company conducting its business through its operating subsidiaries. A summary description of its principal subsidiaries can be found in Note 11(b) of the Issuer's audited consolidated

financial statements for the financial year ended 30 June 2015. The chart below shows the Group's corporate structure (excluding its dormant companies) as at 30 June 2016.



Engineering Services Business

Integrated Maintenance

The Group's integrated maintenance business unit provides maintenance services by combining a comprehensive suite of specialised and integrated support solutions, complementing other services provided by the Group. The diverse range of integrated services that the Group provides are tailored to meet the operational needs of the Group's clients and MAS Australasia and encompasses everything from planned and emergency shutdowns, onshore and offshore asset maintenance services, industrial and cryogenic insulation and cladding, specialised coatings and linings, refractory linings, corrosion protection, passive fire protection, offshore hook-up and commissioning services, hazardous area equipment inspections, electrical and instrumentation services and the provision of large-scale scaffolding. The Group provides such services through AGC.

The Group's integrated services business is supported by the Group's fabrication and manufacturing facilities. This allows the Group to access labour quickly from its workforce and equipment pool, provides the Group with round-the-clock fabrication services and provides access to other support services for projects that require a fast turnaround.

Projects

The Group provides construction services for greenfield and brownfield capital projects in the mineral resources, oil and gas and infrastructure industries through its subsidiary AGC. For over 25 years, AGC has helped many clients develop landmark energy and resource projects throughout Australia. As a multi-skilled contractor, the Group's extensive suite of services allows it to offer its clients a variety of options, with purpose-built solutions. The Group is able to combine its construction and fabrication capabilities to deliver small to large projects that require construction only, through to full turnkey style contracts. The Group's core construction services include:

- supply and installation of piping, mechanical and structural works;
- application of surface protection, fire proofing and all types of insulation; and
- provision of construction plant and equipment, scaffolding and temporary access.

The Group's track record demonstrates its standing as a leading Australian contractor, with projects delivered onshore and offshore in Australasia.

Fabrication and Manufacturing

The Group supplies a wide range of fabrication and manufacturing services for the oil and gas, mineral resources and chemical processing industries as well as for infrastructure projects through AGC. The Group also carries out major project work and support for large industrial shutdowns. The Group specialises in the fabrication of heavy steel / mechanical structures (including material handling equipment), process piping and pressure vessels and tanks. The Group is able to fabricate products from all grades of carbon steels (including low temperature and boiler plates), all grades of stainless steels and products containing exotic metals (such as special high chrome or nickel alloys, super duplex, alloy 31 and 59 and a large range of titanium and copper alloys).

In relation to the oil and gas industry, the Group in Australia is able to fabricate and manufacture wellhead platforms and jackets, preassembled pipe racks and modular frames, processing modules and skids, subsea modules, pipe spools, piles and risers, and pressure vessels and storage tanks. In relation to the mineral resources industry, AGC is able to fabricate and manufacture iron ore rail car dumpers, conveyors, and stackers, reclaimers and ship loaders.

In Singapore, the Group focuses on the oil and gas industry, and is able to fabricate and manufacture subsea guide bases, tree frames, kill & choke manifolds, marine risers, B.O.P. protective frames, shipping skids, pressure vessels, anchor buoys, and other structural work and cladding of 309/316 Stainless Steel overlay.

The Group has also established facilities in Thailand and the Philippines, where the Group can assemble, fit-out and commission modularised structures, which the Group can deliver by barge to the relevant project site. The Group believes this has the potential to be a key differentiator in the future as it expects that the industry will move increasingly towards this pre-constructed delivery model in an effort to drive down total costs of ownership for its customers.

The principal fabrication and manufacturing plants of the Group are located in Australia. The carrying value of the Group's plant, property and equipment as of 30 June 2016 was approximately AU$135 million.

Port and Marine Services Business

AusGroup's port and marine services business comprises three main operating centres providing unique and individual services, namely: Port Melville, the Darwin Supply Base and Teras Australia.

Port Melville

General

Port Melville is a marine supply base near Darwin, Australia, and provides services such as administrative, storage and logistics support to various vessels, including those from oil and gas projects in the region. Port Melville enhances the Group's capacity to provide integrated delivery capabilities, covering all components of the oil and gas asset supply chain, including the fabrication and manufacturing of equipment, painting and insulation of vessels, structural, mechanical and piping construction services, maintenance, and marine logistics.

The completion and commissioning of the Port Melville fuel facility occurred in July 2015. However the commencement of full port operations was delayed due to longer than expected environmental and regulatory approval processes. The Group has received an assessment from the Northern Territory Environmental Protection Authority stating that Port Melville did not require an assessment under the Environmental Authority

Act. Further to this, the Group received a referral decision from the Department of the Environment that the Port Melville Supply Base is not a controlled action, and as such, further assessment and approval will not be required under the Environment Protection and Biodiversity Conservation Act before it can proceed, provided it is taken in accordance with the manner described in the decision document. Following this decision, Port Melville is now able to commence full operations.

Judicial Review

In 2Q2016, the Group received an assessment from the Northern Territory Environmental Protection Authority stating that the Port did not require an assessment under the Environmental Authority Act, as announced to the market on 16 October 2015. Further to this, the Group received the Referral Decision that the operation of Port Melville Supply Base is not a controlled action for purposes of the EPBC Act, and as such, further assessment and approval will not be required under the EPBC Act before it can proceed with its operations, provided it is taken in accordance with the manner described in the Referral Decision document. This was announced to the market on 28 October 2015. The Port received its first vessel in 2Q2016 and has continued to do so in 3Q2016 and 4Q2016, facilitating the export of woodchips from the Tiwi Islands. The fuel distribution aspect of the Port, however, is being affected by an environmental group's application filed against the Minister in the Federal Court of Australia, Northern Territory District Registry, seeking to quash the Minister's Referral Decision, leading to further delays to the commercialization of the Port. The application is scheduled to be heard by the Federal Court of Australia in October 2016.

Location and Description

The map below shows the location of Port Melville.

The Port is a sheltered, natural deep water port on Melville Island (one of the Tiwi Islands), 80 nautical miles north of Darwin.

In particular, Port Melville has unparalleled strengths, given its strategic location on Melville Island, namely:

- it is the only gazetted natural deep water international port, situated 80 nautical miles north of Darwin;
- it is the closest point in Australia to strategic shipping lanes connecting Australia to Asia;
- it is relatively remote, has highly restricted access and is out of the public eye, yet only 30 minutes by air from Darwin;
- it is a port of refuge (sheltered from cyclones);

- Port Melville is a security regulated port approved by the Commonwealth Government of Australia, with a 220 metre floating concrete wharf and covering 32 hectares of land; and
- the port is fully operational and offers port services (berthage, pilotage, towage, stevedoring, cargo management), fuel supplies and storage facilities, and other port-related services.

Port Melville is the closest point in Australia to strategic shipping lanes connecting Australia to Asia. The Commonwealth Government is committed to the development of Northern Australia which has generated an economic growth significantly higher than the Australian average in the past decade. Port Melville consists of a 120-man accommodation village, fuel facility of three vertical storage tanks with a storage capacity of 30 million litres, a 220-m long dock face and approximately 32 hectares of land.

The fuel farm also has a motor control centre room, dispensing pump skid, metering skid, a waste water system, slops tank, fire protection system and a light vehicle refuelling system.

The accommodation village has a category 5 cyclone rating and has brand new 12.5-square metre rooms, each with ensuite shower facilities, a double bed, a flat-screen TV with local channels, a mini-fridge and a writing desk. Other facilities include a common area for guests, a 250-person dining area, laundry facilities, a recreation area, an outdoor barbecue and 200 square metres of office space.

Darwin Supply Base

Established in 2011, the supply base supports Port Melville and primarily performs the receiving, storage and onward distribution of cargo from Port Melville. Recent improvements have been made to the base, including a new 50-metre wide, 80-metre deep steel sheet pile slipway. Other facilities include a 3.5-hectare laydown yard, a large warehouse, and a fabrication and repair shop. The dock face is 220 metres long with a 110-metre concrete shore connection pontoon. The wharf has a water depth of 14.5 metres alongside, offers berth space for up to 4 vessels and is approved for vessels up to 50,000 deadweight tons.

Teras Australia

Teras Australia is a licensed and registered ship management company providing logistics and marine transportation support services headquartered in Darwin and focusing on the provision of logistics and marine transportation support services to the oil and gas industry. Teras Australia holds the only bunker license with Darwin Port Corporation and operates the only commercial double hull bunker supply vessel in Northern Territory.

Order Book

The Group uses its order book as a general indicator of its level of work to be completed. The order book represents the Group's estimate of its contract value of work that remains to be completed at any given time under its executed project contracts. The contract value of a project represents the amount that the Group expects to receive under the terms of the contract if the contract is performed in accordance with its terms. The Group includes a project in its order book when it has executed the construction contract for that project and decreases its order book as it recognise revenues in relation to each contract. For a variety of reasons, amounts included in the Group's order book may not be realised as revenues, or, if realised, may not result in profits for the reasons described in "Risk Factors — Risks Related To The Group's Business — The Group may not be able to fully realise the revenue value reported in its order book."

The following table sets forth the Group's order book by business segment as at the dates indicated.

	As of 30 June					
Business Segment	**2014**		**2015**		**2016**	
	AU$ (in millions)	**%**	**AU$ (in millions)**	**%**	**AU$ (in millions)**	**%**
Integrated Services	307.2	81.6	330.0	70.7	177.0	73.7
Projects	11.0	2.9	131.0	28.1	61.0	25.5
Fabrication & Manufacturing	58.2	15.5	6.0	1.2	2.0	0.8
Total	376.4	100.0	467.0	100.0	240.0	100.0

In addition to the order book described in the table above, the Group has executed a contract between the period of 1 July 2016 and the Latest Practicable Date for the Shell Prelude (Technip) project with a contract duration of 24 months.

Board of Directors and Management

Board of Directors

The Issuer's board of directors is responsible for protecting and enhancing shareholder value and the financial performance of the Group. Its duties include the management of the Issuer's business, the review and approval of the Issuer's corporate strategies and annual budgets, the appointment of key executives, major financing plans and investment proposals and the review and monitoring of the Issuer's financial performance. The Issuer's articles of association provide that its board of directors must consist of no fewer than two directors. As of the Latest Practicable Date, the Issuer's board of directors comprises nine directors, comprising one executive director, three non-independent non-executive directors and five independent non-executive directors as set out in the table below.

Name	Age	Position
Mr. Stuart Maxwell Kenny	64	Managing Director and Chief Executive Officer
Mr. Eng Chiaw Koon	54	Non-Independent Non-Executive Director
Mr. Chew Heng Ching	65	Independent Non-Executive Director
Ms. Ooi Chee Kar	61	Independent Non-Executive Director
Mr. Wu Yu Liang	56	Independent Non-Executive Director

Mr. Stuart Maxwell Kenny is the Non-Executive Chairman of the Issuer. Mr Kenny has more than 40 years of experience in commercial, mining, and oil & gas construction, gaining extensive experience at all levels within project organisations including as senior project manager on large resource construction projects. He has managed major construction contracts both within Australia and wider Asia, receiving clients' commendation for his emphasis on project quality, team management and workforce safety. Mr Kenny has been a member of the AusGroup Board of Directors since November 2004, and was appointed to the position of executive board chair in November 2014. Mr Kenny held the position of CEO and managing director of AusGroup Limited for over 13 years collectively, returning to the role in an acting capacity from October 2013 until April 2015.

Mr. Eng Chiaw Koon is a Managing Director and Executive Director of the Issuer. Mr Eng holds a Technical Diploma in Mechanical Engineering and brings 12 years of experience in the marine support industry. Currently executive director of AusGroup Limited, Mr Eng was previously director, special projects with Ezion Group, CEO of Aqua-terra Supply Co. Ltd (a subsidiary of KS Energy Services Limited) and the chief operating officer of KS Distribution Pte at KS Energy Limited. With a background in the electronics industry, specialising in the process audit, vendor quality and management, Mr Eng set up Aero-Green technology (s) Pte Ltd in 1996 to pioneer the commercialisation of aeroponic technology, with the company winning the first Asian Innovation Award from the Far East Economic Review in 1998 and a UN Urban Agriculture Award in 2000.

Mr. Chew Heng Ching is an Independent Non-Executive Director of the Issuer. Mr Chew has more than 30 years of senior management experience in both the public and private sectors. He serves as non-executive director at Bonvest Holdings Ltd, Pharmesis International Ltd, Spindex Industries Ltd, Sinopipe Holdings Limited and Stratech Systems Limited. He also serves on the Board of Thye Hua Kwan Moral Charities and Ang Mo Kio-Thye Hua Kwan Hospital. Mr Chew was the founding president of the Singapore Institute of Directors and chairman of its Governing Council from 1998 - 2009 and was a council member of Singapore Business Federation. He served on the Board of the Singapore International Chamber of Commerce from 1996 to 2015 and was chairman from 2005 – 2007. Former Deputy Speaker of the Singapore Parliament and Member of Parliament from 1984 to 2006, Mr Chew was a Colombo Plan scholar and graduated in Industrial Engineering (Honours Class One) and Economics from the University of Newcastle, Australia. He also received an honorary PhD from the university.

Ms. Ooi Chee Kar is an Independent Non-Executive Director of the Issuer. Ms Ooi Chee Kar brings more than 30 years of professional experience in Singapore and the United Kingdom. Ms Ooi is currently an independent director and audit committee member of Pacific Radiance, independent director and audit committee member of Singapore Eye Research Institute, member of the Audit Committee of National Council of Social Services and

member and audit chairman of MILK (Mainly I Love Kids) Fund. Qualified as a UK chartered accountant, Ms Ooi's experience covers a wide range of industries from financial services to shipping and oil trade. She was an audit partner at PricewaterhouseCoopers, Singapore until 2012 where she was a lead partner of a number of large audit clients across the Asia-Pacific region and beyond. Ms Ooi is a fellow of the Institute of Chartered Accountants in England and Wales (ICAEW) and a fellow of the Institute of Singapore Chartered Accountants (ISCA).

Mr. Wu Yu Liang is an Independent Non-Executive Director of the Issuer. Mr Wu brings more than 30 years of professional experience, advising a broad spectrum of corporate and commercial issues, ranging from the establishment of joint ventures and other investment vehicles to advising on corporate and debt restructuring. He advises both local and foreign clients on suitable investment structures and is well versed in the mechanics, regulatory and practical aspects of the securities industry. Mr Wu is an independent director of Jiutian Chemical Group Limited and Pan Asian Holdings Limited.Executive Management Team.

Executive Management Team

As of the Latest Practicable Date, details of the Executive Management Team are as follows:

Name	Age	Position
Mr. Simon High	63	Chief Executive Officer, Engineering Services
Mr. Christian Johnstone	43	Chief Financial Officer
Mr. James Stokes	44	Chief Operating Officer, AGC
Captain Chris Litowchak	49	Chief Operating Officer, Ezion Offshore Logistics Hub & Teras Australia
Mr. Simon MacLeod	57	Chief Operating Officer, MAS Australasia

Mr. Simon High is the Chief Executive Officer, Engineering Services of the Issuer. Mr High has over 40 years of experience in many aspects of the oil & gas, mining & industrial and infrastructure industries globally. Mr High was formerly the managing director and CEO of ASX listed Southern Cross Electrical Engineering (SCEE). Prior to that, Mr High held senior management and executive positions within Clough, United Construction and Kvaerner Oil & Gas. Mr High has Australian and international experience in both project execution and corporate management and has established a proven track record in successful financial delivery, organisational turnaround, development of high performance teams and operating in depressed and highly competitive economic environments. Mr High is a civil engineer and a Fellow of the Institute of Engineers Australia and Institute of Company Directors in Australia.

Mr. Christian Johnstone is the Chief Financial Officer of the Issuer. Mr Johnstone has over 20 years of finance and corporate advisory experience including a number of years in senior finance roles for publicly listed companies. He has extensive experience spanning the mining, gas and industrial sectors, having previously worked as chief financial officer for Iron Ore Holdings Ltd for over four years, and Wesfarmers Limited for over six years in its business development department and its industrial gas subsidiary in a senior finance role. Prior to Wesfarmers Limited, Mr Johnstone worked for KPMG Corporate Finance in Australia and Asia, and KPMG in Scotland for over 10 years. Mr Johnstone is a member of the Institute of Chartered Accountants of Scotland and a Fellow of the Financial Services Institute of Australasia. He holds a Bachelor of Accountancy (Hons), a Graduate Diploma in Applied Finance & Investment and an (Executive) Master of Business Administration.

Mr. James Stokes is the Chief Operating Officer - AGC of the Issuer. Mr Stokes has over 20 years of experience in the natural resources sector across Australia. He has held senior management positions with Monadelphous Engineering Associates, Southern Cross Electrical Engineering, Calibre Global Pty Ltd, UEA Civil and Mining Pty Ltd and Rio Tinto, where he was responsible for a wide range of roles. With extensive management experience, Mr Stokes specialises in the areas of operation and project delivery, commercial management, policy and procedural development, risk management, integration and strategic planning. Mr Stokes is responsible for the management of Engineering Service's operational activities including the projects, maintenance services, fabrication and manufacturing businesses.

Captain Chris Litowchak is the Chief Operating Officer, Ezion Offshore Logistics Hub & Teras Australia of the Issuer. Captain Chris Litowchak has over 25 years of international experience in the maritime industry. He is a certified Master, qualified to command vessels of up to 3000 tonnes. Captain Litowchak was chief operations officer for a Tier 1 Marine Logistics Contractor on Chevron's Gorgon Project, located on Barrow Island from 2009-2016. He held the accountability and responsibility for the safety and security of all vessels and crews. Captain Litowchak has a proven record as an innovative and solutions-based marine logistics professional which has been recognised by clients throughout his career. He has also been recognised for his leadership and mentoring of Indigenous Australian seafarers and cargo handlers on the projects on which he works.

Mr Simon MacLeod is the Chief Operating Officer, MAS Australasia of the Issuer. Mr MacLeod has over 35 years of construction and maintenance experience in the oil and gas and natural resource industries across Australia. He has been involved in projects from the tender preparation phase through to negotiation and project management. With a focus on client relationships and delivering projects to the highest standard, Mr MacLeod has successfully completed a number of high risk projects with zero lost time injuries. While maintaining project schedules, Mr MacLeod ensures his teams develop and implement the best standards for work. Mr MacLeod has worked as a project manager, site manager and superintendent for a number of challenging projects including; INPEX-operated Ichthys Project, Pluto LNG Project, Karratha Gas Plant, Sino Iron Ore Project, Burrup Fertilisers Project and Woodside Domestic Gas Plant.

Appointment and Remuneration

The Group may terminate the service contracts of any of the executives, if among other things, the executives commit any serious and persistent breach of the provision of the service contracts, become of unsound mind, become bankrupt or found guilty of conduct with the effect of bringing themselves or the Group into disrepute. The service contracts cover the terms of employment, specifically salaries and bonuses. Executives are also entitled to participate in any short-term incentive scheme program established by the Group during their term of service.

All travelling and travel-related expenses, entertainment expenses and other out-of-pocket expenses reasonably incurred by each executive in the process of discharging his or her duties on behalf of the Group will be borne by the Group.

Other than the Issuer's Managing Director, no service contract exists between the Issuer and any of its directors (including independent non-executive directors). Such directors have no fixed term of service but are subject to retirement by rotation and re-election at the Issuer's Annual General Meeting in accordance with the Issuer's articles of association.

The Issuer's remuneration and human capital committee decides on the remuneration policy for directors and executive management team, taking into account the Issuer's performance and profitability and individual contribution.

The aggregate amount of salaries or other compensation, discretionary bonuses, other allowances and benefits-in-kind paid by the Issuer to its directors was AU$1.7 million in FY2014, AU$0.49 million in FY2015 and AU$0.55 million in FY2016.