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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

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**FORM 10-Q**

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**(Mark One)**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June 30, 2019** or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number **1-37966**

**SEACOR Marine Holdings Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**47-2564547**  
(IRS Employer  
Identification No.)

**12121 Wickchester Suite 500**  
**Houston, TX**  
(Address of Principal Executive Offices)

**77079**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code: (346) 980-1700**

Securities registered pursuant to Section 12(b) of the Act:

**Title of each class**

**Trading Symbol(s)**

**Name of each exchange on which registered**

Common Stock

SMHI

New York Stock Exchange ("NYSE")

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The total number of shares of common stock, par value \$.01 per share, outstanding as of July 31, 2019 was 21,765,331. The Registrant has no other class of common stock outstanding.

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SEACOR MARINE HOLDINGS INC.

Table of Contents

Part I.	<a href="#">Financial Information</a>	1
Item 1.	<a href="#">Financial Statements (Unaudited)</a>	1
	<a href="#">Condensed Consolidated Balance Sheets as of June 30, 2019 and December 31, 2018</a>	1
	<a href="#">Condensed Consolidated Statements of Loss for the Three and Six Months Ended June 30, 2019 and 2018</a>	2
	<a href="#">Condensed Consolidated Statements of Comprehensive Loss for the Three and Six Months Ended June 30, 2019 and 2018</a>	3
	<a href="#">Condensed Consolidated Statement of Changes in Equity for the Three and Six Months Ended June 30, 2019 and 2018</a>	4
	<a href="#">Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2019 and 2018</a>	6
	<a href="#">Notes to Condensed Consolidated Financial Statements</a>	7
Item 2.	<a href="#">Management’s Discussion and Analysis of Financial Condition and Results of Operations</a>	24
Item 3.	<a href="#">Quantitative and Qualitative Disclosures About Market Risk</a>	48
Item 4.	<a href="#">Controls and Procedures</a>	48
Part II.	<a href="#">Other Information</a>	50
Item 1.	<a href="#">Legal Proceedings</a>	50
Item 1A.	<a href="#">Risk Factors</a>	50
Item 2.	<a href="#">Unregistered Sales of Equity Securities and Use of Proceeds</a>	50
Item 3.	<a href="#">Default Upon Senior Securities</a>	50
Item 4.	<a href="#">Mine Safety Disclosures</a>	50
Item 5.	<a href="#">Other Information</a>	51
Item 6.	<a href="#">Exhibits</a>	52

**PART I—FINANCIAL INFORMATION****ITEM 1. FINANCIAL STATEMENTS**

**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(in thousands, except share data)**

<b>ASSETS</b>	<b>June 30, 2019</b>	<b>December 31, 2018</b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 58,772	\$ 95,195
Restricted cash	2,240	1,657
Receivables:		
Trade, net of allowance for doubtful accounts of \$455 and \$860 in 2019 and 2018, respectively	69,117	64,125
Other	10,410	12,082
Inventories	2,995	3,443
Prepaid expenses and other	4,123	2,530
Total current assets	<u>147,657</u>	<u>179,032</u>
<b>Property and Equipment:</b>		
Historical cost	1,222,820	1,242,733
Accumulated depreciation	<u>(525,556)</u>	<u>(561,272)</u>
Construction in progress	697,264	681,461
Net property and equipment	<u>765,492</u>	<u>770,379</u>
Right-of-Use Asset - Operating Leases	27,390	—
Investments, at Equity, and Advances to 50% or Less Owned Companies	112,418	121,773
Construction Reserve Funds	20,112	28,061
Other Assets	3,627	3,690
	<u>\$ 1,076,696</u>	<u>\$ 1,102,935</u>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities:</b>		
Current portion of operating lease liabilities	\$ 16,552	\$ —
Current portion of long-term debt	20,651	16,812
Accounts payable and accrued expenses	33,909	19,370
Due to SEACOR Holdings	74	452
Accrued wages and benefits	4,625	5,025
Accrued income taxes	3,216	1,917
Deferred revenue	3,171	1,327
Accrued capital, repair and maintenance expenditures	21,805	18,886
Other current liabilities	15,776	19,828
Total current liabilities	<u>119,779</u>	<u>83,617</u>
Long-Term Operating Lease Liabilities	16,775	—
Long-Term Debt	379,075	387,854
Conversion Option Liability on Convertible Senior Notes	7,599	5,276
Deferred Income Taxes	37,063	44,682
Deferred Gains and Other Liabilities	5,165	26,571
Total liabilities	<u>565,456</u>	<u>548,000</u>
<b>Equity:</b>		
SEACOR Marine Holdings Inc. stockholders' equity:		
Common stock, \$.01 par value, 60,000,000 shares authorized; 21,790,974 and 20,443,215 shares issued in 2019 and 2018, respectively	218	204
Additional paid-in capital	424,549	415,372
Retained earnings	83,312	126,834
Shares held in treasury of 25,643 and 4,007, respectively, at cost	(374)	(91)
Accumulated other comprehensive loss, net of tax	<u>(19,156)</u>	<u>(16,788)</u>
Total equity	<u>488,549</u>	<u>525,531</u>
Noncontrolling interests in subsidiaries	22,691	29,404
Total equity	<u>511,240</u>	<u>554,935</u>
	<u>\$ 1,076,696</u>	<u>\$ 1,102,935</u>

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF LOSS**  
(in thousands, except share data)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Operating Revenues	\$ 64,345	\$ 60,701	\$ 120,594	\$ 112,422
Costs and Expenses:				
Operating	43,525	46,001	87,802	84,349
Administrative and general	11,639	15,041	23,639	27,415
Lease expense	4,317	3,310	8,465	6,568
Depreciation and amortization	17,494	18,406	34,687	37,918
	<u>76,975</u>	<u>82,758</u>	<u>154,593</u>	<u>156,250</u>
(Losses) Gains on Asset Dispositions and Impairments, Net	(3,848)	1,055	(3,489)	(1,588)
Operating Loss	<u>(16,478)</u>	<u>(21,002)</u>	<u>(37,488)</u>	<u>(45,416)</u>
Other Income (Expense):				
Interest income	222	352	579	568
Interest expense	(7,691)	(6,489)	(15,426)	(12,622)
SEACOR Holdings guarantee fees	(32)	(7)	(61)	(19)
Derivative losses, net	(1,398)	(2,668)	(2,323)	(14,184)
Foreign currency gains, net	(929)	(818)	(294)	(679)
	<u>(9,828)</u>	<u>(9,630)</u>	<u>(17,525)</u>	<u>(26,936)</u>
Loss Before Income Tax Benefit and Equity in Earnings of 50% or Less Owned Companies	(26,306)	(30,632)	(55,013)	(72,352)
Income Tax Benefit	(3,048)	(4,724)	(6,879)	(14,548)
Loss Before Equity in Earnings of 50% or Less Owned Companies	(23,258)	(25,908)	(48,134)	(57,804)
Equity in Losses of 50% or Less Owned Companies	(7,006)	(721)	(10,403)	(513)
Net Loss	(30,264)	(26,629)	(58,537)	(58,317)
Net Loss attributable to Noncontrolling Interests in Subsidiaries	(1,875)	(1,605)	(4,599)	(4,460)
Net Loss attributable to SEACOR Marine Holdings Inc.	<u>\$ (28,389)</u>	<u>\$ (25,024)</u>	<u>\$ (53,938)</u>	<u>\$ (53,857)</u>
Basic and Diluted Loss Per Common Share and Warrants of SEACOR Marine Holdings Inc.	\$ (1.21)	\$ (1.19)	\$ (2.32)	\$ (2.79)
Weighted Average Common Shares and Warrants Outstanding:				
Basic and Diluted	23,382,272	21,035,214	23,237,012	\$ 19,312,923

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith

**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**(in thousands)**

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net Loss	\$ (30,264)	\$ (26,629)	\$ (58,537)	\$ (58,317)
Other Comprehensive Loss:				
Foreign currency translation losses	(1,151)	(2,785)	(276)	(873)
Derivative (losses) gains on cash flow hedges	(1,224)	(63)	(1,934)	68
Reclassification of derivative gains (losses) on cash flow hedges to interest expense	128	(1)	199	—
Reclassification of derivative (losses) gains on cash flow hedges to equity in earnings of 50% or less owned companies	(270)	42	(530)	171
	(2,517)	(2,807)	(2,541)	(634)
Income tax benefit (expense)	173	(8)	173	(35)
	(2,344)	(2,815)	(2,368)	(669)
Comprehensive Loss	(32,608)	(29,444)	\$ (60,905)	(58,986)
Comprehensive Loss attributable to Noncontrolling Interests in Subsidiaries	(1,875)	(1,715)	(4,599)	(4,493)
Comprehensive Loss attributable to SEACOR Marine Holdings Inc.	\$ (30,733)	\$ (27,729)	\$ (56,306)	\$ (54,493)

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**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
(in thousands)

	<i>Shares of Common Stock Outstanding</i>	<i>Common Stock</i>	<i>Additional Paid-In Capital</i>	<i>Shares Held in Treasury</i>	<i>Treasury Stock</i>	<i>Retained Earnings</i>	<i>Accumulated Other Comprehensive Loss</i>	<i>Non- Controlling Interests In Subsidiaries</i>	<i>Total Equity</i>
<b>For the six months ended June 30, 2019</b>									
<b>December 31, 2018</b>	20,439,208	\$ 204	\$ 415,372	4,007	(91)	\$ 126,834	\$ (16,788)	\$ 29,404	\$ 554,935
Impact of adoption of new accounting standard for leases	—	—	—	—	—	10,416	—	—	10,416
<b>December 31, 2018</b>	20,439,208	204	415,372	4,007	(91)	137,250	(16,788)	29,404	565,351
Issuance of Common Stock	653,872	7	6,589	—	—	—	—	—	6,596
Restricted stock grants	211,500	2	—	—	—	—	—	—	2
Amortization of employee share awards	—	—	1,589	—	—	—	—	—	1,589
Exercise of options	8,750	—	108	—	—	—	—	—	108
Exercise of Warrants	444,391	4	—	49	(1)	—	—	—	3
Restricted stock vesting	(21,587)	—	(2)	21,587	(282)	—	—	—	(284)
Director share awards	30,197	1	893	—	—	—	—	—	894
Cancellation of employee share awards	(1,000)	—	—	—	—	—	—	—	—
Acquisition of consolidated joint venture	—	—	—	—	—	—	—	(2,114)	(2,114)
Net loss	—	—	—	—	—	(53,938)	—	(4,599)	(58,537)
Other comprehensive loss	—	—	—	—	—	—	(2,368)	—	(2,368)
<b>June 30, 2019</b>	<u>21,765,331</u>	<u>218</u>	<u>424,549</u>	<u>25,643</u>	<u>(374)</u>	<u>83,312</u>	<u>(19,156)</u>	<u>22,691</u>	<u>511,240</u>
<b>For the three months ended June 30, 2019</b>									
<b>March 31, 2019</b>	21,079,279	\$ 211	\$ 422,830	25,558	\$ (373)	\$ 111,701	\$ (16,812)	\$ 24,566	\$ 542,123
Restricted stock grants	211,500	2	—	—	—	—	—	—	2
Amortization of employee share awards	—	—	813	—	—	—	—	—	813
Exercise of Warrants	444,391	4	—	49	(1)	—	—	—	3
Restricted stock vesting	(36)	—	(2)	36	—	—	—	—	(2)
Director share awards	30,197	1	893	—	—	—	—	—	894
Cancellation of employee share awards	—	—	15	—	—	—	—	—	15
Net loss	—	—	—	—	—	(28,389)	—	(1,875)	(30,264)
Other comprehensive loss	—	—	—	—	—	—	(2,344)	—	(2,344)
<b>June 30, 2019</b>	<u>21,765,331</u>	<u>218</u>	<u>424,549</u>	<u>25,643</u>	<u>(374)</u>	<u>83,312</u>	<u>(19,156)</u>	<u>22,691</u>	<u>511,240</u>

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith

**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**(in thousands)**

	<i>Shares of Common Stock Outstanding</i>	<i>Common Stock</i>	<i>Additional Paid-In Capital</i>	<i>Shares Held in Treasury</i>	<i>Treasury Stock</i>	<i>Retained Earnings</i>	<i>Accumulated Other Comprehensive Loss</i>	<i>Non- Controlling Interests In Subsidiaries</i>	<i>Total Equity</i>
<b>For the six months ended June 30, 2018</b>									
<b>December 31, 2017</b>	17,675,356	\$ 177	\$ 303,996	—	—	\$ 216,511	\$ (12,493)	\$ 14,975	\$ 523,166
Impact of adoption of new accounting standard for income tax effects	—	—	—	—	—	(12,069)	—	—	(12,069)
<b>December 31, 2017</b>	17,675,356	177	303,996	—	—	204,442	(12,493)	14,975	511,097
Issuance of Common Stock	2,271,799	22	42,973	—	—	—	—	—	42,995
Restricted stock grants	120,600	1	—	—	—	—	—	—	1
Issuance of Warrants	—	—	62,809	—	—	—	—	—	62,809
Amortization of employee share awards	—	—	1,896	—	—	—	—	—	1,896
Exercise of options	65,000	1	812	—	—	—	—	—	813
Exercise of Warrants	289,442	3	—	108	(3)	—	—	—	—
Restricted stock vesting	(2,242)	—	—	2,242	(51)	—	—	—	(51)
Director share awards	19,285	—	893	—	—	—	—	—	893
Acquisition of consolidated joint venture	—	—	—	—	—	—	—	(12,037)	(12,037)
Issuance of noncontrolling interests	—	—	375	—	—	—	—	31,010	31,385
Net loss	—	—	—	—	—	(53,857)	—	(4,460)	(58,317)
Other comprehensive loss	—	—	—	—	—	—	(636)	(33)	(669)
<b>June 30, 2018</b>	<u>20,439,240</u>	<u>\$ 204</u>	<u>\$ 413,754</u>	<u>2,350</u>	<u>\$ (54)</u>	<u>\$ 150,585</u>	<u>\$ (13,129)</u>	<u>\$ 29,455</u>	<u>\$ 580,815</u>
<b>For the three months ended June 30, 2018</b>									
<b>March 31, 2018</b>	17,786,569	178	306,639	—	—	175,609	(10,424)	31,170	503,172
Issuance of Common Stock	2,168,586	21	41,181	—	—	—	—	—	41,202
Restricted stock grants	112,600	1	—	—	—	—	—	—	1
Issuance of Warrants	—	—	62,809	—	—	—	—	—	62,809
Amortization of employee share awards	—	—	1,420	—	—	—	—	—	1,420
Exercise of options	65,000	1	812	—	—	—	—	—	813
Exercise of Warrants	289,442	3	—	108	(3)	—	—	—	—
Restricted stock vesting	(2,242)	—	—	2,242	(51)	—	—	—	(51)
Director share awards	19,285	—	893	—	—	—	—	—	893
Net loss	—	—	—	—	—	(25,024)	—	(1,605)	(26,629)
Other comprehensive loss	—	—	—	—	—	—	(2,705)	(110)	(2,815)
<b>June 30, 2018</b>	<u>20,439,240</u>	<u>\$ 204</u>	<u>\$ 413,754</u>	<u>2,350</u>	<u>\$ (54)</u>	<u>\$ 150,585</u>	<u>\$ (13,129)</u>	<u>\$ 29,455</u>	<u>\$ 580,815</u>

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.



**SEACOR MARINE HOLDINGS INC.**  
**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)

	Six Months Ended June 30,	
	2019	2018
<b>Cash Flows from Operating Activities:</b>		
Net Loss	\$ (58,537 )	\$ (58,317 )
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	34,687	37,918
Deferred financing costs amortization	593	501
Restricted stock amortization	1,589	1,896
Restricted stock vesting	(282 )	(51 )
Director share awards	894	893
Debt discount amortization	2,762	2,719
Amortization of deferred gains against charter expense	—	(4,019 )
Bad debt (recovery) expense	(404 )	10
Loss from equipment sales, retirements or impairments	3,489	1,588
Derivative losses	2,323	14,184
Cash settlement on derivative transactions, net	200	(150 )
Currency losses	294	679
Deferred income taxes	(9,726 )	(17,395 )
Equity losses	10,403	513
Dividends received from equity investees	400	1,324
<b>Changes in Operating Assets and Liabilities:</b>		
Accounts receivables	(5,760 )	(15,414 )
Other assets	(569 )	(466 )
Accounts payable and accrued liabilities	18,092	(99 )
Net cash provided by (used in) operating activities	<u>448</u>	<u>(33,686 )</u>
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(41,184 )	(15,548 )
Proceeds from disposition of property and equipment	9,820	3,526
Net change in construction reserve fund	7,949	7,209
Investments in and advances to 50% or less owned companies	(2,669 )	(25,560 )
Return of investments and advances from 50% or less owned companies	—	99
Net cash (used in) investing activities	<u>(26,084 )</u>	<u>(30,274 )</u>
<b>Cash Flows from Financing Activities:</b>		
Payments on long-term debt	(8,099 )	(35,202 )
Proceeds from issuance of long-term debt, net of issue costs	—	18,471
Purchase of subsidiary shares from noncontrolling interests	(3,392 )	—
Proceeds from exercise of stock options and Warrants	111	813
Issuance of stock	—	42,996
Issuance of Warrants	—	12,809
Net cash (used in) provided by financing activities	<u>(11,380 )</u>	<u>39,887</u>
Effects of Exchange Rate Changes on Cash and Cash Equivalents	1,176	(288 )
Net Decrease in Cash, Cash Equivalents and Restricted Cash	(35,840 )	(24,361 )
Cash, Restricted Cash and Cash Equivalents, Beginning of Period	96,852	112,551
Cash, Restricted Cash and Cash Equivalents, End of Period	<u>\$ 61,012</u>	<u>\$ 88,190</u>

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

**SEACOR MARINE HOLDINGS INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES**

The condensed consolidated financial statements include the accounts of SEACOR Marine Holdings Inc. and its consolidated subsidiaries (the “Company”). In the opinion of management, all adjustments (consisting of normal recurring adjustments) have been made to fairly present the unaudited condensed consolidated financial statements for the periods indicated. Results of operations for the interim periods presented are not necessarily indicative of operating results for the full year or any future periods.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the Company’s financial statements and related notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2018.

Unless the context otherwise indicates, any reference in this Quarterly Report on Form 10-Q to the “Company” refers to SEACOR Marine Holdings Inc. and its consolidated subsidiaries and any reference in this Quarterly Report on Form 10-Q to “SEACOR Marine” refers to SEACOR Marine Holdings Inc. without its consolidated subsidiaries.

**Recently Adopted Accounting Standards.**

On February 25, 2016, the Financial Accounting Standards Board (“FASB”) issued a comprehensive new leasing standard, ASC 842, meant to improve transparency and comparability among companies by requiring lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. The Company adopted the new standard on January 1, 2019 and applied the transition provisions of the new standard with recognition of a cumulative-effect adjustment to the opening balance of retained earnings and therefore the Company was not required to recast previously issued financial statements. The Company elected the available practical expedients permitted under the guidance including the ability to carry forward the existing lease classification, the option to not separate lease and non-lease components in calculating the right-of-use assets and corresponding lease liabilities and to not apply the recognition requirements of Topic 842 to short-term leases (leases that have a duration of twelve months or less at lease inception). For some leases, it was not possible for the Company to determine the interest rate implicit in each of its operating leases and therefore used the Company’s incremental borrowing rate in calculating operating lease right-of-use assets and lease liabilities. The Company included renewal options that were reasonably certain of being exercised in determining the lease term. Upon adoption, the Company recorded \$33.7 million of right-of-use assets, \$31.9 million in lease liabilities, and a cumulative-effect adjustment to the opening balance of retained earnings of \$1.7 million for certain of the Company’s equipment, office and land leases. In addition, unamortized deferred gains for four vessels previously accounted for under sale-leaseback arrangements of \$8.7 million, (\$11.0 million deferred gains net of \$2.3 million deferred taxes), were fully recognized as an adjustment to the opening balance of retained earnings.

In February 2018, the FASB issued ASU 2018-02, “Income Statement—Reporting Comprehensive Income (Topic 220): Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income” (“ASU 2018-02”). The amendments in ASU 2018-02 permit a reclassification from Accumulated Other Comprehensive Income (“AOCI”) to retained earnings for stranded tax effects resulting from the Tax Cuts & Jobs Act (“TCJA”). Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Act and will improve the usefulness of information reported to financial statement users. ASU 2018-02 is effective for the Company for annual and interim reporting periods beginning after December 15, 2018. For the period ending June 30, 2019, an election has not been made to reclassify the income tax effects of the TCJA from AOCI to retained earnings.

In June 2018, the FASB issued ASU 2018-07, a new accounting standard which addresses aspects of the accounting for nonemployee share-based payment transactions. The standard is effective for interim and annual periods beginning after December 15, 2018. The adoption of the new standard by the Company did not have a material impact on its consolidated financial position or its results of operations and cash flows.

### **Critical Accounting Policies.**

**Revenue Recognition.** Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the Company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers over control of the promised goods or services to its customers. Costs to obtain or fulfill a contract are expensed as incurred.

**Lease Revenues.** The Company's lease revenues are primarily from time charters and bareboat charters that are recognized ratably over the lease term as services are provided, typically on a per day basis. The charterer will take the vessel on hire for a specific period of time, use the vessel to move cargo, people or equipment and will pay the Company the agreed upon rate per day. Under a time charter the Company provides a vessel to a customer for a set term and the Company is responsible for all operating expenses, typically excluding fuel. Under a bareboat charter, the Company provides a vessel to a customer for a set term and the customer assumes responsibility for all operating expenses, including fuel, and the risk of operation (see Note 14).

**Revenues from Customers of Management Services.** The Company contracts with various customers to carry out management services for vessels as agents for and on behalf of ship owners. These services include crew management, technical management, commercial management, insurance arrangements, sale and purchase of vessel, provisions and bunkering. As manager, the Company undertakes to use its best endeavors to provide the agreed management services as agents for, and on behalf of the ship owners in accordance with sound ship management practice and to protect and promote the interest of the owners in all matters relating to the provision of the agreed upon management services. The Company also contracts with various customers to carry out management services regarding engineering for vessel construction and vessel conversions. The majority of the ship management agreements have a duration of one to three years and are typically billed monthly. The Company satisfies its performance obligation over the term of the contract, and therefore recognizes revenue over the term of the contract while related costs are expensed as incurred (see Note 14).

Revenue that does not meet the aforementioned criteria is deferred until the criteria is met and are considered contract liabilities. Contract liabilities which are included in other current liabilities in the accompanying condensed consolidated balance sheets, for the six months ended June 30 were as follows (in thousands):

	<u>2019</u>	<u>2018</u>
Balance at beginning of period	\$ 1,327	\$ 10,104
Revenues deferred during the period	4,211	1,673
Revenues recognized during the period	(2,367)	(1,550)
Balance at end of period	<u>\$ 3,171</u>	<u>\$ 10,227</u>

As of June 30, 2019, contract liabilities include \$1.6 million related to the time charter of an offshore support vessel to a customer for which collection was not reasonably assured. The Company will recognize revenues when collected or when collection is reasonably assured. All costs and expenses related to this charter were recognized as incurred.

As of June 30, 2019, the Company has deferred \$1.4 million received as reimbursement for upgrades of a vessel and deferred reservation fees. The amount will be recognized in revenues over time, commencing with the start of the new time charter agreement for the vessel.

The remaining balance of \$0.2 million as of June 30, 2019 is comprised of contract liabilities to two customers for which collection is not reasonably assured.

**Property and Equipment.** Equipment, stated at cost, is depreciated using the straight-line method over the estimated useful life of the asset to an estimated salvage value. With respect to each class of asset, the estimated useful life is based upon a newly built asset being placed into service and represents the time period beyond which it is typically not justifiable for the Company to continue to operate the asset in the same or similar manner. From time to time, the Company may acquire older assets that have already exceeded the Company's useful life policy, in which case the Company depreciates such assets based on its best estimate of remaining useful life, typically the next survey or certification date.

As of June 30, 2019, the estimated useful life (in years) of each of the Company's major categories of new equipment was as follows:

Offshore Support Vessels:

Crew transfer vessels	10
All other offshore support vessels (excluding crew transfer vessels)	20

Equipment maintenance and repair costs and the costs of routine overhauls, drydockings and inspections performed on vessels and equipment are charged to operating expense as incurred. Expenditures that extend the useful life or improve the marketing and commercial characteristics of equipment as well as major renewals and improvements to other properties are capitalized.

Certain interest costs incurred during the construction of equipment are capitalized as part of the assets' carrying values and are amortized over such assets' estimated useful lives. During the six months ended June 30, 2019, capitalized interest totaled \$0.7 million.

**Impairment of Long-Lived Assets.** The Company performs an impairment analysis of long-lived assets used in operations, including intangible assets, when indicators of impairment are present. These indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If the carrying values of the assets are not recoverable, as determined by the estimated undiscounted cash flows, the estimated fair value of the assets or asset groups are compared to their current carrying values and impairment charges are recorded if the carrying value exceeds fair value. The Company performs its testing on an asset or asset group basis. Generally, fair value is determined using valuation techniques, such as expected undiscounted cash flows or appraisals, as appropriate. During the six months ended June 30, 2019, the Company recognized \$5.9 million of impairment charges primarily related to two anchor-handling towing supply ("AHTS") vessels previously removed from service, two AHTS vessels and four fast support vessels ("FSV") which have all been adjusted to indicative sales price. During the six months ended June 30, 2018, the Company recognized \$3.0 million of impairment charges primarily related to four AHTS vessels removed from service and adjusted to scrap value.

**Impairment of 50% or Less Owned Companies.** Investments in 50% or less owned companies are reviewed periodically to assess whether there is an other-than-temporary decline in the carrying value of the investment. In its evaluation, the Company considers, among other items, recent and expected financial performance and returns, impairments recorded by the investee and the capital structure of the investee. When the Company determines the estimated fair value of an investment is below carrying value and the decline is other-than-temporary, the investment is written down to its estimated fair value. Actual results may vary from the Company's estimates due to the uncertainty regarding projected financial performance, the severity and expected duration of declines in value and the available liquidity in the capital markets to support the continuing operations of the investee, among other factors. Although the Company believes its assumptions and estimates are reasonable, the investee's actual performance compared with the estimates could produce different results and lead to additional impairment charges in future periods. During the six months ended June 30, 2019, the Company did not recognize any impairment charges related to its 50% or less owned companies. During the six months ended June 30, 2018, the Company recognized impairment charges of \$1.2 million related to one of its 50% or less owned companies which the Company believed was unable to meet all of its liabilities.

**Income Taxes.** During the six months ended June 30, 2019, the Company's effective income tax rate of 12.5% was primarily due to taxes provided on income attributable to noncontrolling interests, foreign sourced income not subject to U.S. income taxes, and foreign taxes not creditable against U.S. income taxes. During the six months ended June 30, 2018, the Company's effective income tax rate of 20.1% was primarily due to taxes provided on income attributable to noncontrolling interests, foreign sourced income not subject to U.S. income taxes, foreign taxes not creditable against U.S. income taxes, and a reversal of an unrecognized tax benefit.

**Deferred Gains.** The Company has sold certain equipment to its 50% or less owned companies, entered into vessel sale-leaseback transactions with finance companies and provided seller financing on sales of its equipment to third parties and its 50% or less owned companies. In 2018, a portion of the gains realized from these transactions were deferred and recorded in deferred gains and other liabilities in the accompanying condensed consolidated balance sheets and were amortized in operating expenses as a reduction to rental expense. The new lease accounting pronouncement which was adopted on January 1, 2019 required the recognition of unamortized gains as a cumulative-effect adjustment to the opening balance of retained earnings.

Deferred gain activity related to these transactions for the six months ended June 30 was as follows (in thousands):

	2019	2018
Balance at beginning of period	\$ 11,819	\$ 25,006
Amortization of deferred gains included in operating expenses as a reduction to rental expense	—	(4,019)
Impact of adoption of new accounting standard	(11,026)	—
Other adjustments	—	(250)
Balance at end of period	<u>\$ 793</u>	<u>\$ 20,737</u>

**Accumulated Other Comprehensive Income (Loss).** The components of accumulated other comprehensive loss were as follows (in thousands):

	SEACOR Marine Holdings Inc. Stockholders' Equity			Noncontrolling Interests		
	Foreign Currency Translation Adjustments	Derivative Income (Losses) on Cash Flow Hedges, net	Total	Foreign Currency Translation Adjustments	Derivative Income (Losses) on Cash Flow Hedges, net	Other Comprehensive Income (Loss)
December 31, 2018	\$ (15,472)	\$ (1,316)	\$ (16,788)	\$ (1,445)	\$ (11)	—
Other comprehensive loss	(276)	(2,092)	(2,368)	—	—	\$ (2,368)
Six Months Ended June 30, 2019	<u>\$ (15,748)</u>	<u>\$ (3,408)</u>	<u>\$ (19,156)</u>	<u>\$ (1,445)</u>	<u>\$ (11)</u>	<u>\$ (2,368)</u>

**Leases.** The Company determines if an arrangement contains a lease at the inception of a contract. Leases with contractual terms less than twelve months are not recorded on the balance sheet and lease expense is recognized on a straight-line basis over the term of the short-term lease. Leases with contractual terms longer than twelve months are categorized as either operating or finance, with corresponding right-of-use asset and lease liability recorded on the balance sheet. Finance leases are generally those leases that substantially utilize or pay for the entire asset over its estimated life. All other leases are categorized as operating leases.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the present value of the fixed lease payments, using an implicit discount rate if available, or if not readily available, the Company's incremental borrowing rate. Right-of-use assets are recognized based on the initial present value of the fixed lease payments and are tested for impairment in the same manner as long-lived assets used in operations. When options exist to extend the lease term, terminate the lease before the contractual expiration date, or purchase the leased asset, and it is reasonably certain that these options will be exercised, the options are considered in determining the classification and measurement of the lease.

**Loss Per Share.** Basic loss per common share of the Company is computed based on the weighted average number of common shares and warrants to purchase common shares at an exercise price of \$0.01 per share (“Warrants”) issued and outstanding during the relevant periods. The Warrants are included in the basic loss per common share because the shares issuable upon exercise of the Warrants are issuable for de minimis cash consideration and therefore not anti-dilutive. Diluted loss per common share of the Company is computed based on the weighted average number of common shares and Warrants issued and outstanding plus the effect of other potentially dilutive securities through the application of the treasury stock method and the if-converted method that assumes all common shares have been issued and outstanding during the relevant periods pursuant to the conversion of the Convertible Senior Notes. For the six months ended June 30, 2019 and 2018, diluted earnings per common share of the Company excluded 2,183,708 common shares, respectively, issuable pursuant to the Company’s Convertible Senior Notes (see Note 4) as the effect of their inclusion in the computation would be anti-dilutive. In addition, for the six months ended June 30, 2019 and 2018, diluted loss per common share of the Company excluded 340,459 and 196,338 shares of restricted stock, respectively, and 705,078 and 694,691 shares of stock, respectively, issuable upon exercise of outstanding stock options as the effect of their inclusion in the computation would be anti-dilutive.

**New Accounting Pronouncements.** In August 2018, the FASB issued ASU 2018-13, a new accounting standard which modifies the disclosure requirements related to fair value measurement. The new guidance is effective for fiscal years beginning after December 15, 2019. The effects of this standard on our financial position or reporting is not expected to be material.

In August 2018, the FASB issued ASU 2018-15, a new accounting standard which provided guidance regarding the accounting for fees paid by a customer in a cloud computing arrangement (hosting arrangement). The guidance reduces complexity for the accounting for costs of implementing a cloud computing service arrangement and aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The standard is effective for interim and annual periods beginning after December 15, 2019. The Company is evaluating the provisions of the standard but does not expect the adoption of the new standard to have a material impact on its consolidated financial position or its results of operations and cash flows.

In June 2016, the FASB issued ASU 2016-13, an amendment to the accounting standards which replaces the current incurred loss impairment methodology for financial assets measured at amortized cost with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information, including forecasted information, to develop credit loss estimates. The new standard is effective for interim periods beginning after December 15, 2019. Early adoption is permitted for annual periods beginning after December 15, 2018. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

**Reclassification.** Certain amounts in the prior year’s condensed consolidated financial statements have been reclassified to conform to the current year presentation. The reclassification had no impact on total assets, liabilities, or net loss.

## **2. EQUIPMENT ACQUISITIONS AND DISPOSITIONS**

During the six months ended June 30, 2019, capital acquisitions were \$41.2 million. Equipment deliveries during the six months ended June 30, 2019 include two FSVs, one crew transfer vessel (“CTV”), and one platform supply vessel (“PSV”).

During the six months ended June 30, 2019, the Company sold three AHTS vessels and one specialty vessel previously retired and removed from service, one emergency response and rescue vessel (“ERRV”), two

FSVs, two supply vessels and other equipment for \$9.8 million cash and one vessel under construction for \$4.3 million (all of which was a previously received deposit) and gains of \$2.4 million.

### 3. INVESTMENTS, AT EQUITY AND ADVANCES TO 50% OR LESS OWNED COMPANIES

**SEACOSCO.** The Company, through SEACOR Offshore Asia LLC, an indirectly wholly owned subsidiary of SEACOR Marine (“SEACOR Offshore Asia”), owns an unconsolidated 50% interest in SEACOSCO Offshore LLC (“SEACOSCO”). China Shipping Fan Tai Limited (“CSFT”) and China Shipping Industry (Hong Kong) Co., Limited (“CSIHK”) own the other 50% interest in SEACOSCO. During the six months ended June 30, 2019, SEACOSCO took delivery of three PSVs and title to one PSV, and the Company contributed \$2.0 million in capital to SEACOSCO for the payment of construction costs. In the year ended December 31, 2018, SEACOSCO took delivery of two PSVs and title to another five of the PSVs, and the Company contributed \$29.6 million in capital to SEACOSCO.

During the current quarter, SEACOSCO was advised by COSCO Shipping Heavy Industry (Guangdong) Co., Ltd. (the “Shipyard”), the shipbuilder and lender under deferred payment agreements (“DPAs”) that are secured by the PSVs acquired by SEACOSCO, that SEACOSCO was in default under such agreements for two of the PSVs acquired by SEACOSCO for failure to make certain principal and interest payments in a timely manner. The Shipyard agreed to defer any action on this default pending a meeting of the board of managers of SEACOSCO to discuss capital contributions by each of the members of SEACOSCO and the settlement of the default under the DPAs.

In connection with these events, SEACOR Offshore Asia, CSFT, CSIHK and the Shipyard entered into a Memorandum of Understanding (“MOU”) effective May 31, 2019 pursuant to which (i) the Shipyard agreed to not take any action with respect to any existing defaults under the DPAs until August 31, 2019, (ii) SEACOR Offshore Asia was authorized to provide, in its sole discretion, shareholder loans to SEACOSCO and/or its subsidiaries in respect of working capital or other payment obligations at an interest rate of 15% per annum and, subject to the priority of the indebtedness under the DPAs, the shareholder loans will have senior priority to any and all other debts of SEACOSCO and/or its subsidiaries, (iii) the parties set out the non-binding principal terms and conditions for SEACOR Offshore Asia’s potential acquisition of the 50% interest in SEACOSCO owned by CSFT and CSIHK and (iv) in connection with such acquisition, SEACOR Offshore Asia or its nominee may acquire from the Shipyard two additional PSVs that had been under options held by SEACOSCO. Management remains in discussions with the Shipyard, CSFT and CSIHK with respect to the transactions contemplated by the MOU.

**Mexmar Offshore International.** On December 19, 2018, the Company acquired a 49% interest in Mexmar Offshore International for consideration of \$4.9 million. The joint venture owns 14 vessels servicing the energy industry in Brazil. For the six months ended June 30, 2019, the joint venture has incurred losses in excess of the initial investment, and the equity investment on the Company’s books has been reduced to zero. The Company has not provided any guarantees or capital commitments with respect to this investment.

**FRS Windcat Offshore Logistics GmbH.** During the six months ended June 30, 2019, the Company concluded the sale of one vessel under construction for \$4.3 million to a wholly owned subsidiary of FRS Windcat Offshore Logistics GmbH, an unconsolidated joint venture.

**Guarantees.** Two of the Company’s 50% or less owned companies have bank debt secured by, among other things, a first preferred mortgage on the 50% or less owned companies’ vessels. The banks also have the authority to require the Company and its partners to fund uncalled capital commitments, as defined in the partnership agreements governing the companies. In such event, the Company would be required to contribute its allocable share of uncalled capital, which was, as of June 30, 2019, \$0.8 million in the aggregate. This liability is included in other long-term liabilities.



#### 4. LONG-TERM DEBT

The Company's long-term debt obligations as of June 30, 2019 and December 31, 2018 were as follows (in thousands):

	June 30, 2019	December 31, 2018
Convertible Senior Notes	\$ 125,000	\$ 125,000
SEACOR Marine Foreign Holdings Syndicated Credit Facility	120,250	126,750
Falcon Global USA Term Loan Facility	109,099	109,099
Sea-Cat Crewzer III Term Loan Facility	25,366	25,989
Windcat Workboats Facilities	24,647	24,850
Falcon Global USA Revolver	15,000	15,000
SEACOR 88/888 Term Loan	11,000	11,000
BNDES Equipment Construction Finance Notes	4,308	5,284
	<u>\$ 434,670</u>	<u>\$ 442,972</u>
Portion due within one year	(20,651)	(16,812)
Debt discount	(29,243)	(32,005)
Issue costs	(5,701)	(6,301)
	<u>\$ 379,075</u>	<u>\$ 387,854</u>

As of June 30, 2019, the Company is in compliance with all debt covenants and lender requirements.

On August 6, 2019, SEACOR Marine, SEACOR Marine Foreign Holdings Inc., a wholly owned subsidiary of SEACOR Marine ("SMFH"), and certain vessel-owning subsidiaries of SEACOR Marine, entered into an amendment (the "Amendment") to that certain \$130.0 million loan facility, dated as of September 26, 2018, with a syndicate of lenders administered by DNB Bank ASA, New York Branch (the "Credit Facility") and the related guaranty by SEACOR Marine with respect to the obligations of SMFH under the Credit Facility (the "Guaranty").

The Amendment provides for, among other things, (i) the release of one vessel from a mortgage securing the Credit Facility and the substitution of mortgages over two other vessels owned by vessel-owning subsidiaries of SEACOR Marine, and (ii) the modification of certain financial maintenance and restrictive covenants contained in the Credit Facility or the Guaranty, including with respect to asset maintenance, vessel collateral releases, EBTIDA coverage ratios and the payment of dividends and distributions.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed as Exhibit 10.3 hereto and the terms of which are incorporated herein by reference.

**Letters of Credit.** As of June 30, 2019, the Company had outstanding letters of credit of \$4.3 million securing one long-term debt obligation, \$0.3 million securing one lease obligation and \$2.6 million for labor and performance guarantees.

#### 5. LEASES

As of June 30, 2019, the Company leases in four AHTS vessels, two liftboats, one FSV, one supply vessel and certain facilities and other equipment. The leases typically contain purchase and renewal options or rights of first refusal with respect to the sale or lease of the equipment. As of June 30, 2019, the remaining lease terms of the vessels have remaining durations from five to 29 months. The lease terms of the other equipment range in duration from seven to 330 months.



As of June 30, 2019, future minimum payments for operating leases for the remainder of 2019 and the years ended December 31 were as follows (in thousands):

Remainder of 2019	\$	9,800
2020		14,049
2021		7,101
2022		651
2023		622
Years subsequent to 2023		4,851
		<u>37,074</u>
Interest component		<u>(3,747)</u>
Current portion of long-term operating lease liabilities		16,552
Long-term operating lease liabilities	\$	<u><u>16,775</u></u>

For the six months ended June 30, 2019, the components of lease expense were as follows (in thousands):

	Three Months Ended June 30, 2019	Six Months Ended June 30, 2019
Operating lease expense	\$ 3,611	\$ 7,224
Short-term lease expense (lease duration of twelve months or less at lease commencement)	706	1,241
	<u>\$ 4,317</u>	<u>\$ 8,465</u>

For the six months ended June 30, 2019, other information related to operating leases were as follows (in thousands except weighted average data):

	2019
Operating cash flows from operating leases	\$ 9,782
Right-of-use assets obtained for operating lease liabilities	\$ 33,928
Weighted average remaining lease term, in years	4.7
Weighted average discount rate	4.1 %

## 6. INCOME TAXES

The following table reconciles the difference between the statutory federal income tax rate for the Company and the effective income tax rate on continuing operations for the six months ended June 30, 2019:

Statutory rate	21.0	%
Foreign taxes not creditable against U.S. income tax	(4.5)	
Foreign earnings not subject to U.S. income tax	(3.7)	
Noncontrolling interests	(2.2)	
State taxes	1.8	
Other	0.1	
	<u>12.5</u>	<u>%</u>

## 7. DERIVATIVE INSTRUMENTS AND HEDGING STRATEGIES

Derivative instruments are classified as either assets or liabilities based on their individual fair values. The fair values of the Company's derivative instruments were as follows (in thousands):

	June 30, 2019		December 31, 2018	
	Derivative Asset	Derivative Liability	Derivative Asset	Derivative Liability
<b>Derivatives designated as hedging instruments:</b>				
Interest rate swap agreements (cash flow hedges)	\$ —	\$ 3,394	\$ —	\$ 1,659 <sup>(1)</sup>
		<u>3,394</u>		<u>1,659</u>
<b>Derivatives not designated as hedging instruments:</b>				
Conversion option liability on Convertible Senior Notes	—	7,599	—	5,276
	<u>\$ —</u>	<u>\$ 10,993</u>	<u>\$ —</u>	<u>\$ 6,935</u>

(1) Included in other current liabilities in the accompanying condensed consolidated balance sheets.

**Cash Flow Hedges.** The Company and certain of its 50% or less owned companies have interest rate swap agreements designated as cash flow hedges. By entering into these interest rate swap agreements, the Company and its 50% or less owned companies have converted the variable LIBOR or EURIBOR component of certain of their outstanding borrowings to a fixed interest rate. The Company recognized immaterial losses on derivative instruments designated as cash flow hedges during the six months ended June 30, 2019. As of June 30, 2019, the interest rate swaps held by the Company and its 50% or less owned companies were as follows:

- Windcat Workboats Holdings Ltd. (“Windcat Workboats”) has two interest rate swap agreements maturing in 2021 that call for the Company to pay a fixed rate of interest of (0.03%) per annum on the aggregate notional value of €15.0 million (approximately \$17.0 million) and receive a variable interest rate based on EURIBOR on the aggregate notional value;
- SEACOR Marine Foreign Holdings Inc. (“SMFH”) has an interest rate swap agreement maturing in 2023 that calls for SMFH to pay a fixed rate of interest of 3.32% per annum on the amortized notional value of \$9.3 million and receive a variable interest rate based on LIBOR on the amortized notional value;
- SMFH has an interest rate swap agreement maturing in 2023 that calls for SMFH to pay a fixed rate of interest of 3.195% per annum on the amortized notional value of \$51.3 million and receive a variable interest rate based on LIBOR on the amortized notional value;
- SEACOR 88 LLC and SEACOR 888 LLC (collectively, “SEACOR 88/888”) have an interest rate swap agreement maturing in 2023 that calls for SEACOR 88/888 to pay a fixed rate of interest of 3.2% per annum on the amortized notional value of \$5.5 million and receive a variable interest rate based on LIBOR on the amortized notional value; and
- MexMar has five interest rate swap agreements with maturities in 2023 that call for MexMar to pay a fixed rate of interest ranging from 1.71% to 2.10% per annum on the aggregate amortized notional value of \$91.0 million and receive a variable interest rate based on LIBOR on the aggregate amortized notional value.

**Other Derivative Instruments.** The Company recognized (losses) gains on derivative instruments not designated as hedging instruments for the six months ended June 30 as follows (in thousands):

	2019	2018
Conversion option liability on Convertible Senior Notes	\$ (2,323)	\$ (15,054)
Interest rate swap agreements	—	870
	<u>\$ (2,323)</u>	<u>\$ (14,184)</u>

The conversion option liability relates to the bifurcated embedded conversion option in the Convertible Senior Notes issued to investment funds managed and controlled by the Carlyle Group (“Carlyle”). See Note 8, Fair Value Measurements.

The Company and certain of its 50% or less owned companies have entered into interest rate swap agreements that did not qualify as cash flow hedges for the general purpose of providing protection against increases in interest rates, which might lead to higher interest costs. As of June 30, 2019, these interest rate swaps held by the Company or its 50% or less owned companies were as follows:

- SEACOR OSV Partners I LP (“OSV Partners”) has two interest rate swap agreements with maturities in 2020 that call for OSV Partners to pay a fixed rate of interest ranging from 1.89% to 2.27% per annum on the aggregate amortized notional value of \$25.4 million and receive a variable interest rate based on LIBOR on the aggregate amortized notional value.

## 8. FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received to sell an asset or transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value and defines three levels of inputs that may be used to measure fair value. *Level 1* inputs are quoted prices in active markets for identical assets or liabilities. *Level 2* inputs are observable inputs other than quoted prices included in *Level 1* that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs derived from observable market data. *Level 3* inputs are unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The Company’s financial assets and liabilities as of June 30, 2019 that are measured at fair value on a recurring basis were as follows (in thousands):

	Level 1	Level 2	Level 3
<b>June 30, 2019</b>			
<b>ASSETS</b>			
Construction reserve funds	\$ 20,112	\$ —	\$ —
<b>LIABILITIES</b>			
Derivative instruments	—	3,394	—
Conversion Option Liability on Convertible Senior Notes	—	—	7,599
<b>December 31, 2018</b>			
<b>ASSETS</b>			
Construction reserve funds	\$ 28,221	\$ —	\$ —
<b>LIABILITIES</b>			
Derivative instruments	—	1,659	—
Conversion Option Liability on Convertible Senior Notes	—	—	5,276

**Level 3 Measurement.** The fair value of the conversion option liability on the Convertible Senior Notes is estimated with significant inputs that are both observable and unobservable in the market and therefore is considered a *Level 3* fair value measurement. The Company used a binomial lattice model that assumes the holders will maximize their value by finding the optimal decision between redeeming at the redemption price or converting into shares of Common Stock. This model estimates the fair value of the conversion option as the differential in the fair value of the notes including the conversion option compared with the fair value of the notes excluding the conversion option. The significant observable inputs used in the fair value measurement include the price of Common Stock and the risk-free interest rate. The significant unobservable inputs are the estimated Company credit spread and Common Stock volatility, which were based on comparable companies in the transportation and energy industries.

The estimated fair values of the Company's other financial assets and liabilities as of June 30, 2019 were as follows (in thousands):

	Carrying Amount	Estimated Fair Value		
		Level 1	Level 2	Level 3
<b>June 30, 2019</b>				
<b>ASSETS</b>				
Cash, cash equivalents and restricted cash	\$ 61,012	\$ 61,012	\$ —	\$ —
Investments, at cost, in 50% or less owned companies (included in other assets)	132	<i>see below</i>		
<b>LIABILITIES</b>				
Long-term debt, including current portion	399,726	—	384,310	—
<b>December 31, 2018</b>				
<b>ASSETS</b>				
Cash, cash equivalents and restricted cash	\$ 96,852	\$ 96,852	\$ —	\$ —
Investments, at cost, in 50% or less owned companies (included in other assets)	132	<i>see below</i>		
<b>LIABILITIES</b>				
Long-term debt, including current portion	404,666	—	388,949	—

The carrying value of cash, cash equivalents and restricted cash approximates fair value. The fair value of the Company's long-term debt was estimated based upon quoted market prices or by using discounted cash flow analysis based on estimated current rates for similar types of arrangements. It was not practicable to estimate the fair value of certain of the Company's investments, at cost, in 50% or less owned companies because of the lack of quoted market prices and the inability to estimate fair value without incurring excessive costs. Considerable judgment was required in developing certain of the estimates of fair value and, accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

The Company's other assets and liabilities that were measured at fair value during the six months ended June 30, 2019 were as follows (in thousands):

	Level 1	Level 2	Level 3
<b>ASSETS</b>			
Property and equipment:			
AHTS	\$ —	\$ 1,210	\$ —
FSVs	—	2,490	—

**Property and equipment.** During the six months ended June 30, 2019, the Company recognized impairment charges of \$5.9 million primarily associated with certain vessels (see Note 1). The *Level 2* fair values were determined based on the sales prices of similar property and equipment as scrap value.

## 9. WARRANTS

On April 26, 2018, the Company closed a private placement of its Common Stock and Warrants to purchase its Common Stock (which were issued to certain investors in place of Common Stock to facilitate compliance with Jones Act restrictions) for aggregate gross proceeds of \$56,855,000 (the “PIPE Private Placement”) with certain qualified institutional buyers and other accredited investors. The PIPE Private Placement included the issuance of 2,168,586 shares of Common Stock and Warrants to purchase 674,164 shares of the Common Stock at an exercise price of \$0.01 per share (the “PIPE Warrants”). The PIPE Warrants were issued to Proyectos Globales de Energía y Servicios CME, S.A. de C.V. a variable capital corporation (sociedad anónima de capital variable) incorporated and existing under the laws of the United Mexican States (“CME”) on April 26, 2018, have a 25-year term and an exercise price of \$0.01 per share. On May 2, 2018, the Company and Carlyle entered into an amendment and exchange agreement pursuant to which Carlyle exchanged \$50.0 million in principal amount of the Convertible Senior Notes for warrants to purchase 1,886,292 shares of common stock at an exercise price of \$0.01 per share (the “Exchange Warrants” and, together with the PIPE Warrants, the “Warrants”). The Exchange Warrants have a 25-year term, which commenced May 2, 2018. On May 31, 2018, June 8, 2018, May 28, 2019 and June 14, 2019, 250,693, 38,857, 380,000 and 64,440 of the PIPE Warrants were exercised, respectively for \$0.01 per share, which left 1,826,966 Warrants outstanding as of June 30, 2019. In conjunction with the exercise of Warrants on June 14, 2019, 49 shares of Common Stock were withheld as payment for the exercise price of the Warrants.

## 10. STOCKHOLDERS' EQUITY

The impact of adopting ASC 842 resulted in an increase of \$10.4 million, net of tax, to the Company’s opening retained earnings for the current period.

On January 9, 2019, certain indirect wholly-owned subsidiaries of SEACOR Marine acquired three FSVs in exchange for the private placement of 603,872 shares of its Common Stock to domestic U.S. holders affiliated with the McCall family of Louisiana. The value of the vessels and the Common Stock was \$7.8 million based on the closing price of a share of Common Stock on the NYSE on the day of the exchange. The Common Stock was issued in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act. The Company has operated the acquired vessels for the past ten years under a revenue sharing pooling agreement that included four of its owned FSVs of similar specification. In accordance with its terms, this pooling agreement was terminated.

On January 25, 2019, Seabulk Overseas Transport, Inc. (“Seabulk Overseas”), a wholly-owned subsidiary of SEACOR Marine, acquired a 6.25% minority interest in Windcat Workboats that it did not previously own upon the exercise of certain put options by one of the two minority owners pursuant to the terms of a subscription and shareholders agreement, as amended (the “Subscription and Shareholders Agreement”), in exchange for consideration of £1.5 million (approximately \$2.0 million) in cash. The Company acquired the other 6.25% minority interest in Windcat Workboats that the Company did not already own on March 15, 2019 in exchange for consideration of 50,000 shares of Common Stock and €1.2 million (approximately \$1.4 million) in cash. The Common Stock was issued in a private placement in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act. The two acquisitions resulted in Seabulk Overseas owning (and SEACOR Marine indirectly owning) 100% of Windcat Workboats.

## 11. NONCONTROLLING INTERESTS IN SUBSIDIARIES

Noncontrolling interests in the Company’s consolidated subsidiaries were as follows (in thousands):

	Noncontrolling Interests	June 30, 2019	December 31, 2018
Falcon Global Holdings	28%	\$ 22,386	\$ 26,989
Windcat Workboats	0% (1)	—	2,115
Other	1.8%	305	300
		<u>\$ 22,691</u>	<u>\$ 29,404</u>

(1) As of June 30, 2019; at December 31, 2018, noncontrolling interest was 12.5%.

**Falcon Global Holdings.** The Company consolidates Falcon Global Holdings LLC (“FGH”) as the Company holds 72% of the equity interest in FGH and is entitled to appoint a majority of the board of managers of FGH. During the six months ended June 30, 2019 and 2018, the net loss of FGH was \$16.6 million and \$14.4 million, respectively, of which \$4.6 million and \$4.0 million, respectively, was attributable to noncontrolling interests.

**Windcat Workboats.** Prior to January 25, 2019, Seabulk Overseas, a wholly owned subsidiary of the Company, owned 87% of Windcat Workboats. On January 25, 2019, Seabulk Overseas acquired a 6.25% minority interest in Windcat Workboats that it did not previously own. Seabulk Overseas acquired the remaining 6.25% interest in Windcat Workboats that the Company did not already own on March 15, 2019. For the six months ended June 30, 2018, the net loss of Windcat Workboats was \$3.3 million and \$0.4 million was attributed to noncontrolling interests.

## 12. COMMITMENTS AND CONTINGENCIES

As of June 30, 2019, the Company’s unfunded capital commitments were \$58.9 million for one FSV, two CTVs and five PSVs. Of the amount of unfunded capital commitments, \$23.6 million is payable during the remainder of 2019 and \$35.3 million is payable during 2020. The Company has indefinitely deferred an additional \$20.6 million of orders with respect to two FSVs for which the Company had previously reported unfunded capital commitments.

As of June 30, 2019, the Company has guaranteed certain performance contracts of one of its subsidiaries by setting aside £0.9 million from its available borrowing under an unsecured line of credit. If the contract were not fulfilled, the line of credit would be drawn to fund the guarantee.

As of June 30, 2019, SEACOR Holdings Inc. (“SEACOR Holdings”) has guaranteed \$32.1 million on behalf of the Company for various obligations including: performance obligations under sale-leaseback arrangements and invoiced amounts for funding deficits under the U.K. Merchant Navy Officers Pension Fund (“MNOPF”). Pursuant to a Distribution Agreement with SEACOR Holdings, SEACOR Holdings charges the Company a fee of 0.5% on outstanding guaranteed amounts, which declines as the obligations are settled by the Company.

In the normal course of its business, the Company becomes involved in various other litigation matters including, among other things, claims by third parties for alleged property damages and personal injuries. Management has used estimates in determining the Company’s potential exposure to these matters and has recorded reserves in its financial statements related thereto where appropriate. It is possible that a change in the Company’s estimates of that exposure could occur, but the Company does not expect such changes in estimated costs would have a material effect on the Company’s consolidated financial position, results of operations or cash flows.

### 13. STOCK BASED COMPENSATION

Transactions in connection with the Company's 2017 Equity Incentive Plan during the six months ended June 30, 2019 were as follows:

<b>Restricted Stock Activity:</b>	
Outstanding as of December 31, 2018	192,346
Granted	321,100
Vested	62,387
Forfeited	1,000
Outstanding as of June 30, 2019	<u>450,059</u>
<b>Stock Option Activity:</b>	
Outstanding as of December 31, 2018	805,566
Granted	149,253
Exercised	8,750
Forfeited	5,000
Outstanding as of June 30, 2019	<u>941,069</u>

For the six months ended June 30, 2019, the Company acquired for treasury 21,587 shares of Common Stock for an aggregate purchase price of \$0.3 million from its employees to cover their tax withholding obligations upon the lapsing of restrictions on share awards. These shares were purchased in accordance with the terms of the Company's 2017 Equity Incentive Plan.

### 14. SEGMENT INFORMATION

The Company's segment presentation and basis of measurement of segment profit or loss are as previously described in the Company's Annual Report on Form 10 -K for the year ended December 31, 2018. The following tables summarize the operating results, capital expenditures and assets of the Company's reportable segments for the periods indicated (in thousands):

	United States (primarily Gulf of Mexico)	Africa (primarily West Africa)	Middle East and Asia	Latin America	Europe (primarily North Sea)	Total
<b>For the Three Months Ended June 30, 2019</b>						
<b>Operating Revenues:</b>						
Time charter	\$ 12,628	\$ 10,400	\$ 13,175	\$ 2,046	\$ 20,524	\$ 58,773
Bareboat charter	233	—	—	1,156	—	1,389
Other marine services	1,320	753	349	273	1,488	4,183
	<u>14,181</u>	<u>11,153</u>	<u>13,524</u>	<u>3,475</u>	<u>22,012</u>	<u>64,345</u>
<b>Direct Costs and Expenses:</b>						
<b>Operating:</b>						
Personnel	5,203	3,428	4,292	976	10,062	23,961
Repairs and maintenance	2,515	952	2,629	481	2,099	8,676
Drydocking	1,801	(48)	275	(32)	78	2,074
Insurance and loss reserves	841	239	381	66	365	1,892
Fuel, lubes and supplies	1,107	939	725	314	807	3,892
Other	113	773	793	560	791	3,030
	<u>11,580</u>	<u>6,283</u>	<u>9,095</u>	<u>2,365</u>	<u>14,202</u>	<u>43,525</u>
<b>Direct Vessel Profit</b>	<u>\$ 2,601</u>	<u>\$ 4,870</u>	<u>\$ 4,429</u>	<u>\$ 1,110</u>	<u>\$ 7,810</u>	<u>20,820</u>
<b>Other Costs and Expenses:</b>						
Lease expense	\$ 2,942	\$ 787	\$ 42	\$ —	\$ 546	4,317
Administrative and general						11,639
Depreciation and amortization	5,341	2,759	4,274	1,659	3,461	17,494
						<u>33,450</u>
Loss on Asset Dispositions, Net						(3,848)
Operating Loss						<u>\$ (16,478)</u>

	United States (primarily Gulf of Mexico)	Africa (primarily West Africa)	Middle East and Asia	Latin America	Europe (primarily North Sea)	Total
<b>For the Six Months Ended June 30, 2019</b>						
Operating Revenues:						
Time charter	\$ 20,633	\$ 21,173	\$ 25,674	\$ 6,968	\$ 36,452	\$ 110,900
Bareboat charter	233	—	—	2,299	—	2,532
Other marine services	2,452	116	577	908	3,109	7,162
	<u>23,318</u>	<u>21,289</u>	<u>26,251</u>	<u>10,175</u>	<u>39,561</u>	<u>120,594</u>
Direct Costs and Expenses:						
Operating:						
Personnel	9,706	7,295	8,546	2,532	18,638	46,717
Repairs and maintenance	5,293	2,136	4,822	816	4,615	17,682
Drydocking	3,795	290	434	47	387	4,953
Insurance and loss reserves	1,433	452	708	201	572	3,366
Fuel, lubes and supplies	1,790	1,693	1,434	742	1,986	7,645
Other	203	2,879	1,893	1,081	1,383	7,439
	<u>22,220</u>	<u>14,745</u>	<u>17,837</u>	<u>5,419</u>	<u>27,581</u>	<u>87,802</u>
<b>Direct Vessel Profit</b>	<u>\$ 1,098</u>	<u>\$ 6,544</u>	<u>\$ 8,414</u>	<u>\$ 4,756</u>	<u>\$ 11,980</u>	<u>\$ 32,792</u>
Other Costs and Expenses:						
Lease expense	\$ 5,853	\$ 1,572	\$ 88	\$ 1	\$ 951	8,465
Administrative and general						23,639
Depreciation and amortization	10,839	5,115	8,523	3,595	6,615	34,687
						<u>66,791</u>
Loss on Asset Dispositions, Net						(3,489)
Operating Loss						<u>\$ (37,488)</u>
<b>As of June 30, 2019</b>						
Property and Equipment:						
Historical cost	\$ 364,501	\$ 220,855	\$ 288,677	\$ 108,068	\$ 240,719	\$ 1,222,820
Accumulated depreciation	(189,602)	(62,061)	(74,815)	(49,393)	(149,685)	(525,556)
	<u>\$ 174,899</u>	<u>\$ 158,794</u>	<u>\$ 213,862</u>	<u>\$ 58,675</u>	<u>\$ 91,034</u>	<u>\$ 697,264</u>
Total Assets (1)	<u>\$ 312,465</u>	<u>\$ 171,084</u>	<u>\$ 252,926</u>	<u>\$ 123,513</u>	<u>\$ 133,437</u>	<u>\$ 993,425</u>

(1) Total assets by region does not include corporate assets of \$83,271 as of June 30, 2019.



	United States (primarily Gulf of Mexico)	Africa (primarily West Africa)	Middle East and Asia	Latin America	Europe (primarily North Sea)	Total
<b>For the Three Months Ended June 30, 2018</b>						
Time Charter Statistics:						
Average Rates Per Day	\$ 10,503	\$ 9,509	\$ 8,226	\$ 19,127	\$ 4,823	\$ 7,324
Fleet Utilization	23 %	88 %	82 %	57 %	76 %	62 %
Fleet Available Days	3,710	1,331	2,005	416	5,066	12,528
Operating Revenues:						
Time charter	\$ 9,052	\$ 11,122	\$ 13,591	\$ 4,556	\$ 18,505	\$ 56,826
Bareboat charter	—	—	—	1,156	—	1,156
Other	1,676	350	(792)	845	640	2,719
	<u>10,728</u>	<u>11,472</u>	<u>12,799</u>	<u>6,557</u>	<u>19,145</u>	<u>60,701</u>
Direct Costs and Expenses:						
Operating:						
Personnel	4,636	4,314	4,069	1,219	10,495	24,733
Repairs and maintenance	1,529	1,663	3,576	32	2,270	9,070
Drydocking	910	910	72	11	1,209	3,112
Insurance and loss reserves	902	248	361	169	254	1,934
Fuel, lubes and supplies	900	900	922	349	1,051	4,122
Other	29	1,402	836	488	254	3,009
	<u>8,906</u>	<u>9,437</u>	<u>9,836</u>	<u>2,268</u>	<u>15,533</u>	<u>45,980</u>
<b>Direct Vessel Profit</b>	<u>\$ 1,822</u>	<u>\$ 2,035</u>	<u>\$ 2,963</u>	<u>\$ 4,289</u>	<u>\$ 3,612</u>	<u>14,721</u>
Other Costs and Expenses:						
Lease expense	\$ 2,065	\$ 1,092	\$ 59	\$ 2	\$ 113	3,331
Administrative and general						15,041
Depreciation and amortization	5,915	2,924	4,311	2,280	2,976	18,406
						<u>36,778</u>
Gain on Asset Dispositions and Impairments, Net						1,055
Operating Loss						<u>\$ (21,002)</u>

	United States (primarily Gulf of Mexico)	Africa (primarily West Africa)	Middle East and Asia	Latin America	Europe (primarily North Sea)	Total
<b>For the Six Months Ended June 30, 2018</b>						
<b>2018</b>						
Operating Revenues:						
Time charter	\$ 15,034	\$ 21,916	\$ 24,965	\$ 5,930	\$ 36,123	\$ 103,968
Bareboat charter	—	—	—	2,299	—	2,299
Other marine services	3,331	1,637	(922)	955	1,154	6,155
	<u>18,365</u>	<u>23,553</u>	<u>24,043</u>	<u>9,184</u>	<u>37,277</u>	<u>112,422</u>
Direct Costs and Expenses:						
Operating:						
Personnel	8,628	8,387	8,091	1,595	19,708	46,409
Repairs and maintenance	2,223	3,019	6,004	337	4,560	16,143
Drydocking	1,435	912	61	11	2,950	5,369
Insurance and loss reserves	1,336	466	597	236	489	3,124
Fuel, lubes and supplies	1,393	1,569	1,956	414	2,335	7,667
Other	54	2,438	2,044	548	532	5,616
	<u>15,069</u>	<u>16,791</u>	<u>18,753</u>	<u>3,141</u>	<u>30,574</u>	<u>84,328</u>
<b>Direct Vessel Profit</b>	<u>\$ 3,296</u>	<u>\$ 6,762</u>	<u>\$ 5,290</u>	<u>\$ 6,043</u>	<u>\$ 6,703</u>	<u>28,094</u>
Other Costs and Expenses:						
Leased expense	\$ 4,109	\$ 2,161	\$ 118	\$ 3	\$ 198	6,589
Administrative and general						27,415
Depreciation and amortization	\$ 12,450	\$ 5,731	\$ 10,401	\$ 3,499	\$ 5,837	37,918
						<u>71,922</u>
Loss on Asset Dispositions and Impairment						(1,588)
Operating Loss						<u>\$ (45,416)</u>
<b>As of June 30, 2018</b>						
Property and Equipment:						
Historical cost	\$ 439,026	\$ 184,037	\$ 317,536	\$ 165,145	\$ 182,111	\$ 1,287,855
Accumulated depreciation	(225,116)	(57,909)	(86,239)	(58,078)	(137,135)	(564,477)
	<u>\$ 213,910</u>	<u>\$ 126,128</u>	<u>\$ 231,297</u>	<u>\$ 107,067</u>	<u>\$ 44,976</u>	<u>\$ 723,378</u>
Total Assets (1)	<u>\$ 351,718</u>	<u>\$ 130,930</u>	<u>\$ 265,451</u>	<u>\$ 176,473</u>	<u>\$ 53,539</u>	<u>\$ 978,111</u>

(1) Total assets by region does not include corporate assets of \$154,427 as of June 30, 2018.

The Company's investments in 50% or less owned companies, which are accounted for under the equity method, also contribute to its consolidated results of operations. As of June 30, 2019 and 2018, the Company's investments, at equity and advances to 50% or less owned companies in its other 50% or less owned companies were \$112.4 million and \$115.4 million, respectively. Equity in (losses) earnings of 50% or less owned companies for the six months ended June 30, 2019 and 2018 were (\$10.4) million and (\$0.5) million, respectively.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*This Form 10-Q includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern management's expectations, strategic objectives, business prospects, anticipated economic performance and financial condition and other similar matters and involve significant known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of results to differ materially from any future results, performance or achievements discussed or implied by such forward-looking statements. [Certain of these risks, uncertainties and other important factors are discussed in Item 1A. (Risk Factors) and Item 7. (Management's Discussion and Analysis of Financial Condition and Results of Operations) of the Company's 2018 Annual Report]. However, it should be understood that it is not possible to identify or predict all such risks, uncertainties and factors, and others may arise from time to time. All of these forward-looking statements constitute the Company's cautionary statements under the Private Securities Litigation Reform Act of 1995. The words "anticipate," "estimate," "expect," "project," "intend," "believe," "plan," "target," "forecast" and similar expressions are intended to identify forward-looking statements. Forward looking statements speak only as of the date of the document in which they are made. The Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which the forward-looking statement is based. It is advisable, however, to consult any further disclosures the Company makes on related subjects in its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the Securities and Exchange Commission.*

### Overview

The following analysis of our financial condition and results of operations should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q, as well as Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2018 (the "2018 Annual Report").

The Company provides global marine and support transportation services to offshore oil, natural gas exploration and windfarm development and production facilities worldwide. As of June 30, 2019, the Company and its joint ventures operate a diverse fleet of 177 support and specialty vessels, of which 127 were owned or leased-in, 46 were joint ventured and four were managed on behalf of unaffiliated third parties. The primary users of the Company's services are major integrated oil companies, large independent oil and natural gas exploration and production companies and emerging independent companies, as well as windfarm operations and installation contractors.

The Company's fleet features offshore support and specialty vessels that deliver cargo and personnel to offshore installations; handle anchors and mooring equipment required to tether rigs to the seabed; tow rigs and assist in placing them on location and moving them between regions; provide construction, well workover and decommissioning support; carry and launch equipment used underwater in drilling and well installation, maintenance and repair; and provide windfarm installation, maintenance and repair support. Additionally, the Company's vessels provide accommodations for technicians and specialists, safety support and emergency response services. The Company's fleet also features crew transfer vessels used primarily in windfarm operations.

The Company operates its fleet in five principal geographic regions: the United States, primarily in the Gulf of Mexico; Africa, primarily in West Africa; the Middle East and Asia; Brazil, Mexico, Central and South America ("Latin America"); and Europe, primarily in the North Sea. The Company's vessels are highly mobile and regularly and routinely move between countries within a geographic region. In addition, the Company's vessels are redeployed among its geographic regions, subject to flag restrictions, as changes in market conditions dictate. The number and type of vessels operated, their rates per day worked and their utilization levels are the key determinants of the Company's operating results and cash flows. Unless a vessel is cold-stacked, there is little reduction in daily running costs for the vessels and, consequently, operating margins are most sensitive to changes in rates per day worked and utilization. The Company manages its fleet utilizing a global network of shore side support, administrative and finance personnel.

Offshore oil and natural gas market conditions deteriorated beginning in the second half of 2014 and continued to deteriorate when oil prices hit a thirteen-year low of less than \$27 per barrel (on the New York Mercantile Exchange) in February 2016. As of June 30, 2019, oil prices had increased from the February 2016 lows to a price of approximately \$60 per barrel. While the Company has experienced what it believes is a beginning of a recovery, it continued to experience difficult market conditions through the first half of 2019.

Low oil prices and the subsequent decline in offshore exploration have forced many operators in the industry to restructure or liquidate assets in addition to cold-stacking and laying up vessels. The Company continues to closely monitor the reactivation of existing offshore support vessels as well as the delivery of newly built offshore support vessels to the industry-wide fleet, which is creating situations of oversupply, thereby further lowering the demand for the Company's existing offshore support vessel fleet. A continuation of (i) low customer exploration and drilling activity levels and (ii) the increasing size of the global offshore support vessel fleet as vessels are reactivated and newly built vessels are placed into service could, in isolation or together, have a material adverse effect on the Company's results of operations, financial position and cash flows.

As shipyards, finance parties and industry operators have been forced to restructure or liquidate assets, the Company has reviewed discreet opportunities to acquire or takeover the management of certain assets. In this industry context, the Company may from time to time deploy capital in connection with transactions that it determines enhance market coverage and/or represent a substantial discount to replacement value.

## **Recent Events**

### SEACOSCO

During the current quarter, SEACOSCO was advised by COSCO Shipping Heavy Industry (Guangdong) Co., Ltd. (the "Shipyards"), the shipbuilder and lender under deferred payment agreements ("DPAs") that are secured by the PSVs acquired by SEACOSCO, that SEACOSCO was in default under such agreements for two of the PSVs acquired by SEACOSCO for failure to make certain principal and interest payments in a timely manner. The Shipyards agreed to defer any action on this default pending a meeting of the board of managers of SEACOSCO to discuss capital contributions by each of the members of SEACOSCO and the settlement of the default under the DPAs.

In connection with these events, SEACOR Offshore Asia, CSFT, CSIHK and the Shipyards entered into a Memorandum of Understanding ("MOU") effective May 31, 2019 pursuant to which (i) the Shipyards agreed not take any action with respect to any existing defaults under the DPAs until August 31, 2019, (ii) SEACOR Offshore Asia was authorized to provide, in its sole discretion, shareholder loans to SEACOSCO and/or its subsidiaries in respect of working capital or other payment obligations at an interest rate of 15% per annum and, subject to the priority of the indebtedness under the DPAs, the shareholder loans will have senior priority to any and all other debts of SEACOSCO and/or its subsidiaries, (iii) the parties set out the non-binding principal terms and conditions for SEACOR Offshore Asia's potential acquisition of the 50% interest in SEACOSCO owned by CSFT and CSIHK and (iv) in connection with such acquisition, SEACOR Offshore Asia or its nominee may acquire from the Shipyards two additional PSVs that had been under options held by SEACOSCO. Management remains in discussions with the Shipyards, CSFT and CSIHK with respect to the transactions contemplated by the MOU.

### Cost Savings Initiatives

During the third quarter of 2019, the Company initiated certain cost reduction initiatives to better align its operating expenses with the current state of its business and the offshore marine industry, including a reduction of workforce, reorganization of the management structure, closure and/or consolidation of certain facilities and streamlining of operations. The Company expects these initiatives, which will impact all of its reportable segments, to be completed by the second quarter of 2020 and to realize annualized recurring savings of at least \$8.0 million once completed. The Company anticipates incurring one-time restructuring charges in the third quarter of 2019 arising from these restructuring activities. Management continues to focus on optimizing the cost structure and regional footprint of the business to help maintain the Company's competitiveness in the industry, improve its operating leverage and position itself to take advantage of market opportunities.

SEACOR Marine Foreign Holdings Credit Agreement Amendment

On August 6, 2019, SEACOR Marine, SEACOR Marine Foreign Holdings Inc., a wholly owned subsidiary of SEACOR Marine (“SMFH”), and certain vessel-owning subsidiaries of SEACOR Marine, entered into an amendment (the “Amendment”) to that certain \$130.0 million loan facility, dated as of September 26, 2018, with a syndicate of lenders administered by DNB Bank ASA, New York Branch (the “Credit Facility” ) and the related guaranty by SEACOR Marine with respect to the obligations of SMFH under the Credit Facility (the “Guaranty”).

The Amendment provides for, among other things, (i) the release of one vessel from a mortgage securing the Credit Facility and the substitution of mortgages over two other vessels owned by vessel-owning subsidiaries of SEACOR Marine, and (ii) the modification of certain financial maintenance and restrictive covenants contained in the Credit Facility or the Guaranty, including with respect to asset maintenance, vessel collateral releases, EBTIDA coverage ratios and the payment of dividends and distributions.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed as Exhibit 10.3 hereto and the terms of which are incorporated herein by reference.

## Consolidated Results of Operations

The sections below provide an analysis of the Company's results of operations for the three months ("Current Year Quarter") and six months ("Current Six Months") ended June 30, 2019 compared with the three months ("Prior Year Quarter") and six months ("Prior Six Months") ended June 30, 2018. For the periods indicated, the Company's consolidated results of operations were as follows (in thousands, except statistics):

	Three Months Ended June 30,				Six Months Ended June 30,							
	2019		2018		2019		2018					
<b>Time Charter Statistics:</b>												
Average Rates Per Day Worked (excluding crew transfer)	\$	9,913	\$	9,742	\$	9,686	\$	9,425				
Average Rates Per Day	\$	7,122	\$	7,324	\$	7,237	\$	7,174				
Fleet Utilization (excluding crew transfer)		64 %		58 %		63 %		54 %				
Fleet Utilization		72 %		62 %		66 %		58 %				
Fleet Available Days (excluding crew transfer)		8,038		9,071		16,153		18,342				
Fleet Available Days		11,537		12,528		23,072		25,129				
<b>Operating Revenues:</b>												
Time charter	\$	58,773	91 %	\$	56,826	94 %	\$	110,900	92 %	\$	103,968	93 %
Bareboat charter		1,389	2 %		1,156	2 %		2,532	2 %		2,299	2 %
Other marine services		4,183	7 %		2,719	4 %		7,162	6 %		6,155	5 %
		<u>64,345</u>	<u>100 %</u>		<u>60,701</u>	<u>100 %</u>		<u>120,594</u>	<u>100 %</u>		<u>112,422</u>	<u>100 %</u>
<b>Costs and Expenses:</b>												
<b>Operating:</b>												
Personnel		23,961	37 %		24,733	41 %		46,717	39 %		46,409	41 %
Repairs and maintenance		8,676	14 %		9,070	15 %		17,682	15 %		16,143	14 %
Drydocking		2,074	3 %		3,112	5 %		4,953	4 %		5,369	5 %
Insurance and loss reserves		1,892	3 %		1,934	3 %		3,366	3 %		3,124	3 %
Fuel, lubes and supplies		3,892	6 %		4,122	7 %		7,645	6 %		7,667	7 %
Other		3,030	5 %		3,009	5 %		7,439	6 %		5,616	5 %
		<u>43,525</u>	<u>68 %</u>		<u>45,980</u>	<u>76 %</u>		<u>87,802</u>	<u>73 %</u>		<u>84,328</u>	<u>75 %</u>
Administrative and general		11,639	18 %		15,041	25 %		23,639	19 %		27,415	24 %
Depreciation and amortization		17,494	27 %		18,406	30 %		34,687	29 %		37,918	34 %
Lease expense - operating		4,317	7 %		3,331	6 %		8,465	7 %		6,589	6 %
		<u>76,975</u>	<u>120 %</u>		<u>82,758</u>	<u>137 %</u>		<u>154,593</u>	<u>128 %</u>		<u>156,250</u>	<u>139 %</u>
(Losses) Gains on Asset Dispositions and Impairments, Net		<u>(3,848)</u>	<u>(6) %</u>		<u>1,055</u>	<u>2 %</u>		<u>(3,489)</u>	<u>(3) %</u>		<u>(1,588)</u>	<u>(1) %</u>
Operating Loss		<u>(16,478)</u>	<u>(26) %</u>		<u>(21,002)</u>	<u>(35) %</u>		<u>(37,488)</u>	<u>(31) %</u>		<u>(45,416)</u>	<u>(40) %</u>
Other (Expense) Income, Net		<u>(9,828)</u>	<u>(15) %</u>		<u>(9,630)</u>	<u>(16) %</u>		<u>(17,525)</u>	<u>(15) %</u>		<u>(26,936)</u>	<u>(24) %</u>
Loss Before Income Tax Benefit and Equity in Earnings (Losses) of 50% or Less Owned Companies		<u>(26,306)</u>	<u>(41) %</u>		<u>(30,632)</u>	<u>(51) %</u>		<u>(55,013)</u>	<u>(46) %</u>		<u>(72,352)</u>	<u>(64) %</u>
Income Tax Benefit		<u>(3,048)</u>	<u>(5) %</u>		<u>(4,724)</u>	<u>(8) %</u>		<u>(6,879)</u>	<u>(6) %</u>		<u>(14,548)</u>	<u>(13) %</u>
Loss Before Equity in Earnings (Losses) of 50% or Less Owned Companies		<u>(23,258)</u>	<u>(36) %</u>		<u>(25,908)</u>	<u>(43) %</u>		<u>(48,134)</u>	<u>(40) %</u>		<u>(57,804)</u>	<u>(51) %</u>
Equity in (Losses) Earnings of 50% or Less Owned Companies		<u>(7,006)</u>	<u>(11) %</u>		<u>(721)</u>	<u>(1) %</u>		<u>(10,403)</u>	<u>(9) %</u>		<u>(513)</u>	<u>(1) %</u>
Net Loss		<u>(30,264)</u>	<u>(47) %</u>		<u>(26,629)</u>	<u>(44) %</u>		<u>(58,537)</u>	<u>(49) %</u>		<u>(58,317)</u>	<u>(52) %</u>
Net Loss attributable to Noncontrolling Interests in Subsidiaries		<u>(1,875)</u>	<u>(3) %</u>		<u>(1,605)</u>	<u>(3) %</u>		<u>(4,599)</u>	<u>(4) %</u>		<u>(4,460)</u>	<u>(4) %</u>
Net Loss attributable to SEACOR Marine Holdings Inc.	\$	<u>(28,389)</u>	<u>(44) %</u>	\$	<u>(25,024)</u>	<u>(41) %</u>	\$	<u>(53,938)</u>	<u>(45) %</u>	\$	<u>(53,857)</u>	<u>(48) %</u>

**Direct Vessel Profit.** Direct vessel profit (defined as operating revenues less operating expenses excluding leased-in equipment, "DVP") is the Company's measure of segment profitability when applied to reportable segments and a non-GAAP measure when applied to individual vessels, fleet categories or the combined fleet. DVP is a critical financial measure used by the Company to analyze and compare the operating performance of its individual vessels, fleet categories, regions and combined fleet, without regard to financing decisions (depreciation for owned vessel vs. leased expense for leased-in vessels). DVP is also useful when comparing the Company's fleet's performance against those of its competitors who may have differing fleet financing structures.

DVP by region and by vessel class has material limitations as an analytical tool in that it does not reflect all of the costs associated with the operation of the Company's fleet and it should not be considered in isolation or used as a substitute for the Company's results as reported under GAAP. A reconciliation of DVP by region and by vessel class to operating loss, its most comparable GAAP measure, is included in the tables below.

The following tables summarize the operating results and property and equipment for the Company's reportable segments for the periods indicated (in thousands, except statistics):

	United States (primarily Gulf of Mexico)	Africa (primarily West Africa)	Middle East and Asia	Latin America	Europe (primarily North Sea)	Total
<b>For the Three Months Ended June 30, 2019</b>						
Time Charter Statistics:						
Average Rates Per Day	\$ 14,058	\$ 9,365	\$ 8,182	\$ 8,074	\$ 4,686	\$ 7,122
Fleet Utilization	34 %	81 %	79 %	63 %	86 %	72 %
Fleet Available Days	2,669	1,365	2,026	400	5,077	11,537
Operating Revenues:						
Time charter	\$ 12,628	\$ 10,400	\$ 13,175	\$ 2,046	\$ 20,524	\$ 58,773
Bareboat charter	233	—	—	1,156	—	1,389
Other marine services	1,320	753	349	273	1,488	4,183
	<u>14,181</u>	<u>11,153</u>	<u>13,524</u>	<u>3,475</u>	<u>22,012</u>	<u>64,345</u>
Direct Costs and Expenses:						
Operating:						
Personnel	5,203	3,428	4,292	976	10,062	23,961
Repairs and maintenance	2,515	952	2,629	481	2,099	8,676
Drydocking	1,801	(48)	275	(32)	78	2,074
Insurance and loss reserves	841	239	381	66	365	1,892
Fuel, lubes and supplies	1,107	939	725	314	807	3,892
Other	113	773	793	560	791	3,030
	<u>11,580</u>	<u>6,283</u>	<u>9,095</u>	<u>2,365</u>	<u>14,202</u>	<u>43,525</u>
<b>Direct Vessel Profit</b>	<u>\$ 2,601</u>	<u>\$ 4,870</u>	<u>\$ 4,429</u>	<u>\$ 1,110</u>	<u>\$ 7,810</u>	<u>20,820</u>
Other Costs and Expenses:						
Lease expense	\$ 2,942	\$ 787	\$ 42	\$ —	\$ 546	4,317
Administrative and general						11,639
Depreciation and amortization	5,341	2,759	4,274	1,659	3,461	17,494
						<u>33,450</u>
Loss on Asset Dispositions and Impairments						(3,848)
Operating Loss						<u>\$ (16,478)</u>

	United States (primarily Gulf of Mexico)	Africa (primarily West Africa)	Middle East and Asia	Latin America	Europe (primarily North Sea)	Total
<b>For the Six Months Ended June 30, 2019</b>						
Time Charter Statistics:						
Average Rates Per Day	\$ 12,472	\$ 9,414	\$ 8,280	\$ 10,974	\$ 4,743	\$ 7,237
Fleet Utilization	31 %	84 %	76 %	67 %	77 %	66 %
Fleet Available Days	5,367	2,678	4,087	941	10,000	23,073
Operating Revenues:						
Time charter	\$ 20,633	\$ 21,173	\$ 25,674	\$ 6,968	\$ 36,452	\$ 110,900
Bareboat charter	233	—	—	2,299	—	2,532
Other marine services	2,452	116	577	908	3,109	7,162
	<u>23,318</u>	<u>21,289</u>	<u>26,251</u>	<u>10,175</u>	<u>39,561</u>	<u>120,594</u>
Direct Costs and Expenses:						
Operating:						
Personnel	9,706	7,295	8,546	2,532	18,638	46,717
Repairs and maintenance	5,293	2,136	4,822	816	4,615	17,682
Drydocking	3,795	290	434	47	387	4,953
Insurance and loss reserves	1,433	452	708	201	572	3,366
Fuel, lubes and supplies	1,790	1,693	1,434	742	1,986	7,645
Other	203	2,879	1,893	1,081	1,383	7,439
	<u>22,220</u>	<u>14,745</u>	<u>17,837</u>	<u>5,419</u>	<u>27,581</u>	<u>87,802</u>
<b>Direct Vessel Profit</b>	<u>\$ 1,098</u>	<u>\$ 6,544</u>	<u>\$ 8,414</u>	<u>\$ 4,756</u>	<u>\$ 11,980</u>	<u>\$ 32,792</u>
Other Costs and Expenses:						
Lease expense	\$ 5,853	\$ 1,572	\$ 88	\$ 1	\$ 951	8,465
Administrative and general						23,639
Depreciation and amortization	10,839	5,115	8,523	3,595	6,615	34,687
						<u>66,791</u>
Loss on Asset Dispositions and Impairments						(3,489)
Operating Loss						<u>\$ (37,488)</u>
<b>As of June 30, 2019</b>						
Property and Equipment:						
Historical cost	\$ 364,501	\$ 220,855	\$ 288,677	\$ 108,068	\$ 240,719	\$ 1,222,820
Accumulated depreciation	(189,602)	(62,061)	(74,815)	(49,393)	(149,685)	(525,556)
	<u>\$ 174,899</u>	<u>\$ 158,794</u>	<u>\$ 213,862</u>	<u>\$ 58,675</u>	<u>\$ 91,034</u>	<u>\$ 697,264</u>
Total Assets <sup>(1)</sup>	<u>\$ 312,465</u>	<u>\$ 171,084</u>	<u>\$ 252,926</u>	<u>\$ 123,513</u>	<u>\$ 133,437</u>	<u>\$ 993,425</u>

(1) Total assets by region does not include corporate assets, which are \$83,271 as of June 30, 2019.



	United States (primarily Gulf of Mexico)	Africa (primarily West Africa)	Middle East and Asia	Latin America	Europe (primarily North Sea)	Total
<b>For the Three Months Ended June 30, 2018</b>						
Time Charter Statistics:						
Average Rates Per Day	\$ 10,503	\$ 9,509	\$ 8,226	\$ 19,127	\$ 4,823	\$ 7,324
Fleet Utilization	23 %	88 %	82 %	57 %	76 %	62 %
Fleet Available Days	3,710	1,331	2,005	416	5,066	12,528
Operating Revenues:						
Time charter	\$ 9,052	\$ 11,122	\$ 13,591	\$ 4,556	\$ 18,505	\$ 56,826
Bareboat charter	—	—	—	1,156	—	1,156
Other	1,676	350	(792)	845	640	2,719
	<u>10,728</u>	<u>11,472</u>	<u>12,799</u>	<u>6,557</u>	<u>19,145</u>	<u>60,701</u>
Direct Costs and Expenses:						
Operating:						
Personnel	4,636	4,314	4,069	1,219	10,495	24,733
Repairs and maintenance	1,529	1,663	3,576	32	2,270	9,070
Drydocking	910	910	72	11	1,209	3,112
Insurance and loss reserves	902	248	361	169	254	1,934
Fuel, lubes and supplies	900	900	922	349	1,051	4,122
Other	29	1,402	836	488	254	3,009
	<u>8,906</u>	<u>9,437</u>	<u>9,836</u>	<u>2,268</u>	<u>15,533</u>	<u>45,980</u>
<b>Direct Vessel Profit</b>	<u>\$ 1,822</u>	<u>\$ 2,035</u>	<u>\$ 2,963</u>	<u>\$ 4,289</u>	<u>\$ 3,612</u>	<u>14,721</u>
Other Costs and Expenses:						
Lease expense	\$ 2,065	\$ 1,092	\$ 59	\$ 2	\$ 113	3,331
Administrative and general						15,041
Depreciation and amortization	5,915	2,924	4,311	2,280	2,976	18,406
						<u>36,778</u>
Gain on Asset Dispositions and Impairments, Net						1,055
Operating Loss						<u>\$ (21,002)</u>

	United States (primarily Gulf of Mexico)	Africa (primarily West Africa)	Middle East and Asia	Latin America	Europe (primarily North Sea)	Total
<b>For the Six Months Ended June 30, 2018</b>						
Time Charter Statistics:						
Average Rates Per Day	\$ 9,740	\$ 9,482	\$ 8,155	\$ 18,069	\$ 4,984	\$ 7,174
Fleet Utilization	20%	89%	74%	52%	72%	58%
Fleet Available Days	7,760	2,591	4,137	635	10,006	25,129
Operating Revenues:						
Time charter	\$ 15,034	\$ 21,916	\$ 24,965	\$ 5,930	\$ 36,123	\$ 103,968
Bareboat charter	—	—	—	2,299	—	2,299
Other	3,331	1,637	(922)	955	1,154	6,155
	<u>18,365</u>	<u>23,553</u>	<u>24,043</u>	<u>9,184</u>	<u>37,277</u>	<u>112,422</u>
Direct Costs and Expenses:						
Operating:						
Personnel	8,628	8,387	8,091	1,595	19,708	46,409
Repairs and maintenance	2,223	3,019	6,004	337	4,560	16,143
Drydocking	1,435	912	61	11	2,950	5,369
Insurance and loss reserves	1,336	466	597	236	489	3,124
Fuel, lubes and supplies	1,393	1,569	1,956	414	2,335	7,667
Other	54	2,438	2,044	548	532	5,616
	<u>15,069</u>	<u>16,791</u>	<u>18,753</u>	<u>3,141</u>	<u>30,574</u>	<u>84,328</u>
<b>Direct Vessel Profit</b>	<u>\$ 3,296</u>	<u>\$ 6,762</u>	<u>\$ 5,290</u>	<u>\$ 6,043</u>	<u>\$ 6,703</u>	<u>28,094</u>
Other Costs and Expenses:						
Lease expense	\$ 4,109	\$ 2,161	\$ 118	\$ 3	\$ 198	6,589
Administrative and general						27,415
Depreciation and amortization	12,450	5,731	10,401	3,499	5,837	37,918
						<u>71,922</u>
Loss on Asset Dispositions and Impairments, Net						(1,588)
Operating Loss						<u>\$ (45,416)</u>
<b>As of June 30, 2018</b>						
Property and Equipment:						
Historical cost	\$ 439,026	\$ 184,037	\$ 317,536	\$ 165,145	\$ 182,111	\$ 1,287,855
Accumulated depreciation	(225,116)	(57,909)	(86,239)	(58,078)	(137,135)	(564,477)
	<u>\$ 213,910</u>	<u>\$ 126,128</u>	<u>\$ 231,297</u>	<u>\$ 107,067</u>	<u>\$ 44,976</u>	<u>\$ 723,378</u>
Total Assets <sup>(1)</sup>	<u>\$ 351,718</u>	<u>\$ 130,930</u>	<u>\$ 265,451</u>	<u>\$ 176,473</u>	<u>\$ 53,539</u>	<u>\$ 978,111</u>

(1) Total assets by region does not include corporate assets, which are \$154,427 as of June 30, 2018.

For additional information, the following tables summarize the world-wide operating results and property and equipment for each of the Company's vessel classes for the periods indicated (in thousands, except statistics):

	<u>Anchor handling towing supply</u>	<u>Fast support</u>	<u>Supply</u>	<u>Emergency Response and Rescue</u>	<u>Specialty</u>	<u>Liftboats</u>	<u>Crew Transfer</u>	<u>Other activity</u>	<u>Total</u>
<b>For the Three Months Ended June 30, 2019</b>									
Time Charter Statistics:									
Average Rates Per Day	\$ 7,597	\$ 7,624	\$ 6,906	\$ 8,562	\$ —	\$ 20,993	\$ 2,431	\$ —	\$ 7,122
Fleet Utilization	49 %	71 %	53 %	87 %	— %	47 %	88 %	— %	72 %
Fleet Available Days	910	3,275	486	1,547	91	1,729	3,499	—	11,537
Operating Revenues:									
Time charter	\$ 3,360	\$ 17,709	\$ 1,787	\$ 11,503	\$ —	\$ 16,932	\$ 7,482	\$ —	\$ 58,773
Bareboat charter	—	233	1,156	—	—	—	—	—	1,389
Other marine services	869	(179)	799	30	—	1,481	499	684	4,183
	<u>4,229</u>	<u>17,763</u>	<u>3,742</u>	<u>11,533</u>	<u>—</u>	<u>18,413</u>	<u>7,981</u>	<u>684</u>	<u>64,345</u>
Direct Costs and Expenses:									
Operating:									
Personnel	2,001	5,796	1,617	6,047	23	5,360	2,665	452	23,961
Repairs and maintenance	632	2,682	1,085	1,069	3	2,189	933	83	8,676
Drydocking	96	136	82	77	—	1,683	—	—	2,074
Insurance and loss reserves	266	385	78	129	20	921	93	—	1,892
Fuel, lubes and supplies	262	1,602	98	690	(24)	1,076	167	21	3,892
Other	411	1,713	842	143	77	251	113	(520)	3,030
	<u>3,668</u>	<u>12,314</u>	<u>3,802</u>	<u>8,155</u>	<u>99</u>	<u>11,480</u>	<u>3,971</u>	<u>36</u>	<u>43,525</u>
<b>Direct Vessel Profit (Loss)</b>	<u>\$ 561</u>	<u>\$ 5,449</u>	<u>\$ (60)</u>	<u>\$ 3,378</u>	<u>\$ (99)</u>	<u>\$ 6,933</u>	<u>\$ 4,010</u>	<u>\$ 648</u>	<u>\$ 20,820</u>
Other Costs and Expenses:									
Lease expense	\$ 1,527	\$ 352	\$ 433	\$ —	\$ —	\$ 1,497	\$ —	\$ 508	\$ 4,317
Administrative and general									11,639
Depreciation and amortization	575	5,929	1,223	1,082	127	6,055	1,920	583	17,494
									<u>33,450</u>
Loss on Asset Dispositions and Impairments									(3,848)
Operating Loss									<u>\$ (16,478)</u>

	<b>Anchor handling towing supply</b>	<b>Fast support</b>	<b>Supply</b>	<b>Emergency Response and Rescue</b>	<b>Specialty</b>	<b>Liftboats</b>	<b>Crew transfer</b>	<b>Other activity</b>	<b>Total</b>
<b>For the Six Months Ended June 30, 2019</b>									
Time Charter Statistics:									
Average Rates Per Day	\$ 7,989	\$ 7,616	\$ 6,958	\$ 8,531	\$ —	\$ 19,397	\$ 2,389	\$ —	\$ 7,237
Fleet Utilization	43 %	70 %	58 %	84 %	— %	46 %	74 %	— %	66 %
Fleet Available Days	1,810	6,569	987	3,167	181	3,439	6,919	—	23,072
Operating Revenues:									
Time charter	\$ 6,235	\$ 34,792	\$ 3,969	\$ 22,811	\$ —	\$ 30,809	\$ 12,284	\$ —	\$ 110,900
Bareboat charter	—	233	2,299	—	—	—	—	—	2,532
Other marine services	211	(430)	1,580	61	—	3,561	821	1,358	7,162
	<u>6,446</u>	<u>34,595</u>	<u>7,848</u>	<u>22,872</u>	<u>—</u>	<u>34,370</u>	<u>13,105</u>	<u>1,358</u>	<u>120,594</u>
Direct Costs and Expenses:									
Operating:									
Personnel	3,391	11,307	3,295	12,180	88	10,457	4,974	1,025	46,717
Repairs and maintenance	1,262	5,019	1,704	2,491	7	5,017	2,029	153	17,682
Drydocking	171	486	244	386	—	3,666	—	—	4,953
Insurance and loss reserves	388	711	183	189	28	1,805	197	(135)	3,366
Fuel, lubes and supplies	324	2,704	497	1,637	7	2,081	356	39	7,645
Other	1,003	4,177	1,986	383	172	695	226	(1,203)	7,439
	<u>6,539</u>	<u>24,404</u>	<u>7,909</u>	<u>17,266</u>	<u>302</u>	<u>23,721</u>	<u>7,782</u>	<u>(121)</u>	<u>87,802</u>
<b>Direct Vessel (Loss) Profit</b>	<u>\$ (93)</u>	<u>\$ 10,191</u>	<u>\$ (61)</u>	<u>\$ 5,606</u>	<u>\$ (302)</u>	<u>\$ 10,649</u>	<u>\$ 5,323</u>	<u>\$ 1,479</u>	<u>\$ 32,792</u>
Other Costs and Expenses:									
Lease expense	\$ 3,066	\$ 704	\$ 751	\$ —	\$ —	\$ 2,995	\$ —	\$ 949	\$ 8,465
Administrative and general									23,639
Depreciation and amortization	1,150	11,873	2,259	2,178	255	12,108	3,951	913	34,687
									<u>66,791</u>
Loss on Asset Dispositions and Impairments									<u>(3,489)</u>
Operating Loss									<u>\$ (37,488)</u>
<b>As of June 30, 2019</b>									
Property and Equipment:									
Historical cost	\$ 143,339	\$ 430,077	\$ 77,924	\$ 121,190	\$ 14,806	\$ 329,746	\$ 77,380	\$ 28,358	\$ 1,222,820
Accumulated depreciation	(118,166)	(105,665)	(38,999)	(97,755)	(10,211)	(83,994)	(50,284)	(20,482)	(525,556)
	<u>\$ 25,173</u>	<u>\$ 324,412</u>	<u>\$ 38,925</u>	<u>\$ 23,435</u>	<u>\$ 4,595</u>	<u>\$ 245,752</u>	<u>\$ 27,096</u>	<u>\$ 7,876</u>	<u>\$ 697,264</u>

	Anchor handling towing supply	Fast support	Supply	Emergency Response and Rescue	Specialty	Liftboats	Crew Transfer	Other activity	Total
<b>For the Three Months Ended June 30, 2018</b>									
Time Charter Statistics:									
Average Rates Per Day	\$ 13,381	\$ 6,963	\$ 7,174	\$ 9,157	\$ —	\$ 19,225	\$ 2,330	\$ —	\$ 7,324
Fleet Utilization	23 %	62 %	69 %	80 %	— %	43 %	73 %	— %	62 %
Fleet Available Days	866	3,820	637	1,746	91	1,911	3,457	—	12,528
Operating Revenues:									
Time charter	\$ 2,712	\$ 16,488	\$ 3,149	\$ 12,791	\$ —	\$ 15,788	\$ 5,898	\$ —	\$ 56,826
Bareboat charter	—	—	1,156	—	—	—	—	—	1,156
Other marine services	(91)	(505)	39	39	—	1,569	563	1,105	2,719
	<u>2,621</u>	<u>15,983</u>	<u>4,344</u>	<u>12,830</u>	<u>—</u>	<u>17,357</u>	<u>6,461</u>	<u>1,105</u>	<u>60,701</u>
Direct Costs and Expenses:									
Operating:									
Personnel	1,593	5,258	1,999	8,148	79	4,671	2,295	690	24,733
Repairs and maintenance	1,281	3,406	259	1,464	13	1,553	987	107	9,070
Drydocking	945	115	585	624	—	842	1	—	3,112
Insurance and loss reserves	265	314	134	143	25	889	93	71	1,934
Fuel, lubes and supplies	586	1,015	317	843	(29)	1,153	219	18	4,122
Other	689	1,466	1,048	144	93	336	173	(940)	3,009
	<u>5,359</u>	<u>11,574</u>	<u>4,342</u>	<u>11,366</u>	<u>181</u>	<u>9,444</u>	<u>3,768</u>	<u>(54)</u>	<u>45,980</u>
<b>Direct Vessel (Loss) Profit</b>	<u>\$ (2,738)</u>	<u>\$ 4,409</u>	<u>\$ 2</u>	<u>\$ 1,464</u>	<u>\$ (181)</u>	<u>\$ 7,913</u>	<u>\$ 2,693</u>	<u>\$ 1,159</u>	<u>14,721</u>
Other Costs and Expenses:									
Leased-in equipment	\$ 1,855	\$ 342	\$ —	\$ —	\$ —	\$ 644	\$ 22	\$ 468	3,331
Administrative and general									15,041
Depreciation and amortization	532	6,585	1,394	681	283	6,333	2,380	218	18,406
									<u>36,778</u>
Gain on Asset Dispositions and Impairments									1,055
Operating Loss									<u>\$ (21,002)</u>

	<b>Anchor handling towing supply</b>	<b>Fast support</b>	<b>Supply</b>	<b>Emergency Response and Rescue</b>	<b>Specialty</b>	<b>Liftboats</b>	<b>Crew Transfer</b>	<b>Other activity</b>	<b>Total</b>
<b>For the Six Months Ended June 30, 2018</b>									
Time Charter Statistics:									
Average Rates Per Day	\$ 11,634	\$ 7,321	\$ 6,803	\$ 9,107	\$ —	\$ 18,022	\$ 2,319	\$ —	\$ 7,174
Fleet Utilization	22 %	57 %	71 %	79 %	— %	37 %	68 %	— %	58 %
Fleet Available Days	2,126	7,600	1,270	3,595	181	3,570	6,787	—	25,129
Operating Revenues:									
Time charter	\$ 5,499	\$ 31,915	\$ 6,151	\$ 25,842	\$ —	\$ 23,914	\$ 10,647	\$ —	\$ 103,968
Bareboat charter	—	—	2,299	—	—	—	—	—	2,299
Other	1,347	(1,161)	21	79	—	2,325	992	2,552	6,155
	<u>6,846</u>	<u>30,754</u>	<u>8,471</u>	<u>25,921</u>	<u>—</u>	<u>26,239</u>	<u>11,639</u>	<u>2,552</u>	<u>112,422</u>
Direct Costs and Expenses:									
Operating:									
Personnel	2,990	10,014	3,955	15,086	243	8,132	4,517	1,472	46,409
Repairs and maintenance	1,675	5,950	704	3,018	50	2,687	1,812	247	16,143
Drydocking	1,425	106	585	2,365	(6)	893	1	—	5,369
Insurance and loss reserves	356	638	236	281	35	1,540	196	(158)	3,124
Fuel, lubes and supplies	739	1,810	1,011	1,834	54	1,821	363	35	7,667
Other	1,141	2,926	1,767	305	197	753	269	(1,742)	5,616
	<u>8,326</u>	<u>21,444</u>	<u>8,258</u>	<u>22,889</u>	<u>573</u>	<u>15,826</u>	<u>7,158</u>	<u>(146)</u>	<u>84,328</u>
<b>Direct Vessel (Loss) Profit</b>	<u>\$ (1,480)</u>	<u>\$ 9,310</u>	<u>\$ 213</u>	<u>\$ 3,032</u>	<u>\$ (573)</u>	<u>\$ 10,413</u>	<u>\$ 4,481</u>	<u>\$ 2,698</u>	<u>28,094</u>
Other Costs and Expenses:									
Leased-in equipment	\$ 3,713	\$ 684	\$ —	\$ —	\$ —	\$ 1,282	\$ 22	\$ 888	6,589
Administrative and general									27,415
Depreciation and amortization	2,022	13,170	4,137	1,375	565	11,358	4,808	483	37,918
									<u>71,922</u>
Loss on Asset Dispositions and Impairments, Net									(1,588)
Operating Loss									<u>\$ (45,416)</u>
<b>As of June 30, 2018</b>									
Property and Equipment:									
Historical cost	\$ 188,507	\$ 420,776	\$ 95,088	\$ 112,869	\$ 30,529	\$ 337,239	\$ 71,575	\$ 31,272	\$ 1,287,855
Accumulated depreciation	(168,841)	(99,020)	(45,759)	(93,736)	(19,869)	(65,900)	(44,483)	(26,869)	(564,477)
	<u>\$ 19,666</u>	<u>\$ 321,756</u>	<u>\$ 49,329</u>	<u>\$ 19,133</u>	<u>\$ 10,660</u>	<u>\$ 271,339</u>	<u>\$ 27,092</u>	<u>\$ 4,403</u>	<u>\$ 723,378</u>

**Fleet Counts.** The Company's fleet count as of June 30, 2019 and December 31, 2018 was as follows:

	Owned	Joint Ventured	Leased-in	Managed	Total
<b>June 30, 2019</b>					
AHTS	5	—	4	—	9
FSV	35	4	1	—	40
Supply	6	33	—	2	41
ERRV	17	1	—	—	18
Specialty	1	3	—	2	6
Liftboats	17	—	2	—	19
Crew transfer	39	5	—	—	44
	<u>120</u>	<u>46</u>	<u>7</u>	<u>4</u>	<u>177</u>
<b>December 31, 2018</b>					
AHTS	8	—	4	—	12
FSV	32	5	1	3	41
Supply	7	30	—	2	39
ERRV	18	1	—	—	19
Specialty	1	4	—	2	7
Liftboats	17	—	2	—	19
Crew transfer	38	4	—	—	42
	<u>121</u>	<u>44</u>	<u>7</u>	<u>7</u>	<u>179</u>

## Operating Income (Loss)

**United States, primarily Gulf of Mexico.** For the three and six months ended June 30, the Company's time charter statistics and direct vessel profit (loss) in the United States was as follows (in thousands, except statistics):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,					
	2019	2018	2019	2018				
<b>Time Charter Statistics:</b>								
Rates Per Day Worked:								
Anchor handling towing supply	\$ 7,155	\$ 27,326	\$ 7,155	\$ 27,326				
Fast support	8,284	6,594	7,939	6,894				
Supply	—	6,953	—	6,953				
Liftboats	18,855	12,955	16,377	11,992				
Overall	14,058	10,503	12,472	9,740				
Utilization:								
Anchor handling towing supply	20%	3%	11%	1%				
Fast support	40%	23%	39%	23%				
Supply	—%	40%	—%	11%				
Liftboats	37%	31%	34%	27%				
Overall	34%	23%	31%	20%				
Available Days:								
Anchor handling towing supply	455	546	905	1,446				
Fast support	773	1,507	1,656	3,088				
Supply	—	34	—	124				
Specialty	91	91	181	181				
Liftboats	1,350	1,532	2,625	2,921				
Overall	2,669	3,710	5,367	7,760				
<b>Operating revenues:</b>								
Time charter	\$ 12,628	89%	\$ 9,052	84%	\$ 20,633	88%	\$ 15,034	82%
Bareboat charter	233	2%	—	—%	233	1%	—	—%
Other marine services	1,320	9%	1,676	16%	2,452	11%	3,331	18%
	14,181	100%	10,728	100%	23,318	100%	18,365	100%
<b>Direct operating expenses:</b>								
Personnel	5,203	37%	4,636	43%	9,706	41%	8,628	47%
Repairs and maintenance	2,515	18%	1,529	14%	5,293	23%	2,223	12%
Drydocking	1,801	13%	910	9%	3,795	16%	1,435	8%
Insurance and loss reserves	841	6%	902	9%	1,433	6%	1,336	7%
Fuel, lubes and supplies	1,107	8%	900	8%	1,790	8%	1,393	8%
Other	113	1%	29	—%	203	1%	54	—%
	11,580	82%	8,906	83%	22,220	95%	15,069	82%
Direct Vessel Profit	\$ 2,601	18%	\$ 1,822	17%	\$ 1,098	5%	\$ 3,296	18%

### **Current Year Quarter compared with Prior Year Quarter**

**Operating Revenues.** Time charter revenues were \$3.6 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to the addition of six liftboats associated with the Falcon Global Holdings joint venture. Time charter revenues were \$3.2 million higher for the liftboat fleet, \$0.2 million higher for FSVs and \$0.2 million higher for AHTS vessels. As of June 30, 2019, the Company had 12 of 27 owned and leased-in vessels (two AHTS vessels, four FSVs, five liftboats, and one specialty vessel) cold-stacked in this region compared with 25 of 38 vessels as of June 30, 2018. As of June 30, 2019, the Company had retired and removed from service five vessels (four AHTS vessels and one supply) in this region.



*Direct Operating Expenses.* Direct operating expenses were \$2.7 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to the addition of six liftboats associated with the Falcon Global Holdings Joint Venture and the reactivation of vessels from cold-stack. Repairs and maintenance costs were \$1.0 million higher, and drydocking expenses were \$0.9 million higher, primarily associated with increased costs for the liftboat fleet.

**Current Six Months compared with Prior Six Months**

*Operating Revenues.* Time charter revenues were \$5.6 million higher in the Current Six Months compared with the Prior Six Months primarily due to the addition of six liftboats associated with the Falcon Global Holdings joint venture. Time charter revenues were \$5.1 million higher for the liftboat fleet, \$0.2 million higher for FSVs and \$0.2 million higher for AHTS vessels.

*Direct Operating Expenses.* Direct operating expenses were \$7.2 million higher in the Current Six Months compared with the Prior Six Months primarily due to the addition of six liftboats associated with the Falcon Global Holdings Joint Venture, and increased repairs and maintenance costs. Repairs and maintenance costs were \$3.1 million higher and drydocking expenses were \$2.4 million higher, primarily for the liftboat fleet.

*Africa, primarily West Africa.* For the three and six months ended June 30, the Company's time charter statistics and direct vessel profit in Africa was as follows (in thousands, except statistics):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2019	2018	2019	2018
<b>Time Charter Statistics:</b>				
Rates Per Day Worked:				
Anchor handling towing supply	\$ 8,437	\$ 13,014	\$ 8,875	\$ 12,301
Fast support	9,923	9,841	10,057	9,877
Supply	8,500	7,464	7,875	7,425
Overall	9,365	9,509	9,414	9,482
Utilization:				
Anchor handling towing supply		95%	88%	95%
Fast support		75%	87%	80%
Supply		90%	90%	84%
Overall		81%	88%	84%
Available Days:				
Anchor handling towing supply	273	182	543	362
Fast support	910	728	1,678	1,448
Supply	182	421	456	781
Overall	1,365	1,331	2,677	2,591
<b>Operating revenues:</b>				
Time charter	\$ 10,400	93%	\$ 11,122	97%
Other marine services	753	7%	350	3%
	11,153	100%	11,472	100%
<b>Direct operating expenses:</b>				
Personnel	3,428	31%	4,314	38%
Repairs and maintenance	952	8%	1,663	14%
Drydocking	(48)	—%	910	8%
Insurance and loss reserves	239	2%	248	2%
Fuel, lubes and supplies	939	8%	900	8%
Other	773	7%	1,402	12%
	6,283	56%	9,437	82%
Direct Vessel Profit	\$ 4,870	44%	\$ 2,035	18%
			\$ 6,544	31%
			\$ 6,762	29%

**Current Year Quarter compared with Prior Year Quarter**

*Operating Revenues.* Time charter revenues were \$0.7 million lower in the Current Year Quarter compared with the Prior Year Quarter, primarily due to the repositioning of vessels between geographic regions. As of June 30, 2019, the Company had one specialty vessel retired and removed from service in this region.

*Direct Operating Expenses.* Direct operating expenses were \$3.2 million lower in the Current Year Quarter compared with the Prior Year Quarter, primarily due to repositioning of vessels between geographic regions and the timing of dry dockings and certain repair expenditures.

**Current Six Months compared with Prior Six Months**

*Operating Revenues.* Time charter revenues were \$0.7 million lower in the Current Six Months compared with the Prior Six Months, primarily due to the repositioning of vessels between geographic regions. Other marine services were \$1.5 million lower primarily due to the recognition in the Prior Six Months of previously deferred revenue, following receipt of cash, due to collection concerns with regard to one customer.

*Direct Operating Expenses.* Direct operating expenses were \$2.0 million lower in the Current Six Months compared with the Prior Six Months, primarily due to the repositioning of vessels between geographic regions and the timing of dry dockings and certain repair expenditures.

**Middle East and Asia.** For the three and six months ended June 30, the Company's time charter statistics and direct vessel profit in the Middle East and Asia was as follows (in thousands, except statistics):

	For the Three Months Ended June 30,				For the Six Months Ended June 30,							
	2019		2018		2019		2018					
<b>Time Charter Statistics:</b>												
Rates Per Day Worked:												
Anchor handling towing supply	\$	5,634	\$	8,135	\$	5,749	\$	7,750				
Fast support		6,203		5,683		6,159		6,073				
Supply		4,166		4,989		5,049		4,372				
Liftboats		27,150		31,998		27,150		33,311				
Crew transfer		2,025		2,025		2,025		2,025				
Overall		8,182		8,226		8,280		8,155				
Utilization:												
Anchor handling towing supply		50%		20%		46%		37%				
Fast support		89%		96%		84%		85%				
Supply		52%		53%		51%		66%				
Liftboats		100%		94%		100%		73%				
Crew transfer		50%		40%		50%		39%				
Overall		79%		82%		76%		74%				
Available Days:												
Anchor handling towing supply		182		138		362		318				
Fast support		1,298		1,365		2,639		2,715				
Supply		182		91		362		274				
Liftboats		182		182		362		362				
Crew transfer		182		229		362		468				
Overall		2,026		2,005		4,087		4,137				
Operating revenues:												
Time charter	\$	13,175	97%	\$	13,591	106%	\$	25,674	98%	\$	24,965	104%
Other marine services		349	3%	(792)	(6)%	577	2%	(922)	(4)%			
		13,524	100%	12,799	100%	26,251	100%	24,043	100%			
Direct operating expenses:												
Personnel		4,292	32%	4,069	32%	8,546	33%	8,091	34%			
Repairs and maintenance		2,629	19%	3,576	28%	4,822	18%	6,004	25%			
Drydocking		275	2%	72	1%	434	2%	61	—%			
Insurance and loss reserves		381	3%	361	3%	708	3%	597	2%			
Fuel, lubes and supplies		725	5%	922	7%	1,434	5%	1,956	8%			
Other		793	6%	836	6%	1,893	7%	2,044	9%			
		9,095	67%	9,836	77%	17,837	68%	18,753	78%			
Direct Vessel Profit	\$	4,429	33%	\$	2,963	23%	\$	8,414	32%	\$	5,290	22%

### **Current Year Quarter compared with Prior Year Quarter**

**Operating Revenues.** Time charter revenues were \$0.4 million lower in the Current Year Quarter compared with the Prior Year Quarter primarily due to lower average day rates. Other marine services were \$1.1 million higher due the termination of a revenue pooling arrangement. As of June 30, 2019, the Company had one of 22 owned and leased-in vessels cold-stacked in this region (one AHTS vessel) compared with one of 22 vessels as of June 30, 2018.

**Direct Operating Expenses.** Direct operating expenses were \$0.8 million lower in the Current Year Quarter compared with the Prior Year Quarter, primarily due to the Prior Year Quarter including engine overhaul costs for two FSVs.

### **Current Six Months compared with Prior Six Months**

**Operating Revenues.** Time charter revenues were \$0.7 million higher in the Current Six Months compared with the Prior Six Months primarily due to higher utilization of the core fleet, and net fleet additions. Other marine services were \$1.5 million higher due the termination of a revenue pooling arrangement.

*Direct Operating Expenses.* Direct operating expenses were \$0.9 million lower in the Current Six Months compared with the Prior Six Months, primarily due to the Prior Six Months including engine overhaul costs for two FSVs.

*Latin America (Brazil, Mexico, Central and South America).* For the three and six months ended June 30, the Company's time charter statistics and direct vessel profit in Latin America was as follows (in thousands, except statistics):

	For the Three Months Ended June 30,				For the Six Months Ended June 30,							
	2019		2018		2019		2018					
Time Charter Statistics:												
Rates Per Day Worked:												
Fast support	6,800		6,800		6,800		68,000					
Liftboats	11,110		24,113		16,304		21,047					
Overall	8,074		19,127		10,974		18,069					
Utilization:												
Fast support	61%		31%		60		20%					
Liftboats	71%		86%		81		91%					
Overall	63%		57%		67		52%					
Available Days:												
Fast support	294		220		596		348					
Liftboats	106		197		345		287					
Overall	400		417		941		635					
Operating revenues:												
Time charter	\$	2,046	59%	\$	4,556	69%	\$	6,968	68%	\$	5,930	65%
Bareboat charter		1,156	33%		1,156	18%		2,299	23%		2,299	25%
Other marine services		273	8%		845	13%		908	9%		955	10%
		3,475	100%		6,557	100%		10,175	100%		9,184	100%
Direct operating expenses:												
Personnel		976	28%		1,219	19%		2,532	25%		1,595	17%
Repairs and maintenance		481	14%		32	—%		816	8%		337	4%
Drydocking		(32)	(1)%		11	—%		47	—%		11	—%
Insurance and loss reserves		66	2%		169	3%		201	2%		236	2%
Fuel, lubes and supplies		314	9%		349	5%		742	7%		414	5%
Other		560	16%		488	8%		1,081	11%		548	6%
		2,365	68%		2,268	35%		5,419	53%		3,141	34%
Direct Vessel Profit	\$	1,110	32%	\$	4,289	65%	\$	4,756	47%	\$	6,043	66%

### **Current Year Quarter compared with Prior Year Quarter**

*Operating Revenues.* Time charter revenues were \$2.5 million lower in the Current Year Quarter compared with the Prior Year Quarter, primarily due to reduced average day rates due to changes in fleet mix, offset by increased revenues due to the repositioning of vessels between geographic regions. As of June 30, 2019, the Company had one of seven owned and leased-in vessels cold-stacked in this region (one FSV) compared with one of eight vessels as of June 30, 2018.

*Direct Operating Expenses.* Direct operating expenses were \$0.1 million higher in the Current Year Quarter compared with the Prior Year Quarter, primarily due to increased repair and maintenance expenses for the FSV fleet, offset by reduced personnel costs due to changes in fleet mix.

### **Current Six Months compared with Prior Six Months**

*Operating Revenues.* Time charter revenues were \$1.0 million higher in the Current Six Months compared with the Prior Six Months, primarily due to the repositioning of vessels between geographic regions.

*Direct Operating Expenses.* Direct operating expenses were \$2.3 million higher in the Current Six Months compared with the Prior Six Months, primarily due to the repositioning of vessels between geographic regions and increased repair and maintenance costs.

**Europe, primarily North Sea.** For the three and six months ended June 30, the Company's time charter statistics and direct vessel profit in Europe was as follows (in thousands, except statistics):

	For the Three Months ended June 30,		For the Six Months Ended June 30,					
	2019	2018	2019	2018				
<b>Time Charter Statistics:</b>								
Rates Per Day Worked:								
Emergency Response and Rescue	8,562	9,157	8,531	9,107				
Liftboats	35,003	—	35,003	—				
Crew Transfer	2,443	2,342	2,402	2,331				
Overall	4,686	4,823	4,743	4,984				
Utilization:								
Emergency Response and Rescue	87%	80%	84%	79%				
Crew Transfer	54%	76%	46%	70%				
Liftboats	90%	—%	76%	—%				
Overall	86%	76%	77%	72%				
Available Days:								
Supply	122	91	169	91				
Emergency Response and Rescue	1,547	1,746	3,167	3,595				
Liftboats	91	—	107	—				
Crew Transfer	3,317	3,228	6,557	6,319				
Overall	5,077	5,065	10,000	10,005				
<b>Operating revenues:</b>								
Time charter	\$ 20,524	93%	\$ 18,505	97%	\$ 36,452	92%	\$ 36,123	97%
Other marine services	1,488	7%	640	3%	3,109	8%	1,154	3%
	22,012	100%	19,145	100%	39,561	100%	37,277	100%
<b>Direct operating expenses:</b>								
Personnel	10,062	46%	10,495	55%	18,638	47%	19,708	53%
Repairs and maintenance	2,099	9%	2,270	12%	4,615	12%	4,560	12%
Drydocking	78	—%	1,209	6%	387	1%	2,950	8%
Insurance and loss reserves	365	2%	254	1%	572	1%	489	1%
Fuel, lubes and supplies	807	4%	1,051	6%	1,986	5%	2,335	6%
Other	791	4%	254	1%	1,383	3%	532	2%
	14,202	65%	15,533	81%	27,581	69%	30,574	82%
Direct Vessel Profit	\$ 7,810	35%	\$ 3,612	19%	\$ 11,980	31%	\$ 6,703	18%

### **Current Year Quarter compared with Prior Year Quarter**

**Operating Revenues.** For ERRVs, time charter revenues were \$1.3 million lower in the Current Year Quarter compared with the Prior Year Quarter, primarily due to net dispositions

For CTVs, time charter revenues were \$1.6 million higher in the Current Year Quarter compared to the Prior Year Quarter, primarily due to improved utilization of the core fleet and the repositioning of vessels between geographic regions.

For liftboats, time charter revenues were \$1.7 million higher in the Current Year Quarter compared with the Prior Year Quarter due to the repositioning of vessels between geographic regions.

**Direct Operating Expenses.** Direct operating expenses were \$1.3 million lower in the Current Year Quarter compared to the Prior Year Quarter, primarily due to the timing of drydockings

**Current Six Months compared with Prior Six Months**

*Operating Revenues.* For ERRVs, time charter revenues were \$3.0 million lower in the Current Six Months compared with the Prior Six Months, primarily due to net dispositions.

For CTVs, time charter revenues were \$1.6 million higher in the Current Year Quarter compared to the Prior Year Quarter, primarily due to improved utilization of the core fleet and the repositioning of vessels between geographic regions. As of June 30, 2019, the Company had one of 37 CTVs cold stacked in this region.

For liftboats, time charter revenues were \$1.7 million higher in the Current Year Quarter compared with the Prior Year Quarter due to the repositioning of vessels between geographic regions.

*Direct Operating Expenses.* Direct operating expenses were \$3.0 million lower in the Current Six Months compared to the Prior Six Months, primarily due to the timing of drydockings, and net dispositions offset by increased costs associated with the repositioning of one liftboat between geographic regions.

*Leased Expense.* Leased-in equipment expenses for the Current Year Quarter and Current Six Months were \$1.0 million and \$1.9 million higher compared with the Prior Year Quarter and Prior Six Months, respectively, primarily due to the implementation of the new lease accounting standard, which removed the \$2.0 million prior year per quarter benefit of amortization of deferred gains on sale-leaseback vessels. The benefit would have been partially reduced by the impairment and removal from service of two leased-in vessels during 2018.

*Administrative and general.* Administrative and general expenses were \$3.5 million and \$3.8 million lower for the Current Year Quarter and Current Six Months compared with the Prior Year Quarter and Prior Six Months, respectively, primarily due to lower shared service fees and lower legal and professional services.

*Depreciation and amortization.* Depreciation and amortization expense for the Current Year Quarter and Current Six Months was \$0.9 million and \$3.2 million lower compared with the Prior Year Quarter and Prior Six Months, respectively, primarily due to net fleet dispositions.

*Gains (Losses) on Asset Dispositions and Impairments, Net.* During the Current Year Quarter, the Company sold three AHTS vessels and one specialty vessel previously retired and removed from service, two FSVs, and two supply vessels and other equipment for net proceeds of \$9.7 million and a gain of \$2.1 million, all of which was recognized currently. In addition, the Company recorded impairment charges of \$5.9 million related to two AHTS vessels previously removed from service, two AHTS vessels and four FSVs which were all adjusted to indicative sales price. During the Prior Year Quarter, the Company sold one offshore support vessel and two supply vessels previously retired and removed from service, one ERRV, one FSV and other equipment for net proceeds of \$2.2 million and a gain of \$1.2 million, all of which was recognized currently.

During the Current Six Months, the Company sold three AHTS vessels and one specialty vessel previously retired and removed from service, one ERRV, two FSVs, one vessel under construction and two supply vessels and other equipment for net proceeds of \$14.1 million (\$9.8 million in cash and \$4.3 million of previously received deposits) and a gain of \$2.4 million, all of which was recognized currently. In addition, the Company recorded impairment charges of \$5.9 million related to two AHTS vessels previously removed from service, two AHTS vessels and four FSVs which were all adjusted to indicative sales price. During the Prior Six Months, the Company recorded impairment charges of \$3.0 million primarily related to the Company's AHTS vessels. In addition, the Company sold one FSV and two supply vessels previously retired and removed from service, one FSV, one AHTS vessel, one ERRV and other equipment for net proceeds of \$2.6 million and a gain of \$1.4 million, all of which was recognized currently.

## Other Income (Expense), Net

For the periods ended June 30, the Company's other income (expense) was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Other Income (Expense):				
Interest income	\$ 222	\$ 352	\$ 579	\$ 568
Interest expense	(7,691)	(6,489)	(15,426)	(12,622)
SEACOR Holdings guarantee fees	(32)	(7)	(61)	(19)
Derivative losses, net	(1,398)	(2,668)	(2,323)	(14,184)
Foreign currency gains, net	(929)	(818)	(294)	(679)
	<u>\$ (9,828)</u>	<u>\$ (9,630)</u>	<u>\$ (17,525)</u>	<u>\$ (26,936)</u>

**Interest expense.** Interest expense in the Current Year Quarter and Current Six Months compared with the Prior Year Quarter and Prior Six Months was higher primarily due to additional interest incurred on the debt facilities of SEACOR Marine Foreign Holdings and SEACOR 88/888, along with higher interest as a result of the variable nature of interest rates on debt facilities.

**Derivative losses, net.** Net derivative losses during the Current Year Quarter and Current Six Months and Prior Year Quarter and Prior Six Months were primarily due to increases in the fair value of the Company's conversion option liability embedded in the Company's Convertible Senior Notes. The increase in the conversion option liability was primarily the result of increases in the Company's share price and estimated credit spread.

**Foreign currency gains, net.** Foreign currency gains for the Current Six Months were primarily due to the weakening of the pound sterling in relation to the euro underlying certain of the Company's debt balances.

## Income Tax Benefit

For the six months ended June 30, 2019, the Company's effective income tax rate of 12.5% was primarily due to taxes provided on income attributable to noncontrolling interest, foreign sourced income not subject to U.S. income taxes, and foreign taxes not creditable against U.S. income taxes. For the six months ended June 30, 2018, the Company's effective income tax rate of 20.1% was primarily due to taxes provided on income attributable to noncontrolling interests, foreign sourced income not subject to U.S. income taxes, foreign taxes not creditable against U.S. income taxes, and a reversal of an unrecognized benefit.

## Equity in Earnings (Losses) of 50% or Less Owned Companies

Equity in losses of 50% or less owned companies for the Current Year Quarter and Current Six Months compared with the Prior Year Quarter and Prior Six Months were \$6.3 million and \$9.9 million lower, respectively, due to the following changes in equity earnings (losses) (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
MexMar	\$ (120)	\$ 1,076	\$ (11)	\$ 2,508
OSV Partners	(425)	(356)	(888)	(1,043)
SEACOR Grant DIS	—	—	—	(1,056)
Dynamic Offshore Drilling	(935)	(915)	(1,676)	(707)
SEACOSCO	(1,760)	(1,323)	(3,402)	(1,491)
Mexmar Offshore International	(3,796)	—	(4,901)	—
Timsah	(326)	200	(379)	444
Other	356	597	854	832
	<u>\$ (7,006)</u>	<u>\$ (721)</u>	<u>\$ (10,403)</u>	<u>\$ (513)</u>

**MexMar.** During the Current Year Quarter and Current Six Months, decrease in equity earnings of \$1.2 million and \$2.5 million, respectively, was primarily due to reduced utilization and day rates.

**Seacor Grant DIS.** During the Prior Six Months equity losses of \$1.1 million were primarily due to an impairment charge of \$1.1 million, net of taxes, for an other-than-temporary decline in the fair value of the Company's investment in Seacor Grant DIS.

**SEACOSCO.** During the Current Six Months equity losses of \$3.4 million included a \$0.7 million non-cash adjustment to prior year interest expense on the long-term debt of the joint venture.

**Mexmar Offshore International.** During the Current Year Quarter and Current Six Months, the equity losses resulting from high reactivation, mobilization and dry-dock expenses have exceeded the Company's initial investment in the joint venture of \$4.9 million.

## Liquidity and Capital Resources

### General

The Company's ongoing liquidity requirements arise primarily from working capital needs, capital commitments and its obligations to service outstanding debt. The Company may use its liquidity to fund capital expenditures, make acquisitions or to make other investments. Sources of liquidity are cash balances, construction reserve funds and cash flows from operations. From time to time, the Company may secure additional liquidity through asset sales or the issuance of debt, shares of SEACOR Marine Common Stock or common stock of its subsidiaries, preferred stock or a combination thereof.

As of June 30, 2019, the Company had unfunded capital commitments of \$58.9 million that included one FSV, two CTVs and five PSVs. The Company's capital commitments by year of expected payment are as follows (in thousands):

Remainder of 2019	\$	23,604
2020		35,332
	\$	<u>58,936</u>

The Company has indefinitely deferred an additional \$20.6 million of orders with respect to two FSVs for which the Company had previously reported unfunded capital commitments.

As of June 30, 2019, the Company had outstanding debt of \$399.7 million, net of debt discount and issue costs. The Company's contractual long-term debt maturities as of June 30, 2019, are as follows:

		<b>Actual</b>
Remainder 2019	\$	8,713
2020		25,489
2021		51,178
2022		25,150
Years subsequent to 2022		324,140
	\$	<u>434,670</u>

As of June 30, 2019, the Company held balances of cash, cash equivalents, restricted cash and construction reserve funds totaling \$81.1 million. As of June 30, 2019, construction reserve funds of \$20.1 million were classified as non-current assets in the accompanying condensed consolidated balance sheets as the Company has the intent and ability to use the funds to acquire equipment. Additionally, the Company had \$2.5 million available under subsidiary credit facilities.



## Summary of Cash Flows

For the six months ended June 30, the following is a summary of the Company's cash flows (in thousands):

	Six Months Ended June 30,	
	2019	2018
Cash flows provided by or (used in):		
Operating Activities	\$ 448	\$ (33,686)
Investing Activities	(26,084)	(30,274)
Financing Activities	(11,380)	39,887
Effects of Exchange Rate Changes on Cash and Cash Equivalents	1,176	(288)
Decrease in Cash and Cash Equivalents	<u>\$ (35,840)</u>	<u>\$ (24,361)</u>

## Operating Activities

Cash flows used in operating activities increased by \$34.1 million in the Current Six Months compared with the Prior Six Months. The components of cash flows used in operating activities during the Current Six Months and Prior Six Months were as follows:

	Six Months Ended June 30,	
	2019	2018
DVP:		
United States, primarily Gulf of Mexico	\$ 1,098	\$ 3,296
Africa, primarily West Africa	6,544	6,762
Middle East and Asia	8,414	5,290
Brazil, Mexico, Central and South America	4,756	6,043
Europe, primarily North Sea	11,980	6,703
Operating, leased-in equipment (excluding amortization of deferred gains)	(9,782)	(10,608)
Administrative and general (excluding provisions for bad debts and amortization of share awards)	(22,454)	(25,509)
SEACOR Holdings management and guarantee fees	(61)	(19)
Dividends received from 50% or less owned companies	400	1,324
	895	(6,718)
Changes in operating assets and liabilities before interest and income taxes	8,462	(19,513)
Director share awards	894	893
Restricted stock vested	(282)	(51)
Cash settlements on derivative transactions, net	200	(150)
Interest paid, excluding capitalized interest (1)	(12,355)	(8,703)
Interest received	579	568
Income taxes refunded, net	2,055	(12)
Total cash flows provided by (used in) operating activities	<u>\$ 448</u>	<u>\$ (33,686)</u>

(1) During the Current Six Months and the Prior Six Months, capitalized interest paid and included in purchases of property and equipment was \$0.7 million and \$1.0 million, respectively.

For a detailed discussion of the Company's financial results for the reported periods, see "Consolidated Results of Operations" included above. Changes in operating assets and liabilities before interest and income taxes are the result of the Company's working capital requirements.

## Investing Activities

During the Current Six Months, net cash used in investing activities was \$26.1 million, primarily for the following:

- capital expenditures were \$41.2 million;
- the Company sold three AHTS vessels and one specialty vessel previously retired and removed from service, one ERRV, two FSVs, two supply vessels and one vessel under construction for net proceeds of \$14.1 million (\$9.8 million cash plus \$4.3 million previously received deposit);

- construction reserve funds account transactions included withdrawals of \$7.9 million; and
- the Company made investments in, and advances to, its 50% or less owned companies of \$2.7 million, comprised primarily of its capital contribution in the SEACOSCO joint venture.

During the Prior Six Months, net cash used in investing activities was \$30.3 million, primarily as a result of the following:

- capital expenditures were \$15.5 million;
- the Company sold one FSV and two supply vessels previously retired and removed from service, one FSV, one supply vessel, one ERRV and other equipment for net proceeds of \$2.6 million (\$2.5 million in cash and \$0.1 million of previously received deposits) and received a \$1.0 million deposit for the future sale of one specialty vessel;
- construction reserve funds account transactions included withdrawals of \$7.2 million; and
- the Company made investments in and advances to, its 50% or less owned companies of \$25.6 million for the new SEACOSCO joint venture.

### **Financing Activities**

During the Current Six Months, net cash used in financing activities was \$11.4 million. The Company:

- made scheduled payments on long-term debt and offer obligations of \$8.1 million;
- purchased subsidiary shares from a joint venture in which it had a noncontrolling interest for \$3.4 million; and
- issued Common Stock for proceeds of \$0.1 million.

During the Prior Six Months, net cash provided by financing activities was \$39.9 million. The Company:

- borrowed \$10.0 million under the Revolving Loan Facility of FGUSA;
- paid \$15.0 million in debtor-in-possession obligations assumed from MOI;
- converted €6.0 million of denominated debt into pound sterling debt, paying \$7.5 million in euro debt and borrowing \$8.5 million in pound sterling debt, resulting in a net increase in USD borrowings of \$1.0 million;
- made scheduled payments on long-term debt and capital lease obligations of \$12.7 million;
- issued Common Stock for proceeds of \$43.0 million in a private placement; and
- issued Warrants to purchase Common Stock for proceeds of \$12.8 million in a private placement.

### **Short and Long-Term Liquidity Requirements**

The Company believes that a combination of cash balances on hand, construction reserve funds, cash generated from operating activities, availability under existing subsidiary financing arrangements and access to the credit and capital markets will provide sufficient liquidity to meet its obligations, including to support its capital expenditures program, working capital and debt service requirements. The Company continually evaluates possible acquisitions and dispositions of certain businesses and assets. The Company's sources of liquidity may be impacted by the general condition of the markets in which it operates and the broader economy as a whole, which may limit its access to the credit and capital markets on acceptable terms. Management will continue to closely monitor the Company's performance and liquidity, as well as the credit and capital markets.

### **Off-Balance Sheet Arrangements**

For a discussion of the Company's off-balance sheet arrangements, refer to Liquidity and Capital Resources included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. There has been no material change in the Company's off-balance sheet arrangements during the six months ended June 30, 2019.

### **Debt Securities and Credit Agreements**

For a discussion of the Company's debt securities and credit agreements, see "Note 4. Long-Term Debt" in the unaudited consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q and in "Note 7. Long-Term Debt" in the Company's audited consolidated financial statements included in its Annual Report on Form 10-K.

### **Contractual Obligations and Commercial Commitments**

For a discussion of the Company's contractual obligations and commercial commitments, refer to Liquidity and Capital Resources included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. There has been no material change in the Company's contractual obligations and commercial commitments other than the adoption of ASC 842 during the six months ended June 30, 2019, see "Note 1. Basis of Presentation and Accounting Policies" and "Note 10. Stockholder Equity" in the unaudited consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

### **Contingencies**

As of June 30, 2019, SEACOR Holdings has guaranteed \$32.1 million on behalf of the Company for various obligations including: performance obligations under sale-leaseback arrangements and invoiced amounts for funding deficits under the MNOFP. Pursuant to a Distribution Agreement with SEACOR Holdings, SEACOR Holdings charges the Company a fee of 0.5% per annum on outstanding guaranteed amounts, which declines as the obligations are settled by the Company.

In the normal course of its business, the Company becomes involved in various other litigation matters including, among other things, claims by third parties for alleged property damages and personal injuries. Management has used estimates in determining the Company's potential exposure to these matters and has recorded reserves in its financial statements related thereto where appropriate. It is possible that a change in the Company's estimates of that exposure could occur, but the Company does not expect such changes in estimated costs would have a material effect on the Company's consolidated financial position, results of operations or cash flows.

## **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

For a discussion of the Company's exposure to market risk, refer to "Quantitative and Qualitative Disclosures About Market Risk" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. There has been no material change in the Company's exposure to market risk during the Current Six Months.

## **ITEM 4. CONTROLS AND PROCEDURES**

### **Evaluation of Disclosure Controls and Procedures**

With the participation of the Company's principal executive officer and principal financial officer, management evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), as of June 30, 2019. Based on their evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2019.

The Company's disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosures. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those internal control systems determined to be effective can provide only a level of reasonable assurance with respect to financial statement preparation and presentation.

#### **Changes in Internal Control Over Financial Reporting**

There have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended June 30, 2019 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**PART II—OTHER INFORMATION****ITEM 1. LEGAL PROCEEDINGS**

For a description of developments with respect to pending legal proceedings described in the Company's Annual Report on Form 10-K for the year ended December 31, 2018, see "Note 11. Commitments and Contingencies" included in Part I. Item 1. "Financial Statements" elsewhere in this Quarterly Report on Form 10-Q.

**ITEM 1A. RISK FACTORS**

For a discussion of the Company's risk factors, refer to "Risk Factors" included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018. There have been no material changes in the Company's risk factors during the Current Six Months.

**ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

(a), (b) On May 28, 2019, CME exercised 380,000 Warrants and paid an aggregate cash exercise price of \$0.01 per share to purchase a total of 380,000 shares of Common Stock (the "CME Warrant Exercise"). Following the CME Warrant Exercise, CME holds Warrants to purchase 255,307 shares of Common Stock at an exercise price of \$0.01 per share. The Common Stock issued in the CME Warrant Exercise was issued in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act.

On June 14, 2019, Carlyle exercised 64,440 Warrants to purchase a total of 64,391 shares of Common Stock after giving effect to the withholding of 49 shares of Common Stock as payment for the exercise price of the Warrants (the "Carlyle Warrant Exercise"). Following the Carlyle Warrant Exercise, Carlyle holds Warrants to purchase 1,571,659 shares of Common Stock at an exercise price of \$0.01 per share. The Common Stock issued in the Carlyle Warrant Exercise was issued in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act.

(c) This table provides information with respect to purchases by the Company of shares of its Common Stock during the Current Quarter:

	<u>Total Number of Shares Withheld (1)</u>	<u>Average Price per Share</u>	<u>Total Number of Shares Purchased as Part of a Publicly Announced Plan</u>	<u>Maximum Number of Shares that may be Purchased Under the Plan</u>
April 1, 2019 to June 30, 2019	85	\$ 13.89	—	—

(1) (i) For the month ended May 31, 2019, the Company acquired for treasury 36 shares of Common Stock for an aggregate purchase price of \$502 from its employees to cover their tax withholding obligations upon the lapsing of restrictions on share awards, and such shares were purchased in accordance with the terms of the Company's 2017 Equity Incentive Plan and (ii) for the month ended June 30, 2019, the Company acquired 49 shares of Common Stock for an aggregate purchase price of \$678.16 from Carlyle to satisfy the exercise price of the Warrants exercised in the Carlyle Warrant Exercise.

**ITEM 3. DEFAULT UPON SENIOR SECURITIES**

None.

**ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

**ITEM 5. OTHER INFORMATION**

SEACOR Marine Foreign Holdings Credit Agreement Amendment

On August 6, 2019, SEACOR Marine, SEACOR Marine Foreign Holdings Inc., a wholly owned subsidiary of SEACOR Marine (“SMFH”), and certain vessel-owning subsidiaries of SEACOR Marine, entered into an amendment (the “Amendment”) to that certain \$130.0 million loan facility, dated as of September 26, 2018, with a syndicate of lenders administered by DNB Bank ASA, New York Branch (the “Credit Facility” ) and the related guaranty by SEACOR Marine with respect to the obligations of SMFH under the Credit Facility (the “Guaranty”).

The Amendment provides for, among other things, (i) the release of one vessel from a mortgage securing the Credit Facility and the substitution of mortgages over two other vessels owned by vessel-owning subsidiaries of SEACOR Marine, and (ii) the modification of certain financial maintenance and restrictive covenants contained in the Credit Facility or the Guaranty, including with respect to asset maintenance, vessel collateral releases, EBTIDA coverage ratios and the payment of dividends and distributions.

The foregoing description of the Amendment does not purport to be complete and is qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed as Exhibit 10.3 hereto and the terms of which are incorporated herein by reference.

**ITEM 6. EXHIBITS**

10.1	<a href="#">Third Amended and Restated Certificate of Incorporation of SEACOR Marine Holdings Inc., dated June 11, 2019.</a>
10.2	<a href="#">Separation and Consulting Agreement, dated July 12, 2019, by and between Robert Clemons and SEACOR Marine Holdings Inc.</a>
10.3	<a href="#">Amendment No. 1 to Credit Agreement and Parent Guaranty, dated as of August 6, 2019, by and among SEACOR Marine Foreign Holdings Inc., SEACOR Marine Holdings Inc., DNB Bank ASA, New York Branch, DNB Markets Inc., Clifford Capital Pte. Ltd, NIBC Bank N.V. and entities identified on schedules to the Amendment No. 1.</a>
31.1	<a href="#">Certification by the Principal Executive Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.</a>
31.2	<a href="#">Certification by the Principal Financial Officer pursuant to Rule 13a-14(a) and Rule 15d-14(a) of the Securities Exchange Act, as amended.</a>
32	<a href="#">Certification by the Principal Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS**	XBRL Instance Document
101.SCH**	XBRL Taxonomy Extension Schema
101.CAL**	XBRL Taxonomy Extension Calculation Linkbase
101.DEF**	XBRL Taxonomy Extension Definition Linkbase
101.LAB**	XBRL Taxonomy Extension Label Linkbase
101.PRE**	XBRL Taxonomy Extension Presentation Linkbase

\*\* Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEACOR Marine Holdings Inc.  
(Registrant)

DATE: August 7, 2019

By: /s/ John Gellert  
John Gellert, *President,*  
*Chief Executive Officer*  
*(Principal Executive Officer)*

DATE: August 7, 2019

By: /s/ Jesús Llorca  
Jesús Llorca, *Executive Vice President*  
*and Chief Financial Officer*  
*(Principal Financial Officer)*

DATE: August 7, 2019

By: /s/ Gregory S. Rossmiller  
Gregory S. Rossmiller,  
*Senior Vice President*  
*and Chief Accounting Officer*  
*(Principal Accounting Officer)*



THIRD AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
SEACOR MARINE HOLDINGS INC.

June 11, 2019

SEACOR MARINE HOLDINGS INC., a corporation duly incorporated by the filing of its original Certificate of Incorporation with the Secretary of State of the State of Delaware on December 15, 2014, as amended and restated on November 30, 2015 and as further amended and restated on February 9, 2017 (the "Company"), desiring to further amend and restate said Certificate of Incorporation, hereby certifies as follows:

Said Certificate of Incorporation is hereby amended and restated to read in its entirety as follows:

FIRST: The name of the Company is:

"SEACOR MARINE HOLDINGS INC."

SECOND: Its registered office in the State of Delaware is located at 160 Greentree Drive Suite 101, Dover, Delaware 19904, County of Kent. The registered agent for the Company is National Registered Agents, Inc., whose address is as stated above.

THIRD: The nature of business and purpose of the Company is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law, as amended (the "DGCL").

FOURTH: The total number of shares of all classes of capital stock which the Company shall have authority to issue is 70,000,000 shares, consisting of:

- (i) 10,000,000 shares of Preferred Stock, par value \$0.01 per share ("Preferred Stock"), and
- (ii) 60,000,000 shares of Common Stock, par value \$0.01 per share ("Common Stock").

Except as otherwise provided by law, the shares of capital stock of the Company, regardless of class, may be issued by the Company from time to time in such amounts, for such lawful consideration and for such corporate purpose(s) as the Board of Directors of the Company (the "Board of Directors") may from time to time determine.

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Shares of Preferred Stock may be issued from time to time in one or more series of any number of shares as may be determined from time to time by the Board of Directors; provided, that the aggregate number of shares issued and not cancelled of any and all such series shall not exceed the total number of shares of Preferred Stock authorized by this Article FOURTH. Each series of Preferred Stock shall be distinctly designated. The Board of Directors is hereby expressly granted authority to fix, in the resolution or resolutions providing for the issuance of a particular series of Preferred Stock, the voting powers, if any, of each such series, and the designations, preferences and relative, participating, optional and other special rights of each such series, and the qualifications, limitations and restrictions thereof to the fullest extent now or hereafter permitted by this Third Amended and Restated Certificate of Incorporation and the laws of the State of Delaware.

Subject to the provisions of applicable law or of the Company's By-Laws with respect to the closing of the transfer books or the fixing of a record date for the determination of stockholders entitled to vote, and except as otherwise provided by law, by this Third Amended and Restated Certificate of Incorporation or by the resolution or resolutions of the Board of Directors providing for the issuance of any series of Preferred Stock as aforesaid, the holders of outstanding shares of Common Stock shall exclusively possess the voting power for the election of directors of the Company and for all other purposes as prescribed by applicable law, with each holder of record of shares of Common Stock having voting power being entitled to one vote for each share of Common Stock registered in his or its name on the books, registers and/or accounts of the Company.

FIFTH: Any action required or permitted to be taken by the holders of the shares of Common Stock may be taken without a meeting if, but only if, a consent or consents in writing, setting forth the action so taken, are signed by the holders of not less than a majority (or such greater amount as may then be required by applicable law) in voting power of the outstanding shares of Common Stock entitled to vote thereon.

SIXTH: In addition to any affirmative vote required by law or this Third Amended and Restated Certificate of Incorporation (and notwithstanding the fact that a lesser percentage may be required by law), the affirmative vote of the holders of not less than a majority in voting power of the outstanding shares of the Common Stock entitled to vote thereon, shall be required for the approval or authorization of (i) any merger, consolidation or similar business combination transaction involving the Company, pursuant to which the Company is not the surviving or resulting corporation and/or the shares of Common Stock are exchanged for or changed into other securities, cash or other property, or any combination thereof, (ii) the adoption of any plan or proposal for the liquidation, dissolution, winding up or reorganization of the Company, and (iii) any sale, lease, exchange, mortgage, pledge, transfer or other disposition of all or substantially all of the assets of the Company and its subsidiaries (taken as a whole).

SEVENTH: A director of the Company shall not be personally liable either to the Company or to any stockholder for monetary damages for breach of fiduciary duty as a director, except (i) for any breach of the director's duty of loyalty to the Company or its stockholders, or (ii) for acts or omissions which are not taken or omitted to be taken in good faith or which involve intentional misconduct or knowing violation of the law, or (iii) for any matter in respect of which such director would be liable under Section 174 of Title 8 of the DGCL or any amendment or

successor provision thereto, or (iv) for any transaction from which the director shall have derived an improper personal benefit. Neither the amendment nor the repeal of this Article SEVENTH nor the adaption of any provision of this Third Amended and Restated Certificate of Incorporation inconsistent with this Article SEVENTH shall eliminate or reduce the effect of this Article SEVENTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article SEVENTH, would accrue or arise prior to such amendment, repeal or adoption of an inconsistent provision.

EIGHTH:

COMPLIANCE WITH U.S. MARITIME LAWS

1. Certain Definitions. For purposes of this Article EIGHTH, the following terms shall have the meanings specified below:
  - a. A “*Person*” shall be deemed to be the “*beneficial owner*” of, or to “*beneficially own*”, or to have “*beneficial ownership*” of, shares of the capital stock of the Company to the extent such Person (a) would be deemed to be the “beneficial owner” thereof pursuant to Rule 13d-3 promulgated by the Securities and Exchange Commission under the Exchange Act, as such rule may be amended or supplemented from time to time, and any successor to such rule, and such terms shall apply to and include the holder of record of shares in the Company, or (b) otherwise has the ability to exercise or to control, directly or indirectly, any interest or rights thereof, including any voting power of the shares of the capital stock of the Company, under any contract, understanding or other means; provided that a Person shall not be deemed to be the “beneficial owner” of, or to “beneficially own” or to have “beneficial ownership” of, shares of the capital stock of the Company if the Board of Directors determines in accordance with this Article EIGHTH that such Person is not the beneficial owner of such shares for purposes of the U.S. Maritime Laws.
  - b. “*Charitable Beneficiary*” shall mean, with respect to a Trust, one or more nonprofit organizations designated by the Company from time to time by written notice to the Trustee of such Trust to be the beneficiaries of the interest in such Trust, *provided* that each such organization (i) must be a U.S. Citizen, (ii) must qualify under Section 501(c)(3) of the Code, and (iii) contributions to each such organization must be eligible for deduction under each of Sections 170 (b)(1)(A), 2055 and 2522 of the Code.
  - c. “*Code*” shall mean the Internal Revenue Code of 1986, as amended, any successor statutes thereto, and the regulations promulgated thereunder, in each case as amended or supplemented from time to time.
  - d. “*Deemed Original Issuance Price*” shall have the meaning ascribed to such term in Section 7(c) of this Article EIGHTH.
  - e. “*Disqualified Person*” shall have the meaning ascribed to such term in Section 6(a) of this Article EIGHTH.

- f. “*Disqualified Recipient*” shall have the meaning ascribed to such term in Section 6(a) of this Article EIGHTH.
- g. “*Excess Shares*” shall have the meaning ascribed to such term in Section 5 of this Article EIGHTH.
- h. “*Excess Share Date*” shall have the meaning ascribed to such term in Section 5 of this Article EIGHTH.
- i. “*Exchange Act*” shall mean the Securities Exchange Act of 1934, as amended or supplemented from time to time.
- j. “*Fair Market Value*” of one share of a particular class or series of the capital stock of the Company as of any date shall mean the average of the daily Market Price of one share of such capital stock for the 20 consecutive Trading Days immediately preceding such date, or, if such capital stock is not listed or admitted for unlisted trading privileges on any National Securities Exchange, the fair value of a share of such class or series of capital stock on such date as determined in good faith by the Board of Directors (or any duly authorized committee thereof).
- k. “*Market Price*” of a share of a class or series of capital stock of the Company for a particular day shall mean: (A) the last reported sales price, regular way, on such day, or, in case no sale takes place on such day, the average of the reported closing bid and asked prices, regular way, on such day, in either case as reported in the principal consolidated transaction reporting system with respect to securities listed or admitted for unlisted trading privileges on the principal National Securities Exchange on which such class or series of capital stock is then listed or admitted for unlisted trading privileges; or (B) if such class or series of capital stock is not then listed or admitted for unlisted trading privileges on any National Securities Exchange, the last quoted price on such day, or, if not so quoted, the average of the closing bid and asked prices on such day in the over-the-counter market, as reported by The Nasdaq Stock Market or such other system then in use; or (C) if on any such day such class or series of capital stock is not quoted by any such organization, the average of the bid and asked prices on such day as furnished by a professional market maker making a market in such capital stock selected by the Company; or (D) if on any such day no market maker is making a market in such capital stock, the fair value of a share of such class or series of capital stock on such day as determined in good faith by the Board of Directors (or any duly authorized committee thereof).
- l. “*National Securities Exchange*” shall mean an exchange registered with the Securities and Exchange Commission under Section 6(a) of the Exchange Act, as such section may be amended or supplemented from time to time, and any successor to such statute, or The Nasdaq Stock Market or any successor thereto.
- m. “*Non-U.S. Citizen*” shall mean any Person other than a U.S. Citizen.

- n. *“Permitted Percentage”* shall mean, with respect to any class or series of capital stock of the Company: (a) with respect to all Non-U.S. Citizens in the aggregate, 22.5% of the shares of such class or series of capital stock of the Company from time to time issued and outstanding; provided that the Board of Directors may increase such percentage by not more than 1.5% in the event that the Board of Directors determines that a higher percentage is appropriate, in which case such Permitted Percentage shall mean such percentage as so increased; and (b) with respect to any individual Non-U.S. Citizen (and any other Non-U.S. Citizen whose ownership position would be aggregated with such Non-U.S. Citizen for purposes of the U.S. Maritime Laws), 4.9% of the shares of such class or series of capital stock of the Company from time to time issued and outstanding.
- o. *“Proposed Transfer”* shall have the meaning ascribed to such term in Section 6(a) of this Article EIGHTH.
- p. *“Proposed Transfer Price”* shall have the meaning ascribed to such term in Section 7(c) of this Article EIGHTH.
- q. *“Proposed Transferee”* shall have the meaning ascribed to such term in Section 6(a) of this Article EIGHTH.
- r. *“Redemption Date”* shall have the meaning ascribed to such term in Section 8(c)(iii) of this Article EIGHTH.
- s. *“Redemption Notes”* shall mean interest-bearing promissory notes of the Company with a maturity of not more than 10 years from the date of issue and bearing interest at a fixed rate equal to the yield on the U.S. Treasury Note having a maturity comparable to the term of such Redemption Notes as published in *The Wall Street Journal* or comparable publication at the time of the issuance of the Redemption Notes. Such notes shall be governed by the terms of an indenture to be entered into by and between the Company and a trustee, as may be amended from time to time. Redemption Notes shall be redeemable at par plus accrued but unpaid interest.
- t. *“Redemption Notice”* shall have the meaning ascribed to such term in Section 8(c)(iii) of this Article EIGHTH.
- u. *“Redemption Price”* shall have the meaning ascribed to such term in Section 8(c)(i) of this Article EIGHTH.
- v. *“Restricted Person”* shall have the meaning ascribed to such term in Section 6(a) of this Article EIGHTH.
- w. *“Status Change”* shall have the meaning ascribed to such term in Section 6(a) of this Article EIGHTH.
- x. *“Status Change Price”* shall have the meaning ascribed to such term in Section 7(c) of this Article EIGHTH.

- y. “*Trading Day*” shall mean a day on which the principal National Securities Exchange on which shares of any class or series of the capital stock of the Company are listed is open for the transaction of business or, if such capital stock is not listed or admitted for unlisted trading privileges on any National Securities Exchange, a day on which banking institutions in New York City generally are open.
- z. “*transfer*” shall mean any transfer of beneficial ownership of shares of the capital stock of the Company, including original issuance of shares, issuance of shares upon the exercise, conversion or exchange of any securities of the Company, transfer by merger, transfer by testamentary disposition, transfer pursuant to a court order or arbitration award, or otherwise by operation of law.
- aa. “*transferee*” shall mean any Person receiving beneficial ownership of shares of the capital stock of the Company, including recipient of shares resulting from the original issuance of shares and the issuance of shares upon the exercise, conversion or exchange of any securities of the Company.
- bb. “*Trust*” shall have the meaning ascribed to such term in Section 6(a) of this Article EIGHTH.
- cc. “*Trustee*” shall have the meaning ascribed to such term in Section 6(a) of this Article EIGHTH.
- dd. “*U.S. Citizen*” shall mean a citizen of the United States within the meaning of the U.S. Maritime Laws, eligible and qualified to own and operate U.S.-flag vessels in the U.S. Coastwise Trade.
- ee. “*U.S. Coastwise Trade*” shall mean the carriage or transport of merchandise and/or other materials and/or passengers in the coastwise trade of the United States of America within the meaning of 46 U.S.C. Chapter 551 and any successor statutes thereto, as amended or supplemented from time to time.
- ff. “*U.S. Maritime Laws*” shall mean, collectively, the U.S. citizenship and cabotage laws principally contained in 46 U.S.C. § 50501(a), (b) and (d) and 46 U.S.C. Chapters 121 and 551 and any successor statutes thereto, together with the rules and regulations promulgated thereunder by the U.S. Coast Guard and the U.S. Maritime Administration and their practices enforcing, administering and interpreting such laws, statutes, rules and regulations, in each case as amended or supplemented from time to time, relating to the ownership and operation of U.S.-flag vessels in the U.S. Coastwise Trade.
- gg. “*Warrant*” shall mean the right to purchase one share of any specified class or series of the capital stock of the Company at an exercise price of \$0.01 per share governed by the terms of a warrant agreement to be entered into by and between the Company and a warrant agent, as may be amended from time to time. Each Warrant may be exercised by cashless exercise or may be converted into shares of the specified class or series of the capital stock of the Company without any required payment of the exercise price. The Warrants may not be exercised for cash. All Warrants shall expire on the 25th anniversary of the warrant agreement that will govern the Warrants. A Warrant

holder (or its proposed transferee) who cannot establish to the satisfaction of the Board of Directors that it is a U.S. Citizen shall not be permitted to exercise or convert its Warrants to the extent the receipt of the shares upon exercise or conversion would cause such shares to constitute Excess Shares if they were issued. The exercise price and number of shares issuable on exercise or conversion of the Warrants may be adjusted in certain circumstances, including in the event of a share dividend, stock split, share combination, merger or consolidation. Holders of Warrants shall not have any rights or privileges of holders of shares of the Company, including any voting, dividend or distribution rights, until they exercise or convert their Warrants and receive shares.

2. Restrictions on Ownership of Shares by Non-U.S. Citizens. Non-U.S. Citizens are not permitted to beneficially own, individually or in the aggregate, more than the applicable Permitted Percentage of each class or series of the capital stock of the Company. To help ensure that at no time Non-U.S. Citizens, individually or in the aggregate, become the beneficial owners of more than the applicable Permitted Percentage of the issued and outstanding shares of any class or series of capital stock of the Company, and to enable the Company to comply with any requirement that it be, and submit any proof that it is, a U.S. Citizen under any applicable law or under any contract with the United States government (or any agency thereof), the Company shall have the power to take the actions prescribed in Sections 3 through 10 of this Article EIGHTH. The provisions of this Article EIGHTH are intended to assure that the Company continues to qualify as a U.S. Citizen under the U.S. Maritime Laws so that the Company does not cease to be qualified: (a) under the U.S. Maritime Laws to own and operate vessels in the U.S. Coastwise Trade; (b) to operate vessels under an agreement with the United States government (or any agency thereof); (c) to be a party to a maritime security program agreement with the United States government (or any agency thereof), under 46 U.S.C. Chapter 531 or any successor statute thereto, with respect to vessels owned, chartered or operated by the Company; (d) to maintain a construction reserve fund under 46 U.S.C. Chapter 533 or any successor statute thereto; (e) to maintain a capital construction fund under 46 U.S.C. Chapter 535 or any successor statute thereto; or (f) to own, charter, or operate any vessel where the costs of construction, modification, or reconstruction have been financed, in whole or in part, by obligations guaranteed by the United States government (or any agency thereof) under 46 U.S.C. Chapter 537 or any successor statute thereto. The Board of Directors (or any duly authorized committee thereof) is specifically authorized to make all determinations in accordance with applicable law and this Third Amended and Restated Certificate of Incorporation to implement the provisions of this Article EIGHTH.
3. Stock Certificates.
  - a. To implement the requirements set forth in Section 2 of this Article EIGHTH, the Company may, but is not required to, institute a dual stock certificate system such that: (i) each certificate representing shares of each class or series of capital stock of the Company that are beneficially owned by a U.S. Citizen shall be marked "U.S. Citizen" and each certificate representing shares of each class or series of capital stock of the Company that are beneficially owned by a Non-U.S. Citizen shall be marked "Non-U.S. Citizen", but with all such certificates to be identical in all other respects and to comply with all provisions of the laws of the State of Delaware; (ii) an application to

transfer shares shall be set forth on the back of each certificate, in which a Person seeking to take title to the shares represented by such certificate shall apply to the Company to transfer the number of shares indicated therein and shall certify as to its citizenship and the citizenship of any beneficial owner for whom or for whose account such Person will hold such shares; (iii) a certification (which may include as part thereof a form of affidavit) upon which the Company and its transfer agent shall be entitled to rely conclusively shall be required to be submitted by each Person to whom or on whose behalf a certificate representing shares of the capital stock of the Company is to be issued (whether upon transfer or original issuance) stating whether such Person or, if such Person is acting as custodian, nominee, purchaser representative or in any other capacity for an owner, whether such owner, is a U.S. Citizen; and (iv) the stock transfer records of the Company may be maintained in such manner as to enable the percentages of the shares of each class or series of the Company's capital stock that are beneficially owned by U.S. Citizens and by Non-U.S. Citizens to be confirmed. The Board of Directors (or any duly authorized committee thereof) is authorized to take such other ministerial actions or make such interpretations of this Third Amended and Restated Certificate of Incorporation as it may deem necessary or advisable in order to implement a dual stock certificate system consistent with the requirements set forth in Section 2 of this Article EIGHTH and to ensure compliance with such system and such requirements.

- b. A statement shall be set forth on the face or back of each certificate representing shares of each class or series of capital stock of the Company to the effect that: (i) such shares and the beneficial ownership thereof are subject to restrictions on transfer set forth in this Third Amended and Restated Certificate of Incorporation; and (ii) the Company will furnish without charge to each stockholder of the Company who so requests a copy of this Third Amended and Restated Certificate of Incorporation.

4. Restrictions on Transfers.

- a. Any transfer or purported transfer of beneficial ownership of any shares of any class or series of capital stock of the Company, the effect of which would be to cause one or more Non-U.S. Citizens in the aggregate to beneficially own shares of any class or series of capital stock of the Company in excess of the applicable Permitted Percentage for such class or series, shall be void and ineffective, and, to the extent that the Company knows of such transfer or purported transfer, neither the Company nor its transfer agent (if any) shall register such transfer or purported transfer on the stock transfer records of the Company and neither the Company nor its transfer agent (if any) shall recognize the transferee or purported transferee thereof as a stockholder of the Company for any purpose whatsoever (including for purposes of voting, dividends and other distributions) except to the extent necessary to effect any remedy available to the Company under this Article EIGHTH. In no event shall any such registration or recognition make such transfer or purported transfer effective unless the Board of Directors (or any duly authorized committee thereof) shall have expressly and specifically authorized the same.



- b. In connection with any purported transfer of shares of any class or series of the capital stock of the Company, any transferee or proposed transferee (including any recipient upon original issuance) of shares and, if such transferee or proposed transferee (or recipient) is acting as a fiduciary or nominee for a beneficial owner, such beneficial owner, may be required by the Company or its transfer agent to deliver a citizenship certification and such other documentation and information concerning its citizenship under Section 10 of this Article EIGHTH as the Company may request in its sole discretion. Registration and recognition of any transfer of shares shall be denied by the Company upon refusal to furnish any of the foregoing citizenship certifications, documentation or information requested by the Company. Each transferor of such shares shall reasonably cooperate with any requests from the Company to facilitate the transmission of requests for such citizenship certifications and such other documentation and information to the proposed transferee and such proposed transferee's responses thereto.

5. Excess Shares.

If on any date, including, without limitation, any record date (each, an "*Excess Share Date*"), the number of shares of a class or series of capital stock of the Company beneficially owned by Non-U.S. Citizens should exceed the applicable Permitted Percentage with respect to such class or series of capital stock, irrespective of the date on which such event becomes known to the Company (such shares in excess of the applicable Permitted Percentage, the "*Excess Shares*"), then the shares of such class or series of capital stock of the Company that constitute Excess Shares for purposes of this Article EIGHTH shall be (x) those shares that have been acquired by or become beneficially owned by Non-U.S. Citizens, starting with the most recent acquisition of beneficial ownership of such shares by a Non-U.S. Citizen and including, in reverse chronological order of acquisition, all other acquisitions of beneficial ownership of such shares by Non-U.S. Citizens from and after the acquisition of beneficial ownership of such shares by a Non-U.S. Citizen that first caused such applicable Permitted Percentage to be exceeded, or (y) those shares beneficially owned by Non-U.S. Citizens that exceed the applicable Permitted Percentage as the result of any repurchase or redemption by the Company of shares of its capital stock, starting with the most recent acquisition of beneficial ownership of such shares by a Non-U.S. Citizen and going in reverse chronological order of acquisition; *provided that*: (i) the Company shall have the sole power to determine, in the exercise of its reasonable judgment, those shares of such class or series that constitute Excess Shares in accordance with the provisions of this Article EIGHTH; (ii) the Company may, in its reasonable discretion, rely on any reasonable documentation provided by Non-U.S. Citizens with respect to the date and time of their acquisition of beneficial ownership of Excess Shares; (iii) if the acquisition of beneficial ownership of more than one Excess Share occurs on the same date and the time of acquisition is not definitively established, then the order in which such acquisitions shall be deemed to have occurred on such date shall be determined by lot or by such other method as the Company may, in its reasonable discretion, deem appropriate; (iv) Excess Shares that result from a determination that a beneficial owner has ceased to be a U.S. Citizen will be deemed to have been acquired, for purposes of this Article EIGHTH, as of the date that such beneficial owner ceased to be a U.S. Citizen; and (v) the Company may adjust upward to the nearest whole share the number of shares of such class or series deemed to be Excess Shares. Any determination made by the Company pursuant to this Section 5 as to which shares of any class or series of the Company's capital stock constitute Excess Shares of such class or series shall be conclusive and shall be deemed effective as of the applicable Excess Share Date for such class or series.

6. Additional Remedies for Exceeding Permitted Percentage.

- a. In the event that (i) Section 4(a) of this Article EIGHTH would not be effective for any reason to prevent the transfer (a *“Proposed Transfer”*) of beneficial ownership of any Excess Share of any class or series of the capital stock of the Company to a Non-U.S. Citizen (a *“Proposed Transferee”*), (ii) a change in the status of a person from a U.S. Citizen to a Non-U.S. Citizen (a *“Status Change”*) causes a share of any class or series of capital stock of the Company of which such person is the beneficial owner immediately prior to such change to constitute an Excess Share or any repurchase or redemption by the Company of shares of its capital stock causes any share of any class or series of capital stock of the Company beneficially owned by Non-U.S. Citizens to exceed the applicable Permitted Percentage (any such Non-U.S. Citizen together with any person that has undergone a Status Change, a *“Disqualified Person”*), or (iii) the original issuance by the Company of a share of any class or series of capital stock of the Company to a Non-U.S. Citizen (a *“Disqualified Recipient”*) results in such share constituting an Excess Share, then, effective as of immediately before the consummation of such Proposed Transfer (in the case of such Proposed Transferee), or such Status Change or such repurchase or redemption by the Company of its capital stock (in the case of such Disqualified Person), and as of the time of issuance of such Excess Share (in the case of such Disqualified Recipient), such Excess Share shall be automatically transferred into a trust (each, a *“Trust”*) for the exclusive benefit of a Charitable Beneficiary and in respect of which a U.S. Citizen unaffiliated with the Company and such Non-U.S. Citizen shall be appointed by the Company to serve as the trustee (each, a *“Trustee”*), and such Non-U.S. Citizen (each, a *“Restricted Person”*) shall neither acquire nor have any rights or interests in such Excess Share transferred into such Trust. Subject to applicable law and compliance with the foregoing provisions of this Section 6(a), the Excess Shares of multiple Restricted Persons may, in the sole discretion of the Company, be transferred into, and maintained in, a single Trust.
- b. Notwithstanding the provisions of Section 6(a) of this Article EIGHTH, if the automatic transfer of an Excess Share into a Trust pursuant to Section 6(a) of this Article EIGHTH, together with any other automatic transfers of Excess Shares into Trusts pursuant to Section 6(a) of this Article EIGHTH, would not be effective, for any reason whatsoever (whether in the determination of the Company or otherwise), to prevent the number of shares of the class or series of capital stock of the Company of which such Excess Share is a part that are beneficially owned by Non-U.S. Citizens from exceeding the applicable Permitted Percentage for such class or series, then, in lieu of such automatic transfer into such Trust(s), such Excess Share shall be subject to redemption by the Company pursuant to Section 8 of this Article EIGHTH.

7. Excess Shares Transferred into Trusts.

- a. Status of Excess Shares Held by a Trustee. All Excess Shares of any class or series of capital stock of the Company held by a Trustee shall retain their status as issued and outstanding shares of the Company.

b. Voting and Dividend Rights.

- i. The Trustee of a Trust shall have all voting rights and rights to dividends and any other distributions (upon liquidation or otherwise) with respect to all Excess Shares held in such Trust, which rights shall be exercised for the exclusive benefit of the Charitable Beneficiary of such Trust.
- ii. If any dividend or other distribution (upon liquidation or otherwise) with respect to any Excess Share held in a Trust has been received by a Restricted Person with respect to such Excess Share and the automatic transfer of such Excess Share into such Trust occurred on or before the record date for such dividend or distribution, such dividend or distribution shall be paid by such Restricted Person to the Trustee of such Trust upon the demand of such Trustee. If (A) any dividend or other distribution (upon liquidation or otherwise) is authorized with respect to any Excess Share held in a Trust, (B) the automatic transfer of such Excess Share into such Trust occurred on or before the record date for such dividend or distribution, and (C) such transfer has been discovered prior to the payment of such dividend or distribution, then such dividend or distribution shall be paid, when due, to the Trustee of such Trust. Any dividend or distribution so paid to the Trustee of such Trust shall be held in trust for distribution to the Charitable Beneficiary of such Trust in accordance with the provisions of this Section 7.
- iii. A Restricted Person with respect to any Excess Share of any class or series of capital stock of the Company transferred into a Trust shall (A) neither be entitled to, nor possess, any rights to vote, or any other rights attributable to, such Excess Share, (B) not benefit economically from the ownership or holding of such Excess Share, and (C) have no rights to any dividends or any other distributions (upon liquidation or otherwise) with respect to such Excess Share.
- iv. Subject to applicable law, effective as of the date that any Excess Share shall have been transferred into a Trust, the Trustee of such Trust shall have the authority, at its sole discretion, (A) to rescind as void any vote cast by any Restricted Person with respect to such Excess Share, as well as any proxy given by any Restricted Person with respect to the vote of such Excess Share, in either case if the automatic transfer of such Excess Share into such Trust occurred on or before the record date for such vote, and (B) to recast such vote, as well as resubmit a proxy in respect of the vote of such Excess Share, in accordance with its own determination, acting for the benefit of the Charitable Beneficiary of such Trust; *provided, however*, that if the Company has already taken any corporate action in respect of which such vote was cast, or such proxy was given, by such Restricted Person, or if applicable law shall not permit the rescission of such vote or proxy or such vote to be recast, then the Trustee shall not have the authority to rescind such vote or proxy or to recast such vote.

- v. Notwithstanding any of the provisions of this Article EIGHTH, the Company shall be entitled to rely, without limitation, on the stock transfer and other stockholder records of the Company (and its transfer agent) for the purposes of preparing lists of stockholders entitled to vote at meetings, determining the validity and authority of proxies, and otherwise conducting votes of stockholders.
- c. Sale of Excess Shares by Trustee.
- i. The Trustee of a Trust, within 20 days of its receipt of written notice from the Company (or its transfer agent) that Excess Shares of any class or series of capital stock of the Company have been transferred into such Trust (or as soon thereafter as a sale may be effected in compliance with all applicable securities laws), shall sell such Excess Shares to a U.S. Citizen (including, without limitation, the Company) designated by the Trustee. Upon any such sale of Excess Shares, the Trustee shall promptly distribute the proceeds of such sale of such Excess Shares (net of broker's commissions and other selling expenses, applicable taxes, and other costs and expenses of the Trust) to such Charitable Beneficiary, and to the one or more Restricted Persons with respect to such Excess Shares, as provided in the applicable provisions of Sections 7(c), (d) and (e) of this Article EIGHTH.
  - ii. In the event that (x) the Restricted Person with respect to an Excess Share sold by the Trustee of a Trust pursuant to Section 7(c)(i) of this Article EIGHTH was a Proposed Transferee at the time of the transfer of such Excess Share into the Trust, and (y) such sale by the Trustee is made to a Person other than the Company, such Restricted Person shall receive an amount (net of broker's commissions and other selling expenses, applicable taxes, and other costs and expenses of the Trust), subject to further downward adjustment pursuant to Section 7(e) of this Article EIGHTH, equal to the lesser of (A) the price paid by such Restricted Person for such Excess Share or, if such Restricted Person did not give value for the Excess Share in connection with the Proposed Transfer of such Excess Share to such Restricted Person (e.g., in the case of a gift, devise or other similar transaction), the Market Price of such Excess Share on the day of such Proposed Transfer (the applicable price, the "*Proposed Transfer Price*") and (B) the price received by the Trustee from the sale by the Trustee of such Excess Share.
  - iii. In the event that (x) the Restricted Person with respect to an Excess Share sold by the Trustee of a Trust pursuant to Section 7(c)(i) of this Article EIGHTH was a Disqualified Person at the time of the transfer of such Excess Share into the Trust and (y) such sale by the Trustee is made to a Person other than the Company, such Restricted Person shall receive an amount (net of broker's commissions and other selling expenses, applicable taxes, and other costs and expenses of the Trust), subject to further downward adjustment pursuant to Section 7(e) of this Article EIGHTH, equal to the lesser of (A) the Market Price of such Excess Share on the date of the Status Change of such Restricted Person or the date of the repurchase or redemption by the Company of its capital stock that resulted in the transfer of such Excess Share into the Trust (in each case, the "*Status Change Price*") and (B) the price received by the Trustee from the sale by the Trustee of such Excess Share.

- iv. In the event that (x) the Restricted Person with respect to an Excess Share sold by the Trustee of a Trust pursuant to Section 7(c)(i) of this Article EIGHTH was a Disqualified Recipient at the time of the transfer of such Excess Share into the Trust and (y) such sale by the Trustee is made to a Person other than the Company, such Restricted Person shall receive an amount (net of broker's commissions and other selling expenses, applicable taxes, and other costs and expenses of the Trust), subject to further downward adjustment pursuant to Section 7(e) of this Article EIGHTH, equal to the lesser of (A) the price paid by such Restricted Person for such Excess Share or, if such Restricted Person did not give value for the Excess Share in connection with the original issuance of such Excess Share to such Restricted Person, the Market Price of such Excess Share on the day of such original issuance (the applicable price, the "*Deemed Original Issuance Price*") and (B) the price received by the Trustee from the sale by the Trustee of such Excess Share.
- v. In the event that, prior to the discovery by the Company (or its transfer agent) that any Excess Share has been automatically transferred into a Trust pursuant to Section 6(a) of this Article EIGHTH, such Excess Share is sold by the Restricted Person with respect to such Excess Share, then (A) such Excess Share shall be deemed to have been sold by such Restricted Person on behalf of the Trust and (B) to the extent that such Restricted Person received consideration for the sale of such Excess Share that exceeds the amount that such Restricted Person would have been entitled to receive pursuant to this Section 7(c) if such Excess Share had been sold by the Trustee of such Trust on the date of the sale of such Excess Share by such Restricted Person, such excess amount shall be paid to the Trustee, upon the demand of the Trustee, for distribution to the Charitable Beneficiary of such Trust.
- d. Corporation's Right to Purchase Shares Transferred into a Trust. The Trustee of a Trust shall be deemed to have offered each Excess Share that has been transferred into such Trust for sale to the Company at a price for such Excess Share equal to the lesser of (A) the Market Price of such Excess Share on the date that the Company accepts such offer, and (B) the Proposed Transfer Price, the Status Change Price or the Deemed Original Issuance Price, as the case may be, of such Excess Share. The Company shall have the right to accept such offer until the Trustee has sold (or been deemed to have sold) such Excess Share pursuant to clause (i), (ii), (iii), (iv) or (v) of Section 7(c) of this Article EIGHTH. Upon such sale of the Excess Share to the Company, the Restricted Person with respect to such Excess Share shall receive the proceeds of such sale (net of broker's commissions and other selling expenses, applicable taxes, and other costs and expenses of the Trust), subject to further downward adjustment pursuant to Section 7(e) of this Article EIGHTH.

e. Additional Payment-Related Provisions.

- i. In the event of the sale of an Excess Share by the applicable Trustee pursuant to Section 7(c) or (d) of this Article EIGHTH, such Trustee, in its sole discretion, may reduce the amount payable to the Restricted Person with respect to such Excess Share pursuant to such Section by the sum of the amounts of the dividends and distributions described in Section 7(b)(ii) of this Article EIGHTH received by such Restricted Person with respect to such Excess Share and which such Restricted Person has not paid over to the Trustee.
  - ii. In the event of the sale of an Excess Share by the applicable Trustee pursuant to Section 7(c) or (d) of this Article EIGHTH, such Trustee shall promptly pay to the Charitable Beneficiary of the applicable Trust, an amount equal to (A) the remaining proceeds of such sale, net of (1) broker's commissions and other selling expenses, applicable taxes, and other costs and expenses of such Trust and (2) the amount paid by the Trustee to the Restricted Person with respect to such Excess Share pursuant to this Section 7, and (B) the amount of any dividends or distributions with respect to such Excess Share held by the Trust, net of taxes and other costs and expenses of such Trust.
- f. Termination of Charitable Beneficiary's Interest. Upon the sale of an Excess Share by the applicable Trustee pursuant to Section 7(c) or (d) of this Article and the payment of the related amount (if any) to the Charitable Beneficiary of the applicable Trust pursuant to Section 7(e)(ii) of this Article EIGHTH, such Charitable Beneficiary's interest in such Excess Share shall terminate.

8. Redemption.

- a. If the automatic transfer of an Excess Share into a Trust pursuant to Section 6(a) of this Article EIGHTH, together with any other automatic transfers of Excess Shares into Trusts pursuant to Section 6(a) of this Article EIGHTH, would not be effective, for any reason whatsoever, including a determination by the Company that it is not, or may not be, effective, to prevent the beneficial ownership by Non-U.S. Citizens of shares of the class or series of capital stock of the Company of which such Excess Share is a part from exceeding the applicable Permitted Percentage for such class or series, then, in lieu of such automatic transfer into such Trust, the Company, by action of the Board of Directors (or any duly authorized committee thereof), in its sole discretion, shall have the power to redeem, unless such redemption is not permitted under the DGCL or other provisions of applicable law, such Excess Share, *provided* that the Company shall not have any obligation under this Section 8 to redeem any one or more Excess Shares.

- b. Until such time as any Excess Shares subject to redemption by the Company pursuant to this Section 8 are so redeemed by the Company at its option and beginning on the first Excess Share Date for the classes or series of the Company's capital stock of which such Excess Shares are a part,
- i. the holders of such Excess Shares subject to redemption shall (so long as such Excess Shares exist) not be entitled to any voting rights with respect to such Excess Shares, and
  - ii. the Company shall (so long as such Excess Shares exist) pay into an escrow account dividends and any other distributions (upon liquidation or otherwise) in respect of such Excess Shares.

Full voting rights shall be restored to any shares of a class or series of capital stock of the Company that were previously deemed to be Excess Shares, and any dividends or distributions with respect thereto that have been previously paid into an escrow account shall be due and paid solely to the holders of record of such shares, promptly after such time as, and to the extent that, such shares have ceased to be Excess Shares (including as a result of the sale of such shares to a U.S. Citizen prior to the issuance of a Redemption Notice pursuant to Section 8(c)(iii) of this Article EIGHTH), *provided* that such shares have not been already redeemed by the Company at its option pursuant to this Section 8.

- c. The terms and conditions of redemptions by the Company of Excess Shares of any class or series of the Company's capital stock under this Section 8 shall be as follows:
- i. the per share redemption price (the "*Redemption Price*") for each Excess Share may be paid, as determined by the Board of Directors (or any duly authorized committee thereof) in its sole discretion, (i) in cash (by wire transfer or bank or cashier's check), (ii) by the issuance of Redemption Notes, (iii) by the issuance of one Warrant for each Excess Share, or (iv) by any combination of the foregoing;
  - ii. with respect to the portion of the Redemption Price being paid in whole or in part by cash and/or by the issuance of Redemption Notes, such portion of the Redemption Price shall be the sum of (A) the Fair Market Value of such Excess Share as of the date of redemption of such Excess Share plus (B) an amount equal to the amount of any dividend or any other distribution (upon liquidation or otherwise) declared in respect of such Excess Share prior to the date on which such Excess Share is called for redemption and which amount has been paid into an escrow account by the Company pursuant to Section 8(b) of this Article EIGHTH;
  - iii. written notice of the date on which the Excess Shares shall be redeemed (the "*Redemption Date*"), together with a letter of transmittal to accompany certificates, if any, representing the Excess Shares that are surrendered for redemption shall be given either by hand delivery or by overnight courier service or by first-class mail, postage prepaid, to each holder of record of the Excess Shares to be redeemed, at such holder's last known address as the same appears on the stock register of the Company (the "*Redemption Notice*"), unless such notice is waived in writing by any such holders;

- iv. the Redemption Date (for purposes of determining right, title and interest in and to the Excess Shares to be redeemed) shall be the later of (A) the date specified in the Redemption Notice sent to the record holders of the Excess Shares (which shall not be earlier than the date of such notice), and (B) the date on which the Company shall have irrevocably deposited or set aside a sum sufficient to pay the Redemption Price to such record holders or the date on which the Company shall have paid the Redemption Price (including, without limitation, the delivery of any applicable Redemption Notes or Warrants) to such record holders;
- v. each Redemption Notice to each holder of record of the Excess Shares to be redeemed shall specify (A) the Redemption Date (as determined pursuant to Section 8(c)(iv) of this Article EIGHTH), (B) the number and the class or series of shares of capital stock to be redeemed from such holder as Excess Shares (and, to the extent such Excess Shares are certificated, the certificate number(s) representing such Excess Shares), (C) the Redemption Price and the manner of payment thereof, (D) the place where certificates for such Excess Shares (if such Excess Shares are certificated) are to be surrendered for cancellation against the simultaneous payment of the Redemption Price, (E) any instructions as to the endorsement or assignment for transfer of such certificates (if any) and the completion of the accompanying letter of transmittal, and (F) the fact that all right, title and interest in respect of the Excess Shares to be redeemed (including, without limitation, voting, dividend and distribution rights) shall cease and terminate on the Redemption Date, except for the right to receive the Redemption Price, without interest;
- vi. in the case of the Redemption Price paid in whole by cash, if a Redemption Notice has been duly sent to the record holders of the Excess Shares to be redeemed and the Company has irrevocably deposited or set aside cash consideration sufficient to pay the Redemption Price to such record holders of such Excess Shares, then dividends shall cease to accrue on all such Excess Shares to be redeemed, all such Excess Shares shall no longer be deemed outstanding and all right, title and interest in respect of such Excess Shares shall forthwith cease and terminate, except only the right of the record holders thereof to receive the Redemption Price, without interest;
- vii. without limiting clause (vi) above, on and after the Redemption Date, all right, title and interest in respect of the Excess Shares to be redeemed by the Company (including, without limitation, voting and dividend and distribution rights) shall forthwith cease and terminate, such Excess Shares shall no longer be deemed to be outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter properly brought before the stockholders for a vote thereon (and may be either retired or held by the Company as treasury stock), and the holders of record of such Excess Shares shall thereafter be entitled only to receive the Redemption Price, without interest; and



viii. upon surrender of the certificates (if any) for any Excess Shares so redeemed in accordance with the requirements of the Redemption Notice and the accompanying letter of transmittal (and otherwise in proper form for transfer as specified in the Redemption Notice), the holder of record of such Excess Shares shall be entitled to payment of the Redemption Price. In case fewer than all the shares represented by any such certificate are redeemed, a new certificate (or certificates), to the extent such shares were certificated, shall be issued representing the shares not redeemed, without cost to the holder of record.

d. Nothing in this Section 8 shall prevent the recipient of a Redemption Notice from transferring its shares before the Redemption Date if such transfer is otherwise permitted under this Third Amended and Restated Certificate of Incorporation and applicable law and the recipient provides notice of such proposed transfer to the Board of Directors along with the documentation and information required under Section 10(d) establishing that such proposed transferee is a U.S. Citizen to the satisfaction of the Board of Directors in its sole discretion before the Redemption Date. If such conditions are met, the Board of Directors shall withdraw the Redemption Notice related to such shares, but otherwise the redemption thereof shall proceed on the Redemption Date in accordance with this Section and the Redemption Notice.

9. Citizenship Determinations.

The Company shall have the power to determine, in the exercise of its reasonable judgment and with the advice of counsel, the citizenship of the beneficial owners and the transferees or proposed transferees of any class or series of the Company's capital stock for the purposes of this Article EIGHTH. In determining the citizenship of the beneficial owners or their transferees or proposed transferees or, in the case of original issuance, any recipient (and, if such transferees, proposed transferees or recipients are acting as fiduciaries or nominees for any beneficial owners, with respect to such beneficial owners) of any class or series of the Company's capital stock, the Company may rely on the stock transfer records of the Company and the citizenship certifications required under Section 4(b) of this Article EIGHTH and the written statements and affidavits required under Section 10 of this Article EIGHTH given by the beneficial owners or their transferees or proposed transferees, or, in the case of original issuance, any recipients (or any beneficial owners for whom such transferees or proposed transferees or recipients are acting as fiduciaries or nominees) (in each case whether such certifications, written statements or affidavits have been given on their own behalf or on behalf of others) to prove the citizenship of such beneficial owners, transferees, proposed transferees or recipients (or any beneficial owners for whom such transferees, proposed transferees or recipients are acting as fiduciaries or nominees). The determination of the citizenship of such beneficial owners, transferees, proposed transferees and recipients (and any beneficial owners for whom such transferees, proposed transferees or recipients are acting as fiduciaries or nominees) may also be subject to proof in such other manner as the Company may deem reasonable pursuant to Section 10(b) of this Article EIGHTH. The determination of the Company at any time as to the citizenship of such beneficial owners, transferees, proposed transferees and recipients (and any beneficial owners for whom such transferees, proposed transferees or recipients are acting as fiduciaries or nominees) in accordance with the provisions of Article EIGHTH shall be conclusive.

10. Requirement to Provide Citizenship Information.

- a. In furtherance of the requirements of Section 2 of this Article EIGHTH, and without limiting any other provision of this Article EIGHTH, the Company may require the beneficial owners of shares of any class or series of the Company's capital stock to confirm their citizenship status from time to time in accordance with the provisions of this Section 10, and, as a condition to acquiring and having beneficial ownership of shares of any class or series of capital stock of the Company, every beneficial owner of any such shares must comply with the following provisions:
- i. promptly upon a beneficial owner's acquisition of beneficial ownership of five (5%) percent or more of the outstanding shares of any class or series of capital stock of the Company, and at such other times as the Company may determine by written notice to such beneficial owner, such beneficial owner must provide to the Company a written statement or an affidavit, as specified by the Company, duly signed, stating the name and address of such beneficial owner, the number of shares of each class or series of capital stock of the Company beneficially owned by such beneficial owner as of a recent date, the legal structure of such beneficial owner, a statement as to whether such beneficial owner is a U.S. Citizen, and such other information and documents required by the U.S. Coast Guard or the U.S. Maritime Administration under the U.S. Maritime Laws, including 46 C.F.R. part 355;
  - ii. promptly upon request by the Company, each beneficial owner must provide to the Company a written statement or an affidavit, as specified by the Company, duly signed, stating the name and address of such beneficial owner, the number of shares of each class or series of capital stock of the Company beneficially owned by such beneficial owner as of a recent date, the legal structure of such beneficial owner, a statement as to whether such beneficial owner is a U.S. Citizen, and such other information and documents required by the U.S. Coast Guard or the U.S. Maritime Administration under the U.S. Maritime Laws, including 46 C.F.R. part 355;
  - iii. promptly upon request by the Company, any beneficial owner must provide to the Company a written statement or an affidavit, as specified by the Company, duly signed, stating the name and address of such beneficial owner, together with reasonable documentation of the date and time of such beneficial owner's acquisition of beneficial ownership of the shares of any class or series of capital stock of the Company specified by the Company in its request;
  - iv. every beneficial owner must provide, or authorize such beneficial owner's broker, dealer, custodian, depository, nominee or similar agent with respect to the shares of each class or series of the Company's capital stock beneficially owned by such beneficial owner to provide, to the Company such beneficial owner's address; and

- v. every beneficial owner must provide to the Company, at any time such beneficial owner ceases to be a U.S. Citizen, as promptly as practicable but in no event less than two business days after the date such beneficial owner ceases to be a U.S. Citizen, a written statement, duly signed, stating the name and address of the beneficial owner, the number of shares of each class or series of capital stock of the Company beneficially owned by such beneficial owner as of a recent date, the legal structure of such beneficial owner, and a statement as to such change in status of such beneficial owner to a Non-U.S. Citizen.
- b. The Company may at any time require reasonable proof, in addition to the citizenship certifications required under Section 4(b) of this Article EIGHTH and the written statements and affidavits required under Section 10(a) of this Article EIGHTH, of the citizenship of the beneficial owner or the transferee, proposed transferee or, in the case of original issuance, the recipient (and, if such transferee, proposed transferee or recipient is acting as a fiduciary or nominee for a beneficial owner, with respect to such beneficial owner) of shares of any class or series of the Company's capital stock.
- c. In the event that (i) the Company requests in writing (in which express reference is made to this Section 10 of this Article EIGHTH) from a beneficial owner of shares of any class or series of the Company's capital stock a citizenship certification required under Section 4(b) of this Article EIGHTH, a written statement, an affidavit and/or reasonable documentation required under Section 10(a) of this Article EIGHTH, and/or additional proof of citizenship required under Section 10(b) of this Article EIGHTH, and (ii) such beneficial owner fails to provide the Company with the requested documentation by the date set forth in such written request, then (x) the voting rights of such beneficial owner's shares of the Company's capital stock shall be suspended, and (y) any dividends or other distributions (upon liquidation or otherwise) with respect to such shares shall be paid into an escrow account, until such requested documentation is submitted in form and substance reasonably satisfactory to the Company, subject to the other provisions of this Article EIGHTH; *provided, however*, that the Company, acting through its Board of Directors, shall have the power, in its sole discretion, to extend the date by which such requested documentation must be provided and/or to waive the application of sub-clauses (x) and/or (y) of this clause (ii) to any of the shares of such beneficial owner in any particular instance.

- d. In the event that (i) the Company requests in writing (in which express reference is made to this Section 10 of this Article EIGHTH) from the transferee or proposed transferee of, or, in the case of original issuance, the recipient (and, if such transferee, proposed transferee or recipient is acting as a fiduciary or nominee for a beneficial owner, with respect to such beneficial owner) of, shares of any class or series of the Company's capital stock a citizenship certification required under Section 4(b) of this Article EIGHTH, a written statement, an affidavit and/or reasonable documentation required under Section 10(a) of this Article EIGHTH, and/or additional proof of citizenship required under Section 10(b) of this Article EIGHTH, and (ii) such Person fails to submit the requested documentation in form and substance reasonably satisfactory to the Company, subject to the other provisions of this Article EIGHTH, by the date set forth in such written request, the Company, acting through its Board of Directors (or any duly authorized committee thereof), shall have the power, in its sole discretion, to refuse to accept any application to transfer ownership of such shares (if any) or to register such shares on the stock transfer records of the Company and may prohibit and/or void such transfer, including by placing a stop order with the Company's transfer agent, until such requested documentation is so submitted and the Company is satisfied that the proposed transfer of shares will not result in Excess Shares.
11. Severability. Each provision of this Article EIGHTH is intended to be severable from every other provision. If any one or more of the provisions contained in this Article EIGHTH is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of any other provision of this Article EIGHTH shall not be affected, and this Article EIGHTH shall be construed as if the provisions held to be invalid, illegal or unenforceable had never been contained herein.
12. NYSE Transactions. Nothing in this Article EIGHTH shall preclude the settlement of any transaction entered into through the facilities of the New York Stock Exchange or any other National Securities Exchange or automated inter-dealer quotation system for so long as any class or series of the capital stock of the Company is listed on the New York Stock Exchange. The fact that the settlement of any transaction occurs shall not negate the effect of any provision of this Article EIGHTH and any transferee in such a transaction shall be subject to all of the provisions and limitations set forth in this Article EIGHTH.

NINTH: The Board of Directors is expressly authorized to amend, alter, change, adopt or repeal the By-Laws of the Company.

This Third Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL, and has been duly adopted by written consent of the sole stockholder of the Company in accordance with the provisions of Section 228(a) of the DGCL.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Corporation has caused this Third Amended and Restated Certificate of Incorporation to be executed on its behalf.

SEACOR MARINE HOLDINGS INC.

By: /s/ John Gellert  
Name: John Gellert  
Title: President and Chief Executive Officer

## SEPARATION AND CONSULTING AGREEMENT

This SEPARATION AND CONSULTING AGREEMENT (this “Agreement”) is entered into as of July 12, 2019, by and between Robert Clemons (the “Executive”) and SEACOR Marine Holdings Inc., a Delaware corporation (the “Company”).

WHEREAS, the Executive served as the Executive Vice President and Chief Operating Officer of the Company; and

WHEREAS, the Executive has resigned effective as of the Termination Date set forth herein, and the parties have determined by mutual agreement that the Executive shall continue in a consulting capacity with the Company, on the terms set forth in this Agreement.

NOW THEREFORE, in consideration of the premises and the covenants herein, the sufficiency of which is hereby acknowledged, the Executive and the Company agree as follows:

1. Termination of Employment. The Executive’s employment with the Company ceased effective as of 11:59pm Eastern Time on July 12, 2019 (the “Termination Date”). Effective as of the Termination Date, except as provided herein, the Executive resigned from all his positions with the Company and its subsidiaries and affiliates (each entity individually, and collectively, the “Company Group”), and the Executive hereby reaffirms such resignations and has executed the Notice of Resignation attached hereto as Exhibit A. Following the Termination Date, the Executive shall not and does not hold any office, title or fiduciary role with any member of the Company Group, except as a consultant pursuant to Section 3 hereof.

2. Payments and Benefits.

(a) COBRA Payments. Subject to the terms of this Agreement, in consideration of the Release (as defined below), so long as the Executive timely elects and maintains the applicable continuation coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended, the Company shall pay or reimburse the Executive for the employer portion of premiums (based upon then-current active employee rates) for coverage for the Executive and his eligible dependents under the Company’s group health and dental plans (in which the Executive and/or the Executive’s covered dependents participated immediately prior to the Termination Date, as applicable) during the Consulting Period (as defined below) and for a period of six months thereafter. Notwithstanding the foregoing, in the event that providing the foregoing coverage, payments or reimbursement would result in the imposition of excise taxes on the Company for failure to comply with applicable nondiscrimination requirements or otherwise, the parties hereby agree to negotiate in good faith to modify this Section 2(a) in such manner as to avoid the imposition of such excise taxes while also maintaining, to the maximum extent reasonably possible, the original intent and economic benefits to the Executive and the Company under this Section 2(a).

(b) Equity Awards. The Executive has previously been granted awards of (i) stock options with respect to the common stock of the Company (the “Granted Stock Options”) and (ii) restricted shares of common stock of the Company (the “Restricted Shares”), in each case pursuant to the terms of the applicable Company stock incentive plans and related award agreements. The Company has also agreed, pursuant to that certain Stock Option Grant Agreement dated as of April 16, 2019 (“2019 Stock Option Grant Agreement”), to grant to the Executive stock options to purchase an additional total of 12,500 shares of common stock of the Company, to be granted in two equal installments on September 15, 2019 and December 16, 2019 (the “Pending 2019 Stock Options”) with a per share exercise price equal to the closing price of a share of the common stock of the Company on the New York Stock Exchange (“NYSE”) on the grant date. As of the Termination Date, (i) all Granted Stock Options and Restricted Shares that have not previously become vested (and with respect to which the Executive would not otherwise be entitled to vesting acceleration) shall become vested and (ii) all Pending 2019 Stock Options shall become granted and vested with a per share exercise price equal to the closing price of a share of common stock of the Company on the NYSE as of the Termination Date (the Granted Stock Options and Pending 2019 Stock Options, collectively, the “Accelerated Stock Options”). Subject to the terms of this Agreement, in consideration of the Release, each Accelerated Stock Option shall remain exercisable until the expiration date of the full original term of such Accelerated Stock Option. Except to the extent modified hereby, the Accelerated Stock Options shall continue to be subject to the terms and conditions as provided by the respective award agreements for each such award. This Section 2(b) does not, and shall not be deemed to, amend, modify or waive any terms or conditions of any performance-based restricted stock units (“PRSUs”) held by the Executive. Any PRSUs held by the Executive shall vest or be forfeited in accordance with the terms and conditions of that certain Performance Restricted Stock Unit Grant Agreement, dated April 16, 2019 (“PRSU Grant Agreement”), it being understood that, as none of the PRSUs constitute “Eligible Units” as of the Termination Date, such PRSUs are automatically forfeited in accordance with the terms of the PRSU Grant Agreement.

(c) No Additional Benefits. The Executive acknowledges and agrees that, except as provided in this Section 2, the Executive’s participation as an active employee under any benefit plan, program, policy or arrangement sponsored or maintained by the Company Group ceased and was terminated as of the Termination Date. Without limiting the generality of the foregoing, the Executive’s eligibility for and active participation in any of the tax-qualified plans maintained by the Company Group ended on the Termination Date, and the Executive will earn no additional benefits under those plans after that date. The Executive shall receive a payment of \$12,083.33, which the parties agree represents full payment for all of the Executive’s unused vacation time accrued through the Termination Date. The Executive understands and agrees that, absent this Agreement, he would not otherwise be entitled to any payments and benefits as set forth in Section 2(a)-(b).

(d) Tax Withholding. Except as provided in Section 3, all payments made by the Company or its subsidiaries to the Executive pursuant to this Section 2 shall be reduced by applicable tax withholdings and any other deductions as required by law.

3. Consulting Services.

(a) Consulting Period. The Executive shall be retained by the Company as a consultant for the period commencing on the day immediately following the Termination Date and expiring on the six-month anniversary of the Termination Date (the “Consulting Period”).

(b) Scope & Performance of Consulting Services. During the Consulting Period, the Executive shall consult with the Company Group and its executive officers on an as-needed basis regarding the business and operations of the Company Group and with the transition of his duties as Executive Vice President and Chief Operating Officer of the Company by providing advice, consultation and responding to questions from the Company Group and its executive officers from time to time (the “Consulting Services”). Unless otherwise required by applicable circumstances, the Consulting Services shall be rendered by personal consultation at the Executive’s residence or by correspondence through mail, telephone, e-mail or other similar mode of communication at times convenient to the Executive. It is hereby understood and agreed that, during the Consulting Period, the Executive shall have the right to engage in full-time or part-time employment with other business enterprises; provided that the Executive does not breach the restrictive covenants set forth in Section 5 hereof. The Executive shall also provide reasonable cooperation with the Company and its affiliates in any pending or future litigation or investigation or other dispute in which the Executive has relevant knowledge or information, provided that the Company will reimburse the Executive for reasonable out-of-pocket expenses incurred by the Executive in connection with the provision of such cooperation, but only if such expenses are approved in advance by the Company. In connection with providing the Consulting Services, the Executive shall comply in full with all applicable laws, rules and regulations, and with the Company’s policies and procedures, including its Code of Business Conduct & Ethics.

(c) Status as Independent Contractor. The Executive acknowledges and agrees that his status at all times during the Consulting Period shall be that of an independent contractor, and that he may not bind or otherwise obligate the Company Group in any manner whatsoever without obtaining the prior written approval of an authorized representative of the Company Group therefor. The Executive hereby acknowledges and agrees that he shall not be eligible for, shall not actively participate in, and shall not otherwise accrue benefits under, any of the Company Group’s benefit plans during the Consulting Period.

(d) Consulting Fees. In consideration for the Consulting Services, subject to the terms hereof, the Company shall pay the Executive a consulting fee of \$24,166.67 per month or the pro-rata amount for any partial month based on the number of days during which the Executive was a consultant in such month (the “Consulting Fees”). The Consulting Fees shall be paid to the Executive, in arrears, on or about the last business day of the month to which such Consulting Fees relate. The parties hereby acknowledge and agree that the Consulting Fees shall not be deemed to be wages, and therefore, shall not be subject to any withholdings or deductions. The Executive shall be solely responsible for, and shall pay, all taxes assessed or due on the Consulting Fees under the applicable laws or regulations. The Company will be responsible for any reasonable and necessary out-of-pocket expenses incurred by the Executive during the Consulting Period that are directly related to the provision of Consulting Services by the Executive in accordance with the Company’s standard expense reimbursement policies applicable to independent contractors, provided that (i) the incurrence of such expenses are approved in advance by the Company, and (ii) appropriate receipts and vouchers for such expenses are submitted to the Company within thirty (30) days after the expenses are incurred.



(e) Early Termination. The Consulting Services shall terminate by reason of the Executive's death or Disability (as defined below), or by reason of the Company's or the Executive's election to terminate the Consulting Services. In the event of any such termination, the Consulting Fees shall cease, effective as of the date such termination occurs; provided, however, that if the Company terminates the Consulting Services prior to the end of the Consulting Period for any reason other than Cause (and other than due to the Executive's death or Disability), then the Company shall continue to pay the Executive the Consulting Fees for the remainder of the Consulting Period in accordance with the terms of this Agreement. "Cause" in this Agreement means: (i) an intentional act of fraud, embezzlement, theft or any other material violation of law that occurs during or in the course of the Executive's service; (ii) intentional damage to assets or property of any member of the Company Group; (iii) intentional disclosure of the Company Group's confidential information contrary applicable policies; (iv) a material breach of the Executive's obligations under this Agreement that has not been cured after providing the Executive reasonable notice; (v) intentional engagement in any competitive activity that would constitute a breach of the Executive's obligations under this Agreement; (vi) intentional breach of any policies of any member of the Company Group; or (vii) conduct by the Executive that is materially injurious to any member of the Company Group, monetarily or otherwise. For purposes of this Agreement, "Disability" shall be defined as a physical or mental impairment which prevents the Executive from performing his applicable services, as determined by the Company in its sole discretion.

4. Release of Claims. Notwithstanding anything to the contrary in this Agreement, the Company shall not be obligated to make any payment of the Consulting Fees or to provide any payment or benefit under Section 2(a) or (b) which is contingent upon the Release (collectively, the "Consideration") to the Executive under this Agreement until (i) the Executive shall have executed and delivered to the Company the release of claims attached hereto as Exhibit B (the "Release") and (ii) such Release shall have become effective and irrevocable by the Executive under all applicable law and in accordance with the terms of the Release (with all periods for revocation therein having expired).

5. Restrictive Covenants. In consideration of his rights and benefits under this Agreement, the Executive agrees as follows:

(a) Non-disclosure. The Executive specifically acknowledges and agrees that he will not divulge, furnish or make accessible to anyone, Company Information at any time (whether during or following the Consulting Period), except with the consent of or pursuant to the Company's instructions or pursuant to mandatory court order, subpoena or other legal process. "Company Information" shall include, without limitation, all of the Company Group's trade secrets (that is, any information that derives independent economic value from not being generally known or readily ascertainable by the public, whether or not written or stored in any medium); the identity, preferences and selling and purchasing tendencies of actual Company Group suppliers and customers and their respective decision-makers; the Company's marketing plans, information and/or strategies for the development and growth of the Company Group's products, its business and/or its customer base; the terms of the Company Group's deals and dealings with its customers and suppliers; information regarding Company Group employees, including but not limited to their skills, training, contacts, prospects and abilities; the Company Group's training techniques and programs; the Company Group's costs, prices, technical data, inventory position and data processing and management information systems, programs, and practices; the Company Group's personnel policies and procedures and any other information regarding human resources at the Company Group that the Executive obtained in the course of his employment or consulting service with the Company. The following shall not constitute Company Information for purposes of this Agreement: (i) information that was known by the Executive before his employment with the Company; (ii) information that is or becomes generally available to the public other than as a result of a disclosure directly or indirectly by the Executive; (iii) information that is independently developed by the Executive without reference to Company Information; or (iv) information that is or becomes available to the Executive on a non-confidential basis from a source other than the Company, provided that such source has represented to the Executive that it is not bound by any obligation of confidentiality in relation thereto.

(b) Non-disparagement. The Executive agrees that he shall not make nor cause to be made any negative, adverse or derogatory comments or communications that could constitute disparagement of any member of the Company Group or their respective officers or directors, or that may be considered to be derogatory or detrimental to the good name or business reputation of any of the foregoing. The Company agrees that it shall not, in any statement or release published by SEACOR Marine, make any negative, adverse or derogatory comments about the Executive that could constitute disparagement of the Executive, or that may be considered to be derogatory or detrimental to the good name or business reputation of the Executive.

(c) Non-Solicitation. The Executive agrees that during the 24-month period following the Termination Date the Executive will not, directly or indirectly, on the Executive's own behalf or on behalf of another (i) solicit, induce or attempt to solicit or induce any officer, director, employee or consultant of any member of the Company Group to terminate their relationship with or leave the employ of any member of the Company Group, (ii) hire or otherwise contract the services of any person (in any capacity whether as an officer, director, employee or consultant) who is, or at any time in the six months preceding the date on which the Executive engages in such conduct was, an officer, director, employee or consultant of any member of the Company Group or (iii) induce or attempt to induce any customer, supplier, prospect, licensee or other business relation of any member of the Company Group to cease doing business with any member of the Company Group. The foregoing provisions shall not apply to (I) a general advertisement or solicitation program that is not specifically targeted at such persons or (II) the solicitation of any employee after such time as such employee's employment has been terminated by the Company Group.

(d) Non-Competition during the Consulting Period. The Executive agrees that for so long as he is providing Consulting Services during the Consulting Period, the Executive shall not, whether alone or jointly, or as an employee, officer, agent, partner, member, stockholder (except of not more than 5% of the outstanding stock of any listed company), investor, consultant, advisor, or independent contractor, directly or indirectly engage in any business or entity in the same field of commercial activities as any member of the Company Group and which is competitive with any member of the Company Group.

(e) Protected Disclosures. Nothing in this Agreement will preclude, prohibit or restrict the Executive or the Company Group from (i) communicating with, any federal, state or local administrative or regulatory agency or authority, including, but not limited to, the Securities and Exchange Commission (the “SEC”); (ii) participating or cooperating in any investigation conducted by any governmental agency or authority; or (iii) if applicable, filing a charge of discrimination with the United States Equal Employment Opportunity Commission or any other federal state or local administrative agency or regulatory authority. Nothing in this Agreement, or any other agreement between the parties, prohibits or is intended in any manner to prohibit, the Executive or the Company Group from (A) reporting a possible violation of federal or other applicable law or regulation to any governmental agency or entity, including, but not limited to, the Department of Justice, the SEC, the U.S. Congress, and any governmental agency Inspector General, or (B) making other disclosures that are protected under whistleblower provisions of federal law or regulation. This Agreement does not limit the Executive’s right to receive an award (including, without limitation, a monetary reward) for information provided to the SEC. The Executive does not need the prior authorization of anyone at the Company Group, and the Company Group does not need the prior authorization of the Executive, to make any such reports or disclosures, and neither the Executive nor the Company Group is required to notify the other party that such party has made such reports or disclosures. Nothing in this Agreement or any other agreement or policy of the Company Group is intended to interfere with or restrain the immunity provided under 18 U.S.C. §1833(b). The Executive cannot be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (I) (A) in confidence to federal, state or local government officials, directly or indirectly, or to an attorney, and (B) for the purpose of reporting or investigating a suspected violation of law; (II) in a complaint or other document filed in a lawsuit or other proceeding, if filed under seal; or (III) in connection with a lawsuit alleging retaliation for reporting a suspected violation of law, if filed under seal and does not disclose the trade secret, except pursuant to a court order. The foregoing provisions regarding protected disclosures are intended to comply with all applicable laws. If any laws are adopted, amended or repealed after the execution of this Agreement, this Section 5(e) shall be deemed to be amended to reflect the same.

6. Enforcement of Restrictions.

(a) Reasonableness. The Executive hereby acknowledges that: (i) the restrictions provided in this Agreement (including, without limitation, those contained in Section 5 hereof) are reasonable in light of the necessity of the protection of the business of the Company Group; (ii) his ability to work and earn a living will not be unreasonably restrained by the application of these restrictions; and (iii) if a court concludes that any restrictions in this Agreement are overbroad or unenforceable for any reason, the court shall modify the relevant provision to the least extent necessary and such provision shall be enforced as modified.

(b) Injunctive and Other Relief. The Executive recognizes and agrees that, should he fail to comply with the restrictions set forth in this Agreement (including, without limitation, those contained in Section 5 hereof), which restrictions are hereby acknowledged to be vital to the protection of the Company Group's business, the Company Group may suffer irreparable injury and harm for which there is no adequate remedy at law. Therefore, the Executive agrees that, in the event of the breach or threatened breach by him of any of the restrictive covenants in this Agreement, the Company Group shall be entitled to seek preliminary and permanent injunctive relief against him and any other relief as may be awarded by a court having jurisdiction over the dispute. In the event of a breach by the Executive of such provisions, as determined in a final judgment, the Company Group shall have the right to cease making any payments, or providing other benefits, under this Agreement. The rights and remedies enumerated in this Section 6 shall be independent of each other, and shall be severally enforced, and such rights and remedies shall be in addition to, and not in lieu of, any other rights or remedies available to the Company Group in law or in equity.

7. Return of Property. At or prior to the termination of the Consulting Period, the Executive shall deliver to a designated Company representative all records, documents, hardware, software, and all other Company property and all copies thereof in the Executive's possession, including, without limitation, all Company Information. The Company agrees that (i) the Executive may keep his Company provided mobile telephone but that the Executive shall confirm, in writing, that all Company Information has been deleted from such device at the conclusion of the Consulting Period, (ii) the Executive may keep his Company provided laptop computer and/or home office computer, provided that, promptly after the Termination Date, the Executive returns such computer(s) to the Company so that the Company may delete any Company Information from such computer(s), and (iii) the Executive may keep his Company provided vehicle, provided that after the Termination Date, the Executive is responsible for all costs related to the vehicle, including, but not limited to, insurance, operating expenses, and fuel for the vehicle. The Company will reimburse Executive for mileage incurred providing Consulting Services, consistent with Company policy. During the Consulting Period, for purposes of providing the Consulting Services, the Executive will continue to have access to (i) a company email account to the extent required, (ii) temporary office space to the extent required and (iii) files relating to the Executive's Consulting Services. The Executive acknowledges and agrees that all such materials are the sole property of the Company.

8. Miscellaneous.

(a) Entire Agreement. This Agreement and the Release set forth the entire agreement between the parties with respect to the subject matter hereof and, except as provided herein and in the Release, supersedes any and all prior understandings and agreements between the parties and neither party shall have any obligation toward the other except as set forth herein. This Agreement may not be modified, except in writing signed by both parties. The invalidity of any portion of this Agreement will not affect the validity of the remainder of this Agreement. This Agreement will be construed as if drafted jointly by the parties, and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

(b) No Conflict; Governing Law. This Agreement is made in, governed by, and is to be construed and enforced in accordance with the internal laws of the State of New York, without giving effect to principles of conflicts of law. The Executive agrees that any legal action or proceeding brought under or in connection with this Agreement or the Executive's employment may be initiated and maintained in a state or federal court serving New York, New York.

(c) Code Section 409A. The intent of the parties is that payments and benefits under this Agreement shall comply with or be exempt from Internal Revenue Code Section 409A and applicable guidance promulgated thereunder (collectively "Code Section 409A") and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted in accordance therewith. In no event whatsoever shall any member of the Company Group be liable for any tax, interest or penalties that may be imposed on the Executive by Code Section 409A or any damages for failing to comply with Code Section 409A. To the extent any taxable expense reimbursement or in-kind benefits under this Agreement is subject to Code Section 409A, the amount thereof eligible in any calendar year shall not affect the amount eligible for any other calendar year, in no event shall any expenses be reimbursed after the last day of the calendar year following the year in which the Executive incurred such expenses, and in no event shall any right to reimbursement or receipt of in-kind benefits be subject to liquidation or exchange for another benefit.

9. Notices. All notices and other communications hereunder shall be in writing. Notices sent to the Company should be directed to the attention of the Company's General Counsel.

10. Counterpart Agreements; Captions and Headings. This Agreement may be executed in multiple counterparts, whether or not all signatories appear on these counterparts, and each counterpart shall be deemed an original for all purposes. The captions and headings are for convenience of reference only and shall not be used to construe the terms or meaning of any provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

SEACOR MARINE HOLDINGS INC.

/s/ John Gellert

By: John Gellert  
Title: President and Chief Executive Officer

ROBERT CLEMONS

/s/ Robert Clemons

**NOTICE OF RESIGNATION**

TO: SEACOR Marine Holdings Inc.

FROM: Robert Clemons

DATE: July 12, 2019

I hereby tender my resignation from all director, manager, officer and other positions with SEACOR Marine Holdings Inc. or any of its subsidiaries or affiliates, effective July 12, 2019.

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Robert Clemons

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## RELEASE OF CLAIMS

1. Terms of Release. This general release is entered into by and between Robert Clemons (“the Executive”) and SEACOR Marine Holdings Inc. (the “Company”), as of the date hereof (this “General Release”), pursuant to the terms of the Separation and Consulting Agreement to which this General Release is attached (the “Separation Agreement”), which provides the Executive with certain payments and benefits, subject to the Executive’s execution of this General Release. The Executive acknowledges and agrees that the consideration provided for herein is adequate consideration for the Executive’s obligations under this General Release.

2. Released Claims. In exchange for and in consideration of the payments and benefits described in the Separation Agreement, the Executive, on behalf of himself, his agents, representatives, heirs, devisees, assignees, transferees, and legal representatives, past or present (as the case may be, and collectively the “Releasers”), hereby irrevocably and unconditionally releases, discharges, and acquits all of the Released Parties (as defined below) from any and all claims, promises, demands, liabilities, contracts, debts, losses, damages, attorneys’ fees and causes of action of every kind and nature, known and unknown, which the Executive may have against them at any time up to and including the Executive’s execution of this General Release (the “Execution”), including but not limited to causes of action, claims or rights arising out of, or which might be considered to arise out of or to be connected in any way with: (i) the Executive’s employment with the Company or any of its subsidiaries or the termination thereof; (ii) any treatment of the Executive by any of the Released Parties in connection with his employment or the termination thereof, which shall include, without limitation, any treatment or decisions with respect to hiring, placement, promotion, work hours, discipline, transfer, termination, compensation, performance review or training; (iii) any damages or injury that the Executive may have suffered in connection with his employment or the termination thereof, including without limitation, emotional or physical injury, or compensatory damages; (iv) employment discrimination, which shall include, without limitation, any individual or class claims of discrimination on the basis of age, disability, sex, race, religion, national origin, citizenship status, marital status, sexual preference, or any other basis whatsoever; or (v) all such other claims that the Executive could assert against any, some, or all of the Released Parties in any forum, accrued or unaccrued, liquidated or contingent, direct or indirect, including under any federal, state, foreign or local law, ordinance and/or regulation, or pursuant to common law in connection with Executive’s employment or the termination thereof. The payments and other rights of the Executive expressly provided for under the Separation Agreement, as well as any rights that the Executive may have to be indemnified by the Company pursuant to the Company’s Certificate of Incorporation, By-laws, any indemnification agreement entered into by the Executive and the Company or any former parent of the Company, or directors and officers liability insurance policies, are excluded from this General Release.

3. Released Parties. The term “Released Parties” or “Released Party” as used herein shall mean and include: (i) the Company; (ii) the Company’s former, current and future parents, subsidiaries, affiliates, shareholders and lenders; (iii) each predecessor, successor and affiliate of any person listed in clauses (i) and (ii); (iv) each former, current, and future officer, director, agent, representative, employee, servant, owner, shareholder, partner, joint venturer, attorney, employee benefit plan, employee benefit plan administrator, insurer, administrator, and fiduciary of any of the persons or entities listed in clauses (i) through (iii); and (v) any other person or entity acting by, through, under, or in concert with any of the persons or entities listed in clauses (i) through (iv).



4. OWBPA and ADEA Release. Pursuant to the Older Workers Benefit Protection Act of 1990 (“OWBPA”), the Executive understands and acknowledges that by executing this General Release and releasing all claims against each and all of the Released Parties, he has waived any and all rights or claims that he has or could have against any Released Party under the Age Discrimination in Employment Act (“ADEA”), which includes, but is not limited to, any claim that any Released Party discriminated against the Executive on account of his age. The Executive also acknowledges the following: (i) the Company, by this General Release, has advised the Executive to consult with an attorney prior to executing this General Release; (ii) the Executive has had the opportunity to consult with his own attorney concerning this General Release; (iii) this General Release does not include claims arising from any act, omission, transaction or occurrence which happens after the Execution, provided, however, that any claims arising after the Execution from the then-present effect of acts or conduct occurring on or before the Execution shall be deemed released under this General Release; and (iv) the Company has provided the Executive with the opportunity to review and consider this General Release for 21 days (the “Review Period”). At the Executive’s option and sole discretion, the Executive may waive the Review Period and execute this General Release before the expiration of 21 days. In electing to waive the Review Period, the Executive acknowledges and admits that he was given a reasonable period of time within which to consider this General Release and his waiver is made freely and voluntarily, without duress or any coercion by any other person. The General Release shall be null and void *ab initio* in the event the Executive does not execute and return this General Release to the Company by August 2, 2019.

5. ADEA Revocation Period. The Executive may revoke this General Release within a period of seven calendar days after the Execution. The Executive agrees that any such revocation is not effective unless it is made in writing and delivered to the attention of the General Counsel of the Company by the end of such seventh calendar day. Under any such valid revocation, the Executive shall not be entitled to the payments or benefits described in the Separation Agreement. This General Release becomes effective and irrevocable on the eighth calendar day after it is executed by the Executive.

6. No Right to File Action or Proceeding. Unless otherwise prohibited by law, the Executive agrees that he will not, at any time hereafter, voluntarily participate in as a party, or permit to be filed by any Releaser or any other person on his behalf or as a member of any alleged class of persons, any action or proceeding of any kind, against the Company or any other Released Party (whether acting as agents for the Company or in their individual capacities), with respect to any claims covered by this General Release; in addition, the Executive agrees to have himself removed from any such action or proceeding with respect to which he has involuntarily become a party. The Executive further agrees that he will not seek or accept any award or settlement from any source or proceeding with respect to any claim or right covered by this General Release and that this General Release shall act as a bar to recovery in any such proceedings. This General Release shall not affect the Executive’s rights under the OWBPA to have a judicial determination of the validity of this General Release and does not purport to limit any right Employee may have to file a charge under the ADEA or other civil rights statute or to participate in an investigation or proceeding conducted by the Equal Employment Opportunity Commission or other investigative agency. This General Release does, however, waive and release any right to recover damages under the ADEA or other civil rights statute.

7. Governing Law. This General Release shall be governed by and construed in accordance with the laws of the State of New York without regard to its conflict of laws provisions.

THE EXECUTIVE ACKNOWLEDGES THAT HE CAREFULLY HAS READ THIS GENERAL RELEASE; THAT HE HAS HAD THE OPPORTUNITY TO THOROUGHLY DISCUSS ITS TERMS WITH COUNSEL OF HIS CHOOSING; THAT HE FULLY UNDERSTANDS ITS TERMS AND ITS FINAL AND BINDING EFFECT; THAT THE ONLY PROMISES MADE TO SIGN THIS GENERAL RELEASE ARE THOSE STATED AND CONTAINED IN THIS GENERAL RELEASE; AND THAT HE IS SIGNING THIS GENERAL RELEASE KNOWINGLY AND VOLUNTARILY. THE EXECUTIVE STATES THAT HE IS IN GOOD HEALTH AND IS FULLY COMPETENT TO MANAGE HIS BUSINESS AFFAIRS AND UNDERSTANDS THAT HE MAY BE WAIVING SIGNIFICANT LEGAL RIGHTS BY SIGNING THIS GENERAL RELEASE.

IN WITNESS WHEREOF, the parties have executed this General Release as of the respective dates set forth below.

SEACOR MARINE HOLDINGS INC.

\_\_\_\_\_  
By: John Gellert  
Title: President and Chief Executive Officer  
Date: \_\_\_\_\_

ROBERT CLEMONS

\_\_\_\_\_  
Date: \_\_\_\_\_

**Exhibit 10.3**

AMENDMENT NO. 1 TO CREDIT AGREEMENT AND PARENT GUARANTY

THIS AMENDMENT NO. 1 TO CREDIT AGREEMENT AND PARENT GUARANTY (this “**Amendment**”) is made as of the 6<sup>th</sup> day of August 2019, and amends and is supplemental to (a) that certain credit agreement dated as of September 26, 2018 (as may be amended, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) and (b) that certain guaranty dated as of September 28, 2018 (as may be amended, supplemented or otherwise modified from time to time, the “**Parent Guaranty**”), and is by and among (i) SEACOR Marine Foreign Holdings Inc., a corporation incorporated under the laws of the Republic of the Marshall Islands (the “**Borrower**”), as borrower, (ii) SEACOR Marine Holdings Inc., a corporation incorporated under the laws of the State of Delaware (the “**Parent Guarantor**”), as parent guarantor, (iii) the entities identified on Schedule 1-A hereto as subsidiary guarantors, (iv) each of the New Vessel Owning Entities (as hereinafter defined), (v) DNB BANK ASA, New York Branch (“**DNB Bank**”), as facility agent for the Creditors (in such capacity, the “**Facility Agent**”), as security trustee for the Creditors (in such capacity, the “**Security Trustee**”), (vi) the banks, financial institutions and institutional lenders whose names and addresses are set out in Schedule 1-B thereto, as lenders (together with any assignee pursuant to the terms of Section 10 of the Credit Agreement, the “**Lenders**”, and each separately, a “**Lender**”), (vii) the Swap Banks, (viii) DNB Markets, Inc., Clifford Capital Pte. Ltd. and NIBC Bank N.V. as mandated lead arrangers, and (ix) DNB Markets, Inc. as coordinator and bookrunner. Unless otherwise defined herein, the capitalized terms used herein shall have the meanings assigned to such terms in the Credit Agreement.

WITNESSETH

WHEREAS, the Borrower has requested that the Lenders execute and deliver this Amendment in order to, among other things, (a) amend certain financial covenants contained in the Parent Guaranty, and (b) substitute the United States flag Vessel LIAM J MCCALL, Official No. 1265843 (the “**Released Vessel**”), which is a Credit Support Vessel, with (i) the Marshall Islands flag Vessel CARLENE MCCALL, Official No. 8491, which is owned by SEACOR Offshore McCall LLC, a Delaware limited liability company (“**SEACOR Offshore McCall**”), and (ii) the Marshall Islands flag Vessel NAJLA MCCALL, Official No. 7889 (together with the CARLENE MCCALL, the “**New Credit Support Vessels**”), which is owned by SEACOR Offshore LLC, a Delaware limited liability company (“**SEACOR Offshore**” and together with SEACOR Offshore McCall, the “**New Vessel Owning Entities**”), each of which will be a Credit Support Vessel.

WHEREAS, the Lenders have agreed to amend and modify certain terms and provisions of the Credit Agreement as set forth herein.

NOW, THEREFORE, in consideration of the premises set forth above, the covenants and agreements hereinafter set forth, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment of the Credit Agreement. The parties hereto agree that:
  - (a) All references to “this Agreement” shall be deemed to refer to the Credit Agreement, as amended hereby, and each reference to the “Credit Agreement”, including any prior iteration thereof, in any Transaction Document shall be deemed to be a reference to the Credit Agreement as amended, supplemented or otherwise modified from time to time, including but not limited to as amended by this Amendment.

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- (b) Schedule 4 of the Credit Agreement shall be replaced in its entirety with Schedule 4 attached hereto.
- (c) Section 1.1 of the Credit Agreement shall be amended by adding the following new definitions:
- “SEACOR Offshore” means SEACOR Offshore LLC, a Delaware limited liability company.
- “SEACOR Offshore McCall” means SEACOR Offshore McCall LLC, a Delaware limited liability company.
- (d) Section 1.1 of the Credit Agreement shall be amended by deleting the definition of Vessel Owning Entity and replacing it with the following:
- “Vessel Owning Entity” means each Subsidiary Guarantor, SEACOR Marine, SEACOR Offshore, SEACOR Offshore McCall and the owner of any other vessel mortgaged to the Security Trustee pursuant to the terms of this Agreement;
- (e) Section 9.1(d)(i) of the Credit Agreement shall be amended and restated as follows:
- “(i) as soon as available but not later than one hundred twenty (120) days after the end of each fiscal year of the Borrower ending after the Closing Date, complete copies of the consolidated financial reports of the Borrower, all in reasonable detail, which shall include at least the consolidated balance sheet the Borrower as of the end of such year and the related consolidated statements of income and sources and uses of funds for such year, unaudited, but accompanied by the certification of the chief executive officer, chief financial officer or controller of the Borrower that such financial statements fairly present the financial condition of the Borrower as at the dates indicated, subject to changes resulting from audit and normal year-end adjustments;”;
- (f) Section 9.3 of the Credit Agreement shall be amended by deleting the text “less than one hundred forty percent (140%) (the “Required Percentage”)” and replacing it with “less than (a) one hundred fifty percent (150%) for the period through December 31, 2021, and (b) one hundred forty percent (140%) at any time after December 31, 2021, (as the case may be, the “Required Percentage”)”;
- (g) Section 9.4(a) of the Credit Agreement shall be amended and restated as follows:
- “(a) At any time after the second anniversary of the Closing Date, provided that the Parent Guarantor is in compliance with the required ratio of Consolidated EBITDA to Consolidated Net Interest Expense set forth in Section 4(a)(xvi) of the Parent Guaranty as such ratio was set forth in the Parent Guaranty as at the Closing Date, upon the written request of the Borrower to the Facility Agent, (i) any lien created pursuant to any Security Document in respect of any of the Additional Credit Support Vessels shall be released and (ii) the relevant Vessel

Owning Entity shall be released from this Agreement (if it owns no other Vessel mortgaged to the Security Trustee) and any Security Document to which it is party, provided, that before and after giving effect to any such release, (A) the aggregate Fair Market Value of the Vessels is more than two hundred percent (200%) of the principal amount of the Loan then outstanding and (B) no Event of Default has occurred or is continuing. For the avoidance of doubt, this paragraph (a) of Section 9.4 does not apply to the sale of a Vessel pursuant to paragraph (a) of Section 5.4.

(h) Section 9.4(c) of the Credit Agreement shall be amended by deleting the text “(including, without limitation, the LIAM J MCCALL)”.

2. Amendment of the Parent Guaranty. The parties hereto agree that:

(a) All references to “this Guaranty” unless otherwise specified shall be deemed to refer to the Parent Guaranty, as amended hereby, and each reference to the “Parent Guaranty”, including any prior iteration thereof, unless otherwise specified, in any Transaction Document shall be deemed to be a reference to the Parent Guaranty, as amended, supplemented or otherwise modified from time to time, including but not limited to as amended by this Amendment.

(b) Section 1 of the Parent Guaranty shall be amended by deleting the definition of “Consolidated EBITDA” in its entirety and replacing it with:

““Consolidated EBITDA” means, for any accounting period, the consolidated net income of the Parent Guarantor and its Subsidiaries on a consolidated basis for that accounting period:

- (a) plus, to the extent reducing consolidated net income, the sum, without duplication, of:
  - (i) provisions for all federal, state, local and foreign income taxes and any tax distributions;
  - (ii) Consolidated Net Interest Expense;
  - (iii) any net after tax extraordinary, nonrecurring or unusual loss, expense or charge (less all fees and expenses relating thereto) including without limitation any severance, relocation, office or facility closure or other restructuring charge or restructuring expense, in an aggregate amount not to exceed \$8,000,000 while the Loan is outstanding; and
  - (iv) depreciation, depletion, amortization of intangibles and other non-cash charges or non-cash losses (including non-cash transaction expenses and the amortization of debt discounts) and any extraordinary losses;
- (b) minus, to the extent added in computing the consolidated net income of the Parent Guarantor for that accounting period, any

non-cash income or non-cash gains (excluding any such non cash gain to the extent it represents the reversal of an accrual or reserve for potential cash item in any prior period);”;

- (c) Section 4(a) of the Parent Guaranty shall be amended by (i) deleting clause (xvi) in its entirety and replacing it with:
- “(xvi) maintain as of the last day of each fiscal quarter described below a ratio of (x) Consolidated EBITDA to (y) Consolidated Net Interest Expense of not less than:
- (1) 1.50:1.00 for the four consecutive fiscal quarters ending on each of June 30, 2020, September 30, 2020 and December 31, 2020;
- (2) 2.00:1.00 for the four consecutive fiscal quarters ending on each of March 31, 2021, June 30, 2021, September 30, 2021 and December 31, 2021; and
- (3) 3.00:1.00 for each four consecutive fiscal quarters of the Parent Guarantor thereafter.”; and
- (ii) deleting clause (v) in the proviso to such section in its entirety and replacing it with “(v) in each period of four consecutive fiscal quarters, there shall be at least two (2) fiscal quarters in which no Cure Right is exercised and the Cure Right shall not be exercised in more than two (2) fiscal quarters over the term of this Guaranty.”; and
- (d) Section 4(b)(vii) of the Parent Guaranty shall be amended by deleting “within two (2) years from the date hereof” and replacing it with “prior to January 1, 2022”.

3. Conditions to the Effectiveness of this Amendment. This Amendment shall become effective on the date (the “**Effective Date**”) on which the following conditions shall have been met:

- (a) This Amendment. Each of the parties hereto shall have duly executed and delivered this Amendment;
- (b) Corporate Authority. The Facility Agent shall have received the following documents in form and substance reasonably satisfactory to the Facility Agent:
- (i) copies, certified as true and complete by an officer, director or managing member (as applicable) of each New Vessel Owning Entity and each Credit Party of the resolutions of the directors, members or managers thereof evidencing approval of this Amendment and with respect to the New Vessel Owning Entities, the New Collateral Vessel Security Documents to which each is or is to be a party, as the case may be, and authorizing an appropriate person or persons or attorney-in-fact or attorneys-in-fact to execute the same on its behalf, or other evidence of such approvals and authorizations;
- (ii) copies, certified as true and complete by an officer, director or managing member (as applicable) of each New Vessel Owning Entity and each Credit

Party of all documents evidencing any other necessary action (including actions by such parties thereto other than the New Vessel Owning Entities and Credit Parties as may be required by the Lenders), approvals or consents with respect to this Amendment and with respect to the New Vessel Owning Entities, the New Collateral Vessel Security Documents to which each is or is to be a party, as the case may be ;

- (iii) copies, certified as true and complete by an officer, director or managing member (as applicable) of each New Vessel Owning Entity and each Credit Party of the certificate of formation, articles of incorporation, memorandum of association, operating agreement or by-laws, as the case may be, or equivalent instruments thereof;
  - (iv) certificate of the jurisdiction of formation of each New Vessel Owning Entity and each Credit Party as to the good standing thereof;
  - (v) copies, certified as true and complete by an officer, managing member or director (as applicable) of each New Vessel Owning Entity and each Credit Party of the names and true signatures of the officers or directors (as applicable) of such New Vessel Owning Entity and such Credit Party signing this Amendment and with respect to the New Vessel Owning Entities, each New Collateral Vessel Security Document to which it is or is to be a party and the other documents to be delivered hereunder and thereunder, as the case may be; and
  - (vi) a certificate signed by an officer, managing member or director (as applicable) of each New Vessel Owning Entity and each Credit Party (or its managing member) to the effect that the representations and warranties of such New Vessel Owning Entity and such Credit Party contained in this Amendment, and with respect to the New Vessel Owning Entities, the other New Collateral Vessel Security Documents to which each is or is to be a party, as the case may be, are true and correct as of the date of such certificate;
- (c) The New Credit Support Vessels. The Facility Agent shall have received evidence satisfactory to it that each New Credit Support Vessel:
- (i) is in the sole and absolute ownership of the relevant New Vessel Owning Entity and duly registered in such New Vessel Owning Entity's name under the laws and flag of the relevant Designated Jurisdiction, unencumbered, save and except for the relevant Mortgage recorded against it, the Assignments, and Permitted Liens;
  - (ii) is classed in the highest classification and rating for vessels of the same age and type with the respective Classification Society without any material outstanding recommendations affecting class;
  - (iii) is operationally seaworthy and in every way fit for its intended service; and
  - (iv) insured in accordance with the provisions of the applicable Mortgage and Section 9.1(v) of the Credit Agreement and all requirements of the

applicable Mortgage and Section 9.1(v) of the Credit Agreement in respect of such insurance have been fulfilled (including, but not limited to, letters of undertaking from the insurance brokers, including confirmation notices of assignment, notices of cancellation and loss payable clauses acceptable to the Facility Agent);

- (d) Mortgages. Each New Vessel Owning Entity shall have duly executed, and delivered to the Facility Agent, the Mortgage over its New Credit Support Vessel;
- (e) Recording of the Mortgages. The Facility Agent shall have received satisfactory evidence that the Mortgage over each New Credit Support Vessel has been duly recorded under the laws of the relevant Designated Jurisdiction and constitutes a first preferred mortgage lien under the laws of the relevant Designated Jurisdiction;
- (f) Assignments. Each of the New Vessel Owning Entities shall have delivered to the Facility Agent duly executed copies of the following (collectively, with the Mortgages over the New Credit Support Vessels, the “New Collateral Vessel Security Documents”):
  - (i) an Insurances Assignment over each New Credit Support Vessel;
  - (ii) an Earnings Assignment over each New Credit Support Vessel;
  - (iii) a Charter Assignment with respect to any Charter in excess of (or capable of exceeding, by virtue of any optional extension) 12 months over each New Credit Support Vessel (on a commercially reasonable basis if the relevant vessel employment agreement expressly prohibits such assignment); and
  - (iv) the Assignment Notices with respect to the above mentioned Assignments;
- (g) Vessels Liens. Each New Vessel Owning Entity shall deliver to the Facility Agent evidence satisfactory to it and to its counsel that, save for the liens created by the Mortgage and the Assignments, there are no liens, charges or encumbrances of any kind whatsoever on its New Credit Support Vessels, or on its earnings except as permitted by the Credit Agreement or by any of the New Collateral Vessel Security Documents;
- (h) Compliance with ISM Code, ISPS Code, Annex VI and MTSA. Each New Vessel Owning Entity shall deliver to the Facility Agent evidence satisfactory to it and to its counsel that its New Credit Support Vessel complies and the Operator complies with the requirements of the ISM Code, ISP Code, Annex VI and MTSA including (but not limited to) the maintenance and renewal of valid certificates pursuant thereto and the Facility Agent shall have received a copy of the DOC, SMC, ISSC and IAPPC for each such New Credit Support Vessel;
- (i) No Threatened Withdrawal of DOC, ISSC, SMC or IAPPC. Each New Vessel Owning Entity shall deliver to the Facility Agent a certificate of such New Vessel Owning Entity certifying that there is no actual or, to the best of such New Vessel Owning Entity’s knowledge, threatened withdrawal of any Operator’s DOC, ISSC, SMC, IAPPC or other certification or documentation related to the ISM Code, ISPS Code, Annex VI or otherwise required for the operation of its New Credit



Support Vessel or in respect to such New Vessel Owning Entity's New Credit Support Vessel;

- (j) Evidence of Current COFR. The Facility Agent shall have received evidence of current compliance with any applicable requirement for a Certificate of Financial Responsibility pursuant to the Oil Pollution Act 1990 for each New Credit Support Vessel, as applicable;
- (k) Vessel Appraisals. The Facility Agent shall have received two appraisals of the Fair Market Value of each New Credit Support Vessel in form and substance satisfactory to the Facility Agent, and the aggregate Fair Market Value (as evidenced by such appraisals) of all the New Credit Support Vessels to be mortgaged to the Security Trustee following the effectiveness of this Amendment shall comply be equal to or greater than the Fair Market Value of the Release Vessel;
- (l) Insurance Report. The Facility Agent shall have received a detailed report from a firm of independent marine insurance consultants appointed by the Facility Agent in respect of the insurances on each New Credit Support Vessel, in form and substance satisfactory to the Facility Agent, the cost of such report to be for the account of the Borrower;
- (m) Vessel Manager Documents. Each Vessel Manager managing a New Credit Support Vessel shall have duly executed and delivered to the Facility Agent the Vessel Manager's Undertaking relating to the relevant New Credit Support Vessel together with a copy of the Management Agreement;
- (n) Filings. Each New Vessel Owning Entity shall have duly delivered to the Facility Agent the Uniform Commercial Code financing statements for filing with such jurisdictions as the Facility Agent may reasonably require;
- (o) Licenses, Consents and Approvals. The Facility Agent shall have received satisfactory evidence that all necessary licenses, consents and approvals in connection with the transactions contemplated by this Amendment and the New Collateral Vessel Security Documents have been obtained;
- (p) Know Your Customer Requirements. The Facility Agent shall have received documentation to the satisfaction of each Lender in connection with its know your customer requirements relating to the New Vessel Owning Entities;
- (q) Legal Opinions. The Facility Agent shall have received legal opinions addressed to the Lenders from Watson Farley & Williams LLP, special counsel to the Security Parties and Vessel Owning Entities, as to matters of New York law, Delaware law, Marshall Islands law and United States maritime law, in such form as the Facility Agent may require, as well as such other legal opinions as the Facility Agent shall have required as to all or any matters under the laws of the United States of America, the State of New York, the State of Delaware and the Republic of the Marshall Islands in a form acceptable to the Facility Agent and its counsel;

- (r) Charters. The Facility Agent shall have received certified copies of all Charters relating to the New Credit Support Vessels; and
- (s) Inventory of Hazardous Materials. The Facility Agent shall have received a copy of the Inventory of Hazardous Materials with respect to each New Credit Support Vessel, commencing on the date of the first drydocking of such New Credit Support Vessel after the Closing Date;
- (t) Process Agent. Each New Vessel Owning Entity (other than those incorporated in the United States) shall have appointed a process agent in the State of New York and the Facility Agent shall have received evidence of the acceptance of such appointment from such process agent; and
- (u) Amendment Fee. The Facility Agent shall have received payment in full of any amendment fee agreed between the Borrower and the Facility Agent.

4. Release of Released Vessel. Upon the Effective Date, the Lenders agree that the Collateral relating to the Released Vessel shall be irrevocably and unconditionally released, and hereby authorize the Security Trustee to enter into a release and reassignment agreement and such other documents as necessary to terminate the security interest in the Collateral relating to the Released Vessel.

5. Expenses. The Borrowers hereby agree to pay to the Facility Agent, the Security Trustee and the Lenders all reasonable expenses related to this Amendment in accordance with Section 13.2 of the Credit Agreement, including any expenses of preparation, negotiation, execution and administration of this Amendment and the reasonable fees and disbursements of the Facility Agent, the Security Trustee and the Lenders' counsel in connection herewith.

6. Representations and Warranties. Each of the Credit Parties and the New Vessel Owning Entities represents and warrants to the Facility Agent as of the date hereof and as of the Effective Date that:

- (a) all acts, filings, conditions and things required to be done and performed and to have happened (including, without limitation, the obtaining of all necessary corporate or shareholder approvals and all governmental approvals, including those of any monetary or exchange control authority) precedent to the entering into of this Amendment to constitute this Amendment the duly authorized, legal, valid and binding obligation of such Credit Party or the New Vessel Owning Entity, as applicable, enforceable in accordance with its terms, have been done, performed and have happened in due and strict compliance with all applicable laws; and
- (b) immediately after giving effect to this Amendment, the representations and warranties set forth in the Credit Agreement, as amended hereby, are true and correct in all material respects, except for (A) representations and warranties which expressly relate to an earlier date, in which case such representations and warranties shall be true and correct, in all material respects, as of such earlier date, or (B) representations and warranties which are no longer true and correct as of a result of a transaction expressly permitted by the Credit Agreement as amended hereby, and no Event of Default shall have occurred and be continuing.

7. No Defaults. Each of the Credit Parties and the New Vessel Owning Entities hereby represents and warrants that as of the date hereof and as of the Effective Date there exists no Event

of Default or any condition which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

8. Covenants. Each of the Credit Parties hereby reaffirms that it has duly performed and observed the covenants and undertakings set forth in the Credit Agreement and the other Transaction Documents to which it is a party, and covenants and undertakes to continue to duly perform and observe such covenants and undertakings so long as the Credit Agreement, as amended hereby, shall remain in effect.

9. No Other Amendment. All other terms and conditions of the Credit Agreement and each of the other Transaction Documents shall remain in full force and effect and the Credit Agreement and Parent Guaranty shall be read and construed as if the terms of this Amendment were included therein by way of addition or substitution, as the case may be.

10. Execution in Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.

11. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws of the State of New York.

12. Effect of Amendment. All references in any Transaction Document to the Credit Agreement or the Parent Guaranty on and after the Effective Date shall be deemed to refer to the Credit Agreement or Parent Guaranty as the case may be as amended hereby, and the parties hereto agree that, except as amended by this Amendment, all of the terms and provisions of the Credit Agreement and the Parent Guaranty shall remain in full force and effect. This Amendment is a Transaction Document.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

SEACOR MARINE HOLDINGS INC.,  
as Parent Guarantor

By: /s/ John Gellert  
Name: John Gellert  
Title: President/CEO

SEACOR MARINE FOREIGN HOLDINGS INC.,  
as Borrower

By: /s/ John Gellert  
Name: John Gellert  
Title: President

AARON S. MCCALL LLC,  
as Subsidiary Guarantor

By: /s/ John Gellert  
Name: John Gellert  
Title: President

ALYA MCCALL LLC,  
as Subsidiary Guarantor

By: /s/ John Gellert  
Name: John Gellert  
Title: President

MICHAEL G MCCALL LLC,  
as Subsidiary Guarantor

By: /s/ John Gellert  
Name: John Gellert  
Title: President

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FALCON PEARL LLC,  
as Subsidiary Guarantor

By: /s/ John Gellert  
Name: John Gellert  
Title: Vice President

FALCON DIAMOND LLC,  
as Subsidiary Guarantor

By: /s/ John Gellert  
Name: John Gellert  
Title: Vice President

SEA-CAT CREWZER LLC,  
as Subsidiary Guarantor

By: /s/ John Gellert  
Name: John Gellert  
Title: President

SEA-CAT CREWZER II LLC,  
as Subsidiary Guarantor

By: /s/ John Gellert  
Name: John Gellert  
Title: President

SEACOR HAWK LLC,  
as Subsidiary Guarantor

By: /s/ John Gellert  
Name: John Gellert  
Title: Vice President

SEACOR EAGLE LLC,  
as Subsidiary Guarantor

By: /s/ John Gellert  
Name: John Gellert  
Title: Vice President

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PUTFORD ACHIEVER LTD.,  
as Subsidiary Guarantor

By: /s/ John Annis  
Name: John Annis  
Title: Director

PUTFORD SAVIOUR LTD.,  
as Subsidiary Guarantor

By: /s/ John Annis  
Name: John Annis  
Title: Director

PUTFORD PRIDE LTD.,  
as Subsidiary Guarantor

By: /s/ John Annis  
Name: John Annis  
Title: Director

PUTFORD JAGUAR LTD.,  
as Subsidiary Guarantor

By: /s/ John Annis  
Name: John Annis  
Title: Director

PUTFORD DEFENDER LIMITED,  
as Subsidiary Guarantor

By: /s/ John Annis  
Name: John Annis  
Title: Director

PUTFORD PHOENIX LIMITED,  
as Subsidiary Guarantor

By: /s/ John Annis  
Name: John Annis  
Title: Director

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SEACOR OFFSHORE MCCALL LLC,  
as a New Vessel Owning Entity

By: /s/ John Gellert  
Name: John Gellert  
Title: President

SEACOR OFFSHORE LLC,  
as a New Vessel Owning Entity

By: /s/ John Gellert  
Name: John Gellert  
Title: President

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DNB BANK ASA, NEW YORK BRANCH  
as Facility Agent, Security Trustee and Swap Bank

By: /s/ Samantha Stone  
Name: Samantha Stone  
Title: Assistant Vice President

By: /s/ Ahelia Singh  
Name: Ahelia Singh  
Title: Assistant Vice President

DNB CAPITAL LLC,  
as Lender

By: /s/ Philippe Wulfers  
Name: Philippe Wulfers  
Title: First Vice President

By: /s/ Andrew J. Shohet  
Name: Andrew J. Shohet  
Title: Senior Vice President

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CLIFFORD CAPITAL PTE. LTD.  
as Lender

By: /s/ Richard Desai  
Name: Richard Desai  
Title: Chief Risk Officer

NIBC BANK N.V.  
as Lender

By: /s/ Paulien Hop  
Name: Paulien Hop  
Title: Executive Director

By: /s/ Arnoud de Ridder  
Name: Arnoud de Ridder  
Title: Associate Director

HANCOCK WHITNEY BANK,  
as Lender

By: /s/ Tommy D. Pitre  
Name: Tommy D. Pitre  
Title: Senior Vice President

CITICORP NORTH AMERICA, INC.,  
as Lender

By: /s/ Jim Reilly  
Name: Jim Reilly  
Title: Vice President

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SCHEDULE 4

SCHEDULE 4-A

CREDIT SUPPORT VESSELS

<b>Asset Class / Name</b>	<b>Owner</b>	<b>Flag</b>
<b>Fast Supply Vessels</b>		
SEACOR Cheetah	Sea-Cat Crewzer LLC	Marshall Islands
SEACOR Cougar	Sea-Cat Crewzer LLC	Marshall Islands
SEACOR Leopard	Sea-Cat Crewzer II LLC	Marshall Islands
SEACOR Lynx	Sea-Cat Crewzer II LLC	Marshall Islands
Aaron S. McCall	Aaron S. McCall LLC	Marshall Islands
Alya McCall	Alya McCall LLC	Marshall Islands
Michael G McCall	Michael G McCall LLC	Marshall Islands
Najla McCall	SEACOR Offshore LLC	Marshall Islands
Carlene McCall	SEACOR Offshore McCall LLC	Marshall Islands
<b>Liftboats</b>		
Falcon Diamond	Falcon Diamond LLC	Marshall Islands
Falcon Pearl	Falcon Pearl LLC	Marshall Islands
<b>Standby Vessels</b>		
Putford Achiever	Putford Achiever Ltd.	Cayman Islands
Putford Saviour	Putford Saviour Ltd.	Cayman Islands
Centrica Pride	Putford Pride Ltd.	United Kingdom
Putford Jaguar	Putford Jaguar Ltd.	United Kingdom

SCHEDULE 4-B

ADDITIONAL CREDIT SUPPORT VESSELS

<b>Asset Class / Name</b>	<b>Owner</b>	<b>Flag</b>
<b>Fast Supply Vessels</b>		
John G McCall	SEACOR Marine LLC	United States
Michael Crombie McCall	SEACOR Marine LLC	United States
<b>Liftboats</b>		
SEACOR Hawk	SEACOR Hawk LLC	United States
SEACOR Eagle	SEACOR Eagle LLC	United States
<b>Standby Vessel</b>		
Putford Defender	Putford Defender Limited	United Kingdom
Putford Phoenix	Putford Phoenix Limited	United Kingdom

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED**

I, John Gellert, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SEACOR Marine Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 7, 2019

/s/ John Gellert

Name: John Gellert

Title: *President and Chief Executive Officer  
(Principal Executive Officer)*

## CERTIFICATION

I, Jesús Llorca, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SEACOR Marine Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: August 7, 2019

/s/ Jesús Llorca

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Name: Jesús Llorca  
Title: *Executive Vice President and  
Chief Financial Officer  
(Principal Financial Officer)*

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER  
AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned, the Chief Executive Officer and the Chief Financial Officer of SEACOR Marine Holdings Inc. (the "Company"), hereby certifies, to the best of her/his knowledge and belief, that the Form 10-Q of the Company for the quarterly period ended June 30, 2019 (the "Periodic Report") accompanying this certification fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose.

Date: August 7, 2019

/s/ John Gellert

Name: John Gellert  
Title: *President and Chief Executive Officer  
(Principal Executive Officer)*

Date: August 7 2019

/s/ Jesús Llorca

Name: Jesús Llorca  
Title: *Executive Vice President and  
Chief Financial Officer  
(Principal Financial Officer)*